

Winter 2023/24
IWCSSS

Pensions Update

iWCCSS
Industry-Wide Coal Staff
Superannuation Scheme



Security in challenging times

‘Welcome to the latest update from the IWCSSS Trustee. In addition to a general news round-up, in this issue, we include financial details of the Scheme and an update on the general health of the IWCSSS.’

The Scheme has a lot of different segregated sections, whose sponsoring employers cover a wide range of sectors, so we need to keep our eye on lots of different things, foremost of which is making sure your IWCSSS benefits are secure.

It has certainly been a challenging time for many, with energy costs, food prices and inflation remaining stubbornly high. The IWCSSS provides a degree of financial security to many, but managing personal finances and knowing where to go for support is more important than ever, so we have signposted some sources of expert help later in these pages.

The make-up of our Trustee Board is unique, and you have a set of Trustee directors who largely work, or have worked, in our industries and so understand your working life and how important security is for IWCSSS members. Amongst other things, this newsletter covers the Scheme finances for 2022, which was a positive year, where we

concentrated on delivering our objectives on your behalf – sound administration, security of assets and strong funding. We concluded most of our triennial funding discussions with your employer (or former employer) in 2023, and you should have received a funding update separately. For most sections, we have succeeded in reducing investment risk as we move closer to one of our key objectives, the full funding of your IWCSSS pension.

I have been working with the IWCSSS for nearly nine years, and it remains a great privilege for me to be able to serve IWCSSS members. Your Trustee Board continues to work hard to provide the best service we can, and your feedback

plays a vital role in us continuing to improve our service to you. So, if after reading this update, you have any comments or questions, we would be delighted to hear from you.

I hope you find this issue of *Pensions Update* helpful and informative.

Heather McGuire
Chair of the Trustee



What's inside

Scheme news	4
Scheme finances	8
Membership	9
Investment update	10
Actuarial valuation update	12
Pension news	13
Coming up to retirement?	16
Get in touch	20



Scheme news

Pensions dashboards

Despite delays, the Government has formalised its intentions to continue with its pensions dashboards programme. Pensions dashboards will allow individuals to access all of their pensions information online, securely and all in one place. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State pension.

Pension providers and schemes will have to connect to the pensions dashboards system, using a standard format of data, which will be regulated. The Scheme will be connecting to pensions dashboards and, whilst this is unlikely to happen for a couple of years, it is a reminder for members to keep personal data up to date, which is important anyway to ensure you and your family receive benefits from the Scheme. To get the most value from the pensions dashboard, you need to ensure all of your pension savings hold correct data.

As a first step, if you have not done so, members can register to use the Scheme's online portal to look at their Scheme information and update their details (see page 5).

Have you registered to use PRISM?

Members can now register to access information about their IWCSSS benefits online through the Scheme's website. The portal, known as PRISM, is operated by the Scheme administrator, Hymans Robertson. To register, go to **<https://www.iwcsss.com>**

Once registered on the website, you will have access to your own personal details and information about your pension. So, at any time you can:



view and update your personal information



tell us how you prefer us to contact you



update your address



view your annual current pension or, if still a contributing member, request a quote of your pension



view and print your payslips and P60



model your benefits at retirement



submit requests for illustrations and view the results online.

Of course, members will always be able to contact the Scheme administration office in the usual way (see back page for details). Please help us to keep your details up to date by letting us know if you change your address. You can do this by using PRISM or via the IWCSSS administration office, so that we can update Scheme records (even if you have already told BCSSS).

The Scheme's website also includes information about pensions and useful contact details.



Changes to the Scheme

The IWCSSS Trustee has proposed an amendment to the Trust Deed & Rules to introduce a forfeiture provision to be used at the discretion of the Trustee.

This is a common provision found in occupational pension schemes and as part of a review of the Scheme provisions, the Trustee was advised it would be sensible to introduce such a clause.

The most likely scenario where the Trustee could use the provision concerns the late payment of benefits. The Trustee will have the discretion, in certain circumstances, to limit the payment of arrears where a member does not claim their benefits within six years of the date they fell due for payment. This amendment has been passed to the Employer Body for their agreement, which is expected.



Pension payslips

The increasing cost of postage has become a significant expense to the IWCSSS. In some feedback from members, we understand that whilst the payslips are interesting, most members would be happy to access them online, where they can see the history of their pension payments.

The Trustee has decided that, with effect from the start of the next tax year on 6 April 2024, pensioners will no longer receive a payslip automatically in the post. Instead, payslips and the annual P60 will be available to view and download from PRISM which, as mentioned on page 5, allows members to register for online access to their own personal Scheme data.

Being mindful that this will not suit all members, the IWCSSS Trustee has agreed that pensioners who wish to continue to receive a payslip will be able to do so. Therefore, if you want to continue to receive a payslip in the post, you will need to contact the Scheme administration office to let us know, and arrangements will be made for payslips to be provided as they are now.

Please note, your annual P60 (and significant variations in your pension) will continue to be posted to you, even if you are content to view your payslip online.

Working together

The IWCSSS Trustee has for some time been working with the Trustee Board of its sister Scheme, the Industry-Wide Mineworkers' Pension Scheme (IWMPS). Both Schemes have the same Chair of the Trustee, and some employers have sections in both Schemes.

This informal arrangement has helped in reducing costs and has been successful, so each Trustee Board is looking at how this can be made a permanent fixture. If this happens, it won't change any benefits or other arrangements, it will merely apply to the governance of the two Schemes. If this proceeds, we will give you an update in next year's newsletter.

Scheme finances

Although there are now fewer members still accruing benefits in the Scheme (and therefore paying money in), the IWCSSS receives other income from investments and through employer contributions.

Money is paid out in the form of pensions and lump sums, transfers out and Scheme running costs (including levies). The table shows some highlights from the Scheme's latest accounts.

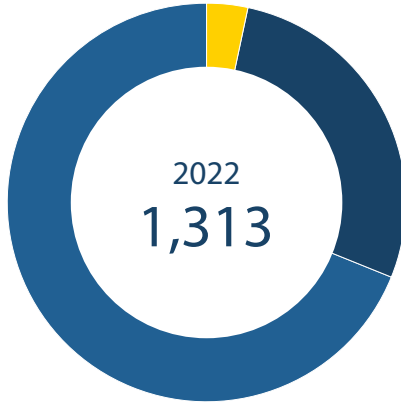


If you would like to see a copy of the Scheme's full report and accounts, please request one from the administration office.

	2021 £m	2022 £m
Value of the Scheme as at 1 January	303.2	324.1
Money in		
Contributions	9.0	11.3
Total income	9.0	11.3
Money out		
Benefits paid to members	(7.2)	(7.7)
Transfers out by individuals	(1.8)	(2.6)
Operating costs	(1.4)	(1.8)
Total expenditure	(10.4)	(12.1)
Income minus expenditure	(1.4)	(0.8)
Investments		
Investment income	1.4	3.0
Change in market value	21.7	(109.4)
Investment management costs	(0.8)	(0.6)
Net returns on investments	22.3	(107.0)
Net increase/(decrease) in the Scheme for the year	20.9	(107.8)
Value of the Scheme as at 31 December	324.1	216.3

Membership

The contributing and deferred membership of the IWCSSS continued to fall as members retired over the year.



	2021	2022
● Active members (still in contributing employment)	61	46
● Deferred members (who have left their IWCSSS employer but not yet retired)	391	366
● Pensioners	872	901
Total at 31 December	1,324	1,313



Investment update

The last year was a difficult time for investment markets. Although the impact of the Covid-19 outbreak receded, the Russian invasion of Ukraine early in 2022 created uncertainty and volatility in the financial markets.

The Scheme had very limited investment exposure to the Russian market and so was not directly affected, but financial markets remained nervous and this compounded the impact of events towards the end of 2022 when the investment markets were in turmoil. Gilt yields soared, inflation rose sharply and interest rates were raised aggressively to wrestle prices under control.

The impact of this was that the value of the Scheme's matching assets fell. You will notice that the total value of the assets has shrunk, but this is not something to be concerned about as the Trustee's

investment strategy of using matching assets to 'hedge' against the Scheme's pension liabilities protected the funding levels. In fact, one benefit of the higher Gilt yields was that falling liabilities improved the funding level of many of the sections of the Scheme, and so some sections are now looking to fully secure their benefits. If this affects your section in the Scheme, we will write to you separately.

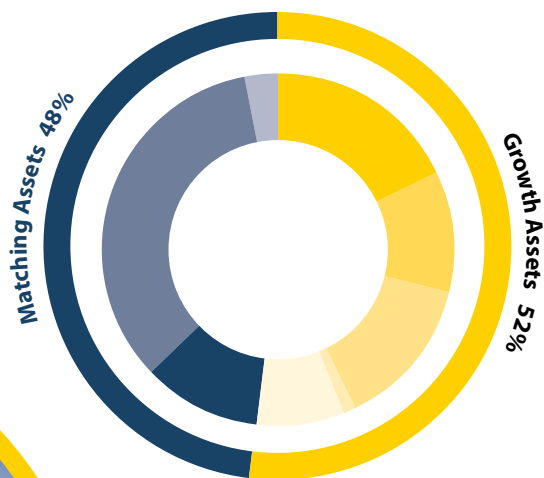
The Trustee continues to monitor the ongoing investment position, which stabilised somewhat in 2023, and is keeping its investment strategy under review following the actuarial valuation. Broadly, the

aim is to balance the ability of your employer to maintain contributions to enable the Trustee to take risk out of the invested assets wherever possible, thereby reducing funding volatility and giving a smoother path to full-funding.



The assets held can be broadly split into two categories – those which look for growth and those which seek to protect funding. The splits for each section in the Scheme are different, and outline details of these are in your Summary Funding Statement. However, at a Scheme-level, the split is shown in the graph below.

As at 31 December 2022, the Scheme’s assets of £201.8 million were invested as follows:



Growth Assets

● Equities	18%
● Multi Asset Credit	11%
● Bonds	14%
● Alternatives	1%
● Property	8%

Matching Assets

● Liability Driven Investment (LDI) assets	11%
● Index-Linked Gilts	34%
● Cash Funds	3%





Actuarial valuation update

The latest triennial actuarial valuation of the Scheme was completed during 2023.

It is one of the most important checks of the financial standing of the IWCSSS. Using a complex mix of economic and statistical forecasting, the valuation is a calculation of whether the value of each IWCSSS sections' assets (the amount of money in the section and its estimated future income) is sufficient to cover its liabilities (the current amount of money needed to pay the benefits of all members when they come to retire). This is determined on the basis of the assumptions discussed between the Trustee and each employer for future investment growth, interest rates, inflation, members' life expectancy and other relevant factors.

If the assets cover its liabilities, an employer section is said to be in surplus. If not (which is the case for most sections), there is a deficit, and action must be taken to correct it and bring the section's finances back into a balanced position. Most IWCSSS employer sections have been in a deficit position for some years; but during this valuation, the Trustee has sought to agree a long-term plan with each of the employers to restore the funding level, usually over the next few years. You should have received a Summary Funding Statement showing the funding position for your section recently, but if you have any questions about the Statement, or about your own benefits, please contact the administration office.



Pension news

Pension taxation changes

In the 2023 Spring Budget, the Chancellor announced changes to the taxation of pensions which were effective from 6 April 2023. A summary is provided below. If you are affected by these changes, the Scheme's administration office will provide you with details to enable you to determine if you will be liable for a tax charge. Responsibility to assess whether a tax charge will be payable rests with the individual and not the Scheme, as it depends on a member's personal financial situation and not just Scheme benefits.

- The extra tax charge for going over the lifetime allowance (the total value of pension benefits, other than any State pension, you can build up free of tax) no longer applies. Instead, you would pay normal income tax at your highest rate on any excess. The lifetime allowance is due to be abolished completely from 6 April 2024.
- The maximum tax-free lump sum you can take – if you do not have a form of protection in place – remains frozen at £268,275.
- The annual allowance (the amount of pension benefits you can build up free of tax in any tax year) increased from £40,000 to £60,000.
- The tapered annual allowance applies to those earning £200,000 a year or more, with an 'adjusted income' – that is, earnings plus pension savings over the year – above £260,000 (up from £240,000).
- The minimum tapered annual allowance increased from £4,000 to £10,000 and applies to those with an adjusted income above £360,000 a year.
- The money purchase annual allowance (the amount of money purchase contributions you can make free of tax in any tax year, if you have already taken any money purchase pensions savings using a flexible option) has increased from £4,000 to £10,000.



Cost-of-living support – are you eligible for Pension Credit?

If you are over State pension age and in receipt of an IWCSSS pension and are still struggling, Pension Credit can give you extra money to help with your living costs. It can also help with housing costs such as ground rent or service charges. You might get extra help if you're a carer, severely disabled, or responsible for a child or young person. If eligible, you can get Pension Credit even if you have other income, savings or own your own home.

If you get Pension Credit, you can also get other help, such as housing benefit, support for mortgage interest, a council tax discount and a free TV licence, if you're aged 75 or over.

Find out if you're eligible and how much you could get at [gov.uk/pension-credit-calculator](https://www.gov.uk/pension-credit-calculator). If you cannot use the calculator, you can call the Pension Credit claim line on 0800 99 1234.

Boosting your State pension

If you are still working, you might like to be aware that the Government has extended the deadline for 'buying years' to fill gaps in your National Insurance (NI) record, which could potentially boost your State pension by thousands. This is called 'paying voluntary NI contributions'. Until 5 April 2025, you may be able to fill any gaps in your NI record this way, from as far back as 2006.

The new State pension was introduced on 6 April 2016. Men born on or after 6 April 1951 and women born on or after 6 April 1953 can claim the new State pension when they reach State pension age. The State pension age is currently 66, but it's due to rise to 67 by the end of 2028.

Under normal rules, you can only fill gaps in your NI record from the last six years. But if you reached, or will reach, State pension age after 6 April 2016, you currently have the chance to pay voluntary NI contributions to plug gaps in your NI record going back to 2006.

Why is my NI record important?

Whether you'll get the State pension and how much you'll get depends on the number of 'qualifying years' on your NI record. To get any State pension, you normally need ten qualifying years, and 35 years to get the full State pension, but this could be different based on your circumstances. You can plug gaps by paying voluntary NI contributions, even if you're already receiving the State pension.

How do I check if I have gaps in my record?

Have a look at your State pension forecast. If you're not at State pension age, this can help you see whether you're predicted to get the full State pension amount, which is currently £203.85 a week. If you find you're not expected to get the full amount, it could be worth looking into this.

Check your National Insurance record online

This will show your years of full contributions, as well as years that aren't full – i.e. that are classed as gaps. Go to **gov.uk/check-national-insurance-record**. Although paying voluntary NI contributions can be extremely valuable, the IWCSSS can't advise you on what to do, and whether it's right for you will depend on your own circumstances.

Coming up to retirement?

With the increased choices available at retirement, it can be overwhelming when considering the right option for you.

For some time now, the Trustee has been suggesting to members that they should consider taking independent financial advice at retirement (the Trustee is unable to give financial advice). In fact, legislation now requires members

to seek advice from an independent financial adviser before they are allowed to take a transfer out of the IWCSSS.

However, the Trustee recognises that finding a suitable and legitimate financial adviser who you can trust can be difficult. Therefore, as we mentioned in the last newsletter, the Trustee has selected an authorised financial services company which is able to provide independent financial advice to IWCSSS members before their retirement. This company is called Hub Pension Consulting.

Hub is one of the UK's largest independent financial advisers for members of schemes like the IWCSSS and has helped the trustees and sponsors of lots of similar

schemes, providing transfer advice to over 17,000 members.

To help with your retirement planning, the Trustee has agreed to pay for the first session of advice with Hub if you are thinking of transferring your benefits out of the IWCSSS. If you decide that now is not the right time and you want to wait until later, the Scheme will subsidise a second session of transfer advice, so that you would only have to pay half the cost of a second review.

Details of Hub will be sent to you as part of the retirement planning information. Alternatively, you can find their contact details on the back page.





Money and pensions guidance from MoneyHelper

MoneyHelper is supported by government and provides a single destination for people to obtain impartial and free information on money and pensions guidance. You can find out more at moneyhelper.org.uk

Your data

Members will appreciate how important cyber security is, particularly to pension funds which hold a lot of valuable member data. The Data Protection Act 2018 sets out rules that pension schemes must follow, together with guidance from the Pensions Regulator, to ensure that the Trustee only uses your data for a prescribed purpose (in our case, that is to process your IWCSSS pension arrangements) and has good cyber security.

You can find a copy of the IWCSSS privacy notice at www.iwcsss.com. This privacy notice explains how the Trustee collects and processes your personal data in connection with the administration of the IWCSSS. It describes what personal data is collected about you, the basis upon which it is processed, with whom it is shared, how it is stored and certain other important information relating to the protection of your personal data.

The Trustee regularly reviews the IWCSSS data security and all the procedures for holding data and transferring it securely between the advisers who need to handle it in order to run the Scheme. Whilst no pension scheme or organisation is immune from hostile attacks, we try to have the best arrangements in place to try to safeguard members' data.

There are also some steps that you can take to protect yourself online, and the enclosed leaflet gives some hints and tips, which we hope you find useful.



Pension scams – please beware

Every year, we repeat our warning for members to be very careful when considering a transfer of their benefits out of the Scheme. We make no excuses for repeating this, as scams are getting more common and more sophisticated.

Please treat every unusual contact about your pension with suspicion. Unexpected approaches from people who claim to be 'pension advisers' with proposals to help you access pension savings or take advantage of investment opportunities by leaving the Scheme and moving your pension to a different arrangement are usually dodgy. No reputable adviser would contact members, without being asked, offering to 'help' in this way. Although the IWCSSS Trustee tries to help by going through requests to transfer benefits extra carefully and has even signed up to the Pension Regulator's code of conduct to try to prevent scams affecting our IWCSSS members, it requires everyone to be vigilant.

Please be on your guard, and if someone tells you something about your pension which sounds too good to be true – it undoubtedly is. Hang up the phone, or walk away.

If you need help or information about your pension before making a decision about retirement or savings, please speak to the IWCSSS administration office in the first instance – they are used to spotting scams and, whilst they cannot provide financial advice, they can help to direct you to where you can get further guidance, including MoneyHelper as mentioned earlier, and how to obtain personal financial advice. The MoneyHelper website has more information about spotting a pensions scam.

You worked hard to build up a pension that will support you and your family through your retirement and into old age – don't let a scammer destroy it.



Get in touch

For details of your IWCSSS pension, contact the IWCSSS administration office:

IWCSSS
Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB

Tel: 0141 566 7660

Email: iwcsssadmin@hymans.co.uk

Useful addresses

If you have not yet retired and you want independent financial advice about your IWCSSS benefits, contact Hub Pension Consulting:

Website: hulpensionconsulting.co.uk/IWCSSS

Tel: 0800 484 0025

For general pensions advice not related to the IWCSSS, you can contact MoneyHelper via their website moneyhelper.org.uk, or telephone 0800 011 3797.

For a State Pension forecast

Website: gov.uk/check-state-pension

Tel: 0800 731 0175

Disputes or complaints

We sincerely hope you'll have no reason to complain about the service you receive from our administrators or any other issue with the Scheme. However, if you do have a complaint or dispute, please let our administrators know so they can resolve it quickly.

If you are unhappy with their explanation, our administration office will give you details of how to raise a formal dispute with the Trustee. You can also obtain independent free advice on any pensions dispute from the Pensions Ombudsman via their website, www.pensions-ombudsman.org.uk, or telephone 0800 917 4487.

Please note that the information in this publication is based only on an interpretation of the Scheme Rules and is not intended to be a definitive statement of your entitlement to specific benefits from the Scheme. Some employer sections of the Scheme differ from others in certain respects, and not all employer sections necessarily adhere to the descriptions of benefits or policies described here. This newsletter is current at the point of writing, though its contents are subject to change. The Scheme's Trust Deed and Rules will override the information provided in the newsletter in the event of inconsistency.