

know your pension

For members of the Defined Contribution (DC) Section of the FDR
Limited Pension Scheme (the Scheme)

YOUR PENSION HEADLINES:

DC Section assets
valued at £23 million
at April 2015

Changes to how
much you can save

Pension news

Have you visited the
new website yet?

Trustee news

Contact us

Welcome to the 2016 edition of Know Your Pension, specifically for members of the DC Section of the Scheme.

It contains all the information you need to know on how the Section has been managed during the Scheme year ending 31 March 2015, as well as the latest pension news.

Why not spend a few minutes getting to know your pension a bit better?

We hope you find this newsletter informative; however if you have any questions about your pension benefits in the DC Section or any of the matters raised in this newsletter, please contact us using the details on the back page.

The Trustees

Sign up to receive future
newsletters by email!
See page 9 for details



➤ Facts and figures

Accounts

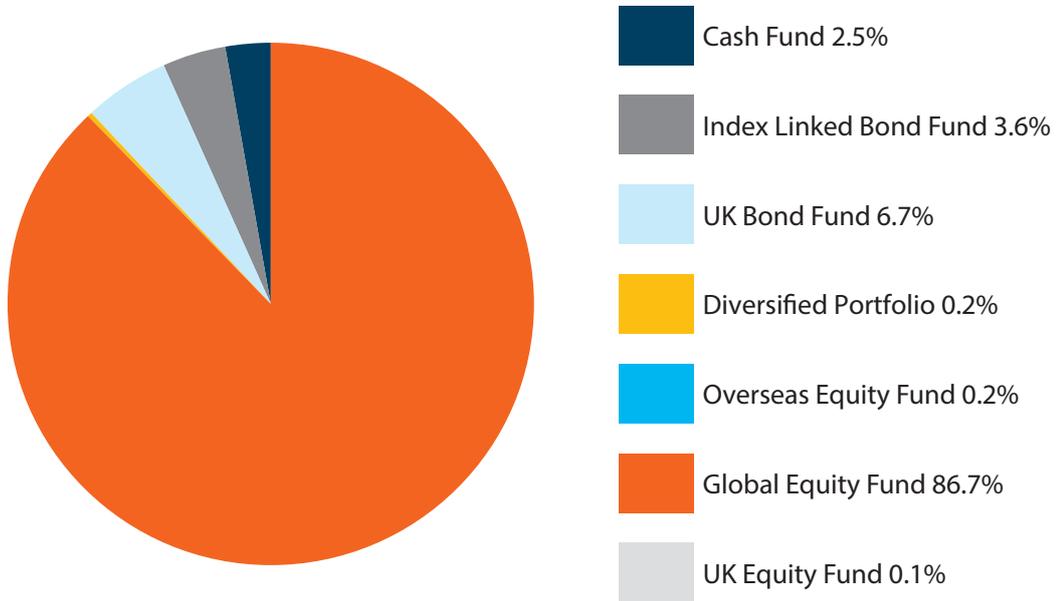
Below are the details of the DC Section's income and expenditure for the year ended 31 March 2015 and 31 March 2014:

	2014/15	2013/14
▲ Fund value at 1 April	22,009,886	23,157,702
▲ Income		
Employer's normal contributions	–	75,377
Employer's other contributions	–	1,474,846
Members' normal contributions	–	50,421
Members' additional voluntary contributions	–	88,095
Transfers in	–	47,433
TOTAL INCOME	–	1,736,172
▲ Expenditure		
Benefits	(93,307)	(183,475)
Transfers out	(836,237)	(5,202,771)
Payments to and on account of leavers	(802)	(255)
Administration expenses	(1,006)	(64,371)
TOTAL EXPENDITURE	(931,352)	(5,450,872)
▲ Investments		
Investment income	2,735	2,239
Change in market value of investments	2,702,317	2,564,737
Investment management expenses	(91)	(92)
▲ Net investment gain / loss during the year	2,704,961	2,566,884
▲ Fund value at 31 March	23,783,495	22,009,886



Investments

As at 31 March 2015 all the assets of the DC Section were invested with Legal & General Investment Management and Schroder Investment Management Limited. Investments in these funds are made according to each member's chosen investment strategy. The overall spread of the DC Section's assets, as invested at 31 March 2015, is shown below:



> Facts and figures (continued)

Investment performance

To ensure that the funds on offer to members continue to provide good investment returns, the Trustees review the performance of the investment managers on a regular basis. The table below shows how each of the funds have performed against their benchmark over the 12 months ending 31 March 2015:

Investment Fund	1 year	
	Fund %	Benchmark %
Global Equity Fund	13.2	13.4
UK Equity Fund	6.6	6.6
Overseas Equity Fund	14.5	14.5
UK Index Linked Bond Fund	21.0	21.1
UK Bond Fund	18.9	19.1
Cash Fund	0.3	0.4
Diversified Portfolio Fund	10.7	6.3

The Trustees regularly review and monitor the range of funds on offer, with the help of their advisers, to ensure that the funds offered are appropriate for members' needs.

Members wishing to make changes to their investment choices can do so by visiting the Scheme website: www.fdrlimitedpensionscheme.com/dc and logging into their personal account.



➤ Facts and figures (continued)

Target retirement age

If you have selected the Lifestyle option, your investments will be switched from higher-risk to lower risk funds as you near retirement. Your investments switch into lower risk funds over a period of 10 years up to your selected retirement age. You can select a target retirement age between 55 and 75 which will be used to determine when the fund switches take place. If you don't select a target retirement age, it will be set at 65.

If you are affected by the changes to State Pension Age (SPA) outlined in the Pensions Headlines section of the last Know Your Pension and you intend to retire when the State Pension becomes payable, you can choose a target retirement age that matches your SPA.

In the last edition of the newsletter we advised you that the Government is increasing the minimum retirement age from 55 to 57 with effect from 2028. If you have selected a target retirement age below age 57 you should consider whether this is still appropriate for you in light of this change. If you want to change your target retirement age or select your investment options, you can do this at any time online at www.fdrlimitedpensionscheme.com/dc and logging into your personal account. Selecting a target retirement age for this purpose is purely an investment-related decision. It doesn't guarantee any entitlement to retire early, as this will still be subject to the normal terms and conditions of the Scheme, and any relevant legislation.

The Lifestyle option is designed so that at retirement 25% of your Member Account is invested in cash. This reflects the option to take cash sum on retirement which is typically 25% of the total fund value. This may not be appropriate for members with benefits in the DB Section of the Scheme as the maximum cash sum available is currently 25% of the combined DC and DB benefits.

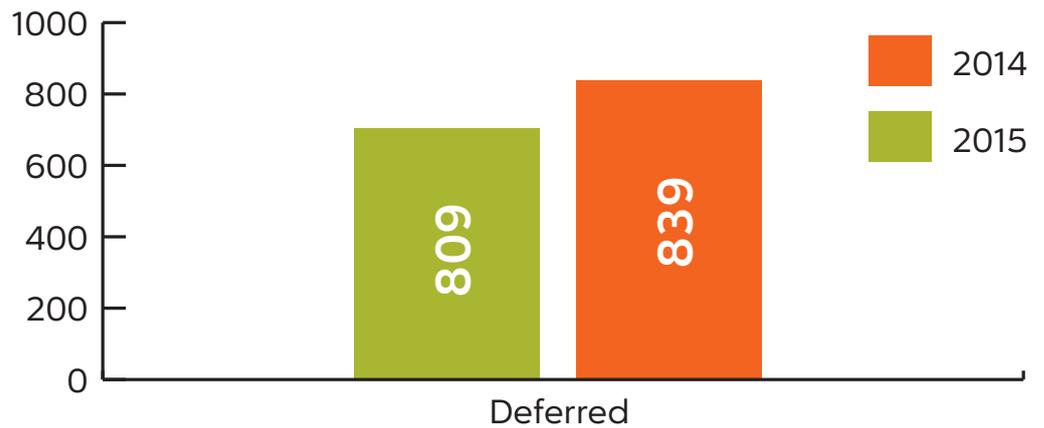
Where DB and DC benefits are taken at the same time, members may use their Member Account to make up some or all of the combined cash sum. This may mean that the cash sum taken from their Member Account is greater than 25% of the fund value. If you are unsure about how to invest your Member Account, you should speak to an independent financial adviser (IFA). You can find an IFA in your local area at www.unbiased.co.uk



➤ Facts and figures (continued)

Membership

The chart below shows membership of the DC Section of the Scheme at 31 March 2015 and 31 March 2014. The DC Section of the Scheme is now closed and all remaining members are now classed as deferred members.



> Pension news

Changes to how much you can save into pensions

Changes to the Lifetime Allowance

From 6 April 2016, the Lifetime Allowance is reducing from £1.25 million to £1.0 million.

The Lifetime Allowance is the maximum you can save into pension schemes over your lifetime before it becomes subject to tax charges. The Lifetime Allowance applies to all pension schemes that you have savings in (excluding the State Pension), and not just the FDR Limited Pension Scheme.

Most people will not be affected by this change, but if you think you might be you should speak to an independent financial adviser. If you don't already have one, you can find one in your area by visiting www.unbiased.co.uk

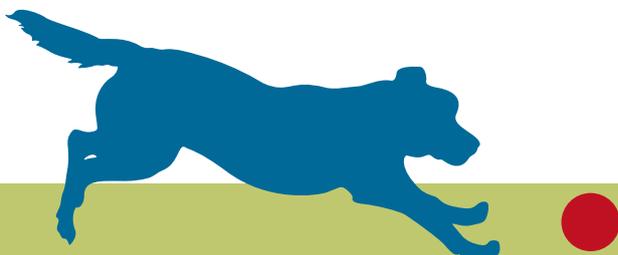
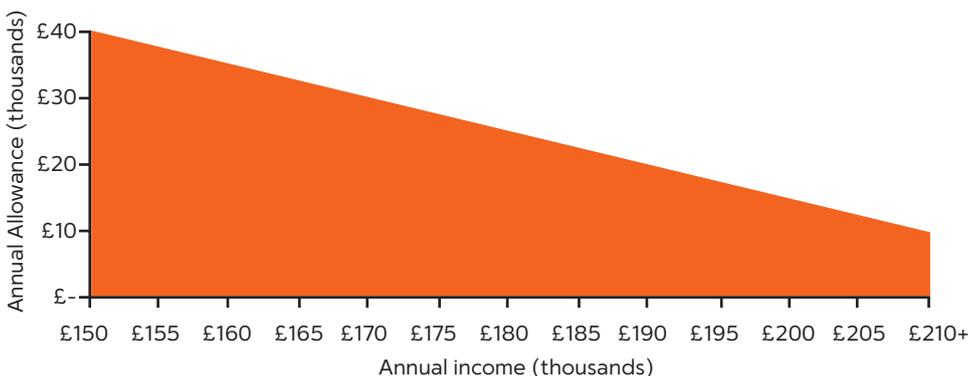
Changes to the Annual Allowance

The standard Annual Allowance is currently £40,000 per year, and this remains unchanged. The Annual Allowance is the limit on what you can save into all your pension schemes in any one tax year, including employer contributions.

However, from April 2016, the Government is introducing a Tapered Annual Allowance which is likely to affect anyone whose income is over £110,000 per year.

The Tapered Annual Allowance will effectively reduce the Annual Allowance by £1 for every £2 of income between £150,000 and £210,000. For the purposes of the Tapered Annual Allowance, 'income' includes any earnings from your salary, pensions, share dividends and rental income, amongst others.

The table below shows how the Annual Allowance might be affected:



› Single Tier State Pension

In the last edition of Know Your Pension we told you about the new, single tier State Pension.

This new State Pension will come into effect on 6 April 2016, and if you reach your State Pension Age on or after that date you will be affected. If you reach your State Pension Age on or before 5 April 2016, you will receive the current State Pension.

To qualify:

To receive the maximum State Pension you must have at least 35 years' of National Insurance contributions (NICs). From 6 April 2016, the maximum State Pension is £155.65 per week.

You must have at least 10 years' NICs to be able to qualify to receive any State Pension. If you have more than 10 years' but less than 35 years' NICs, you will receive a pro-rated amount based on your actual NICs.

If you have less than 10 years' NICs built up by the time you reach State Pension Age, then you will not qualify for the new State Pension.

What else has changed?

One of the major changes is that you can only earn your own State Pension; you cannot inherit a spouse or civil partner's State Pension following their death.





Have you visited the new website yet?

Earlier this year, we introduced the new website for members of the FDR Limited Pension Scheme, which you can view anywhere and at anytime by visiting www.fdrlimitedpensionscheme.com/dc

From here, you'll be able to access the DC section of the site, which you'll be able to use like a Scheme booklet, where you can find out information about the Scheme, including what to do when you retire, or what happens if you were to die.

You'll also be able to find out about how to invest the contributions you've paid in, view a library of useful documents (including old editions of Know Your Pension) and find out who you should contact if you have any queries about the Scheme or pensions in general.

You'll also be able to log on to your personal account on Hartlink Online via the website too!

And, if you haven't already, you can also sign up to receive a digital copy of future editions of this newsletter instead of receiving a print version. You'll receive it on the day it's published, rather than having to wait for a copy to come to you through the post.

So visit www.fdrlimitedpensionscheme.com/dc today to find out more!



Trustee news

The Scheme is looked after by the Trustees, who take responsibility for managing the Scheme conscientiously and in the best interests of members and beneficiaries.

At 31 March 2015, the Trustees were:

Employer-nominated Trustees Ty Miller, Keith Rowling, Annelise Fournier

Member-nominated Trustees Peter Motley, Carol Dutton

It is a legal requirement that at least one third of pension scheme trustees are member nominated. The usual term of office for a Member Nominated Trustee (MNT) in the FDR Scheme is three years. For the current MNTs the three year term has now expired and under the existing procedures a further selection process is required.

In the last edition of the newsletter we advised you that the Trustees have reviewed the process in view of a court case which is currently underway in relation to the DB section of the Scheme.

The court case relates to the method of calculation of certain DB benefits and does not affect any benefits payable from the DC section. The Trustees do not believe that it would be in members' interests to change the Trustee board during this process. This matter has not yet been concluded but once it is, members will be invited to make nominations for the next term of office. The next nomination process will take place within six months of the case being resolved or two years after the expiry of the current term of office if sooner.

Secretary to the Trustees:	Andrew Smith of Capita
Scheme actuary:	Andrew Barnes FIA of Willis Towers Watson until 31 March 2016 and Jane Curtis FIA of Aon Hewitt from 1 April 2016
Scheme administrator:	Capita
Investment managers:	Legal & General Assurance (Pensions Management) Limited Schroder Investment Management Limited P-Solve
Employer covenant adviser:	Punter Southall
Investment consultant:	P-Solve Investments Limited
AVC providers:	Standard Life Assurance Society
Solicitors:	SNR Denton UK LLP
Auditor:	Ernst & Young LLP
Bankers:	National Westminster Bank Plc



➤ Help with questions or problems

If you have any comments or questions, or you are dissatisfied with anything to do with the Scheme, you should contact the Scheme administrator, Capita, whose details are below:

The Pensions Advisory Service

11 Belgrave Road

London

SW1V 1RB

Pensions Helpline: 0345 601 2923

Website: www.pensionsadvisoryservice.org.uk

The Pensions Regulator

Napier House

Trafalgar Place

Brighton

BN1 4DW

Telephone: 0345 600 0707

Website: www.thepensionsregulator.gov.uk

The Office of the Pensions Ombudsman

11 Belgrave Road

London

SW1V 1RB

Telephone: 020 7630 2200

Fax: 020 7821 0065

E-mail: enquiries@pensionsombudsman.org.uk

Contact us

If you have any queries about the Scheme or your benefits, you can contact us using the details below:

FDR Limited Pension Scheme

Capita

Hartshead House

2 Cutlers Gate

Sheffield

S4 7TL

Email at: fdr@capita.co.uk

Pensions helpline: 0345 604 5316

Or visit the website at: www.fdrlimitedpensionscheme.com/dc