

Pensions Update

Winter 2024/25

IWCSSS



iWCSSS
Industry-Wide Coal Staff
Superannuation Scheme

Providing stability in a time of change

'Welcome to the latest update from the IWCSSS Trustee. In addition to a general news round-up, this issue also includes the financial details of the Scheme.'

The Scheme has a large number of segregated sections, whose sponsoring employers are drawn from a wide range of sectors. The Trustee therefore needs to keep on top of lots of different things, but its main objective is to make sure your IWCSSS benefits are secured.

As 2025 gets underway, our thoughts turn not only to the future of our Scheme but also the changing political landscape following last year's general election. Having settled in, the

Government has indicated some shifts in policies that may impact pension regulations and financial strategies. As always, we will endeavour to keep abreast of these for the benefit of Scheme members. We remain committed to ensuring that the Scheme is resilient and well managed, and that it adapts to both economic conditions and legislative changes.

As I have mentioned in previous years, the make-up of our Trustee Board is unique, and you have a set of Trustee directors who appreciate

how important financial security is for our members. They are committed to making the Scheme run as effectively as possible at all times.

Among other things you may find useful, this newsletter provides a report on the Scheme's latest audited finances for the year to 31 December 2023. These reflect a positive situation, despite the continued global financial uncertainty and continued war in Europe. We are working on the 2024 position now and will report on that in due course.



The Trustee remains committed to delivering its top priority for members – paying pensions on time and delivering a positive and helpful service to its members, providing stability as you enjoy your retirement.

I hope you find this update helpful and informative. If, after reading it, you have any comments or questions, we'd be delighted to hear from you.

With my best wishes to you and your families.

Heather McGuire
Chair of the Trustee Board

What's inside

Scheme finances	4
Membership	5
Investment update	6
Scheme news	8
Scheme website registration	11
Coming up to retirement?	12
Pension scams – please beware	13
Pension news	14
Contact us	16



Scheme finances

The IWCSSS receives income from its investments, and also through member and employer contributions (although the number of members still paying in is gradually falling).

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.

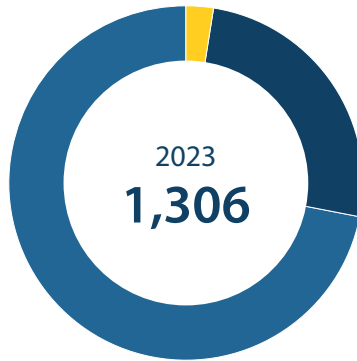


You can request a copy of the Scheme's full report and accounts from the administration office.

	2022 £m	2023 £m
Value of the Scheme as at 1 January	324.1	216.3
Money in		
Contributions	11.3	10.0
Total income	11.3	10.0
Money out		
Benefits paid to members	(7.7)	(8.7)
Transfers out by individuals	(2.6)	(1.5)
Operating costs	(1.8)	(1.6)
Total expenditure	(12.1)	(11.8)
Income minus expenditure	(0.8)	(1.8)
Investments		
Investment income	3.0	1.3
Change in market value	(109.4)	8.0
Investment management costs	(0.6)	(0.6)
Net returns on investments	(107.0)	8.7
Net increase/(decrease) in the Scheme for the year	(107.8)	6.9
Value of the Scheme as at 31 December	216.3	223.2

Membership

The contributing and deferred membership of the IWCSSS continued to fall as members took retirement over the year. The table compares the total membership as at 31 December 2023 with the figure at the end of December 2022.



	2022	2023
● Active members (<i>still in contributing membership</i>)	46	35
● Deferred members (<i>who have stopped contributing but not yet retired</i>)	366	332
● Pensioners	901	939
Total membership at 31 December	1,313	1,306



Investment update

During 2023, investment markets experienced significant volatility amid ongoing economic uncertainty, rising interest rates and inflationary pressures.

Happily, the Scheme's diversification strategy has proven to be effective at helping the Scheme weather the ups and downs of market movements, while the Scheme continues to maintain a high level of cash liquidity to ensure member benefit payments are secure.

Following completion of the 2021 actuarial valuation, in 2023 the Trustee undertook a review of the investment strategy. This resulted in assets being transferred from the Growth Portfolio (which is mainly made up of equities) to the Matching Portfolio. This change was enacted in order to 'de-risk' the Scheme, mitigating the volatility in the equity market and taking account of the Scheme's increased maturity.

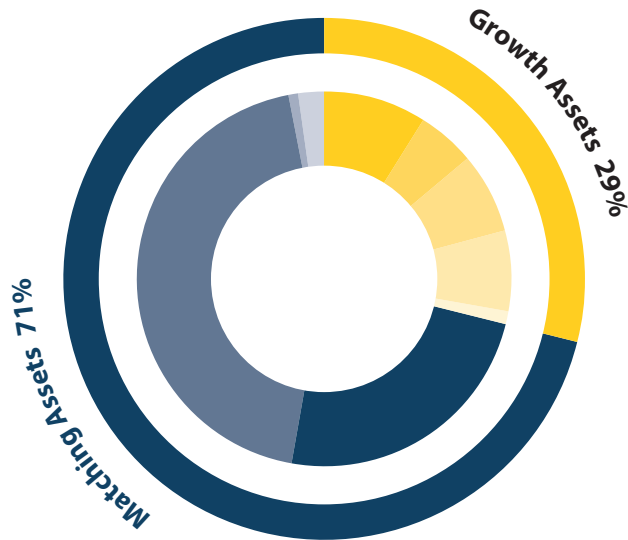
As we move into a new year, market conditions are likely to remain uncertain, but the continued focus on risk management puts our Scheme in a strong position.

The Trustee remains committed to monitoring the market closely, with help from its professional advisers, and adapting the investment approach where needed to ensure the best outcomes for our members.



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 the details for your section will be provided in the next Summary Funding Statement. However, at a Scheme-level, the split is shown in the chart below.

Total investment assets at 31 December 2023 were £201.4m



Growth Assets

Equities	9%
Multi Asset Credit	5%
Bonds (Government and Corporate Bonds)	7%
Property	7%
Alternatives	1%

Matching Assets

Liability Driven Investment (LDI) Assets	24%
Bonds (Index-Linked Gilts)	44%
Synthetic Credit	1%
Cash Funds	2%

Scheme news

Changes to the Scheme

During 2024, the Trustee made one change to the Trust Deed and Rules.

This concerns an amendment to allow the Trustee to wind up a section with no contributing members to enable the benefits to be transferred to an insurance company without seeking member consent. This is commonly referred to as a 'buyout'. This amendment only applies if the section is solvent, meaning its assets are at least sufficient to cover all benefits and costs, AND only if all members' benefits are secured in full.

Working together

As we mentioned in our last *Pensions Update*, 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 Trustee Chair, and some employers have sections in both schemes.

This informal arrangement has helped to reduce costs, in addition to other benefits, so a plan has now been developed to bring both schemes under the umbrella of one single Trustee Board. We aim to complete this change by spring 2025. It won't affect your benefits or other arrangements you have with the Scheme.





Expression of Wish form

The IWCSSS provides important benefits for your family, offering security and peace of mind for you and your dependants. Scheme members have the option to complete an 'election and declaration' under Rule 28 of the Scheme Rules, also known as a Rule 28 nomination, or expression of wish.

Where a member makes a nomination, the Trustee has discretionary power to make payments of death benefit cash sums to relatives and dependants instead of to the member's estate.

Normally, the Trustee will make payments in accordance with a member's wishes, but it is not bound to do so. Currently, payments made at the discretion of the Trustee are exempt from Inheritance Tax.

It is important that both active and deferred members, as well as retired members who have been in receipt of a pension for less than five years, complete and update an Expression of Wish form. Forms are available on the Scheme website or you can request a copy from the administration office.

Actuarial valuation of the Scheme

The IWCSSS, like all other similar pension schemes, has a full 'MOT' at least every three years. This is called an 'actuarial valuation' and is a detailed review that compares the Scheme's assets to its projected liabilities (the cost in today's terms of all the payments the Scheme will have to make in the future). The next full triennial valuation of the Scheme looks at the position as at 31 December 2024. The results will not be available for discussion with the Employers until much later in the year, and we will update members via the usual funding update.

Changes to the way we verify your identity

As part of the Trustee's commitment to protecting your benefits, identification verification checks are undertaken before any pension-related transaction can take place – for example, if you ask to transfer your benefits to another arrangement.

Currently, if you live in the UK, we ask you to provide the necessary ID documents, such as passports or birth/marriage certificates, to the administration office so they can verify your identity. However, for members living overseas, the process is different: since 2022, these checks have been carried out digitally, which includes using biometric checks to help protect members from fraud.

The Scheme's administrator, Hymans Robertson, will shortly be rolling out this digital approach to members living in the UK. They have partnered with a company called GBD to undertake these biometric verifications on behalf of the Trustee at the point a member instructs them to settle their pension benefits. Hymans Robertson have undertaken stringent due diligence before selecting GBD.

This approach is now commonly used across a number of industries, such as when setting up a new bank account. However, Hymans Robertson will only initiate this enhanced level of identity verification with your consent – so if you do not wish to use this solution, or are unable to do so, alternative options for verifying your identity will be available.

The checks will be explained at the time, but in summary a more robust two-part check will be done, using validation of Government-issued identity documents as well as other independent checks. The benefits of using such technology are that members will no longer have to provide three different personal identity documents, with the risk of them going missing. The process is also more efficient and should reduce the time taken to award retirement benefits but most importantly, protect members' benefits from fraud.










Scheme website registration

Have you registered to access your IWCSSS information online?

Remember that you can register to access information about your 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).

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

Updating your details

It's important to let us know if you change your address – please inform the IWCSSS administration office or use PRISM to update your details. Please do this, even if you have already told BCSSS.

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 and the Scheme administrator are 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 Scheme.

However, the Trustee recognises that finding a suitable and legitimate financial adviser who you can trust can be difficult. Therefore, as we mentioned in our previous newsletters, 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.

HUB PENSION
CONSULTING

To help with your retirement planning, the Trustee has agreed to pay for your 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.








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 each year.

Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry or storage units – or simply stolen outright.

Scammers often use the following tactics:

-  Contacting you 'out of the blue' – no reputable adviser would do this.
-  Promising high and or guaranteed returns – if only it were true, we would all be millionaires!
-  Offering free pension reviews – no decent financial adviser works for free.
-  Allowing access to your pension before the normal minimum retirement age – it's against the law!
-  Pressure to make decisions and act quickly – real advisers understand the importance of making a considered, informed decision.

Although the IWCSSS Trustee tries to help by reviewing all transfer requests thoroughly (and we've even signed up to the Pensions Regulator's 'scams pledge'), we need everyone to be vigilant – including you, the members. If you suspect a scam, hang up the phone or walk away.

If you need help or information about your pension, please speak to the administration office in the first instance. They are used to spotting scams and, while they can't provide financial advice, they can help to direct you to further guidance. They may point you to the MoneyHelper website, which has more information about how to find an adviser and how to avoid a pension scam.



Pension news

Autumn Budget 2024

The 2024 Autumn Budget, the first under the new Labour Government, was delivered to Parliament by the Chancellor on 30 October 2024.

It has become usual for various pension-related rumours to circulate in the weeks and days before a Budget, but on this occasion, the main pension change was unexpected and relates to a proposal to bring pension death benefits into the Inheritance Tax (IHT) system.

The Government proposes that from 6 April 2027, most unused pension funds and death benefits are to be included in an individual's estate for IHT purposes. This represents a major shift in policy as it will include discretionary death benefits payable from defined benefit schemes such as the IWCSSS and will apply whether or not a beneficiary is chosen at a trustee's discretion. It is intended to remove the different tax treatment between discretionary and non-discretionary death benefits.

The changes are currently under consultation, and we understand firm proposals aren't expected until the autumn. We will let you know of any relevant changes to pensions policy as the position becomes clearer.

Winter Fuel Payments

One of most talked about (and controversial) topics of the Chancellor's Autumn Budget was the scrapping of the Winter Fuel Payment for many people who have received it in the past. As a result of the rule changes, from winter 2024/2025, households will no longer be entitled to the payment unless they receive Pension Credit or certain other means-tested benefits.

The Winter Fuel Payments are worth between £200-300 a year, so it is worth checking to see if you are eligible. Details on Pension Credit can be found on the next page, while more information about the Winter Fuel Payment can be found at **www.gov.uk/winter-fuel-payment**. Here you can also find out about other ways you could get help to heat your home, such as the Cold Weather Payment and Warm Home Discount Scheme.

State Pension – the triple lock remains

Some good news to come out of the Budget included the Government's promise to maintain the State Pension 'triple lock' for the duration of the current Parliament.

As a reminder, the triple lock guarantees that State Pensions will increase by the highest of the following measures:



inflation in the year to September (using the Consumer Price Index (CPI))



the increase in average wages



2.5%.

This means that the basic and new State Pension will both increase by 4.1% from 6 April 2025.

Pension Credit – are you eligible?

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 qualify for Pension Credit, you can also get help with other costs, 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 **www.gov.uk/pension-credit-calculator**

If you can't use the calculator, you can call the Pension Credit claim line on 0800 99 1234.

Money and pensions guidance from MoneyHelper

MoneyHelper, which is supported by the Government, provides a single destination for people to obtain impartial and free information on money and pensions guidance. Contact details are provided on the back page.

Contact details

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



IWCSSS
Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB



0141 566 7660



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:



hubpensionconsulting.co.uk/IWCSSS



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



gov.uk/check-state-pension



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.