

Nestlé UK Pension Fund

Active DB DC



Pensions News 2019

Time to update you on the Fund

From the Trustees of the Nestlé UK Pension Fund



Read an update on this year's valuation

See what you can do on your new online account

Find out how you could be a Trustee

Contents

Valuation update	4
Membership update	4
Your online account	5
Have you reviewed your investment choices?	6
Other updates	7
What's coming next?	9
Your Trustees	10
Could you be a Trustee?	11



Steve Delo
Chairman of the NUKPF
Trustee Board

Chairman's welcome

Hello and welcome to your Nestlé UK Pension Fund (the Fund) newsletter for 2019.

It's been another busy year for the Fund and, to make sure you're up to date with what's going on, we've made sure this newsletter is full of useful information and news that's relevant to you.

Below, you'll find a brief update on some of the key things the Trustees have been working on throughout the year along with some important reminders.

2018 valuation

The Trustees have been spending a lot of their time on the valuation process for the defined benefit sections of the Fund and have held numerous meetings with Nestlé and various advisers. The valuation process is still underway, but we will notify you when results are available. You can read more about this on page 4.

Investment beliefs

The Trustees have also spent time agreeing a set of investment beliefs for both the 'defined benefit' (DB) and 'defined contribution' (DC) section investments. You can read about these beliefs in the DB and DC Statement of Investment Principles (SIPs) on the 'How the Fund is run' page at nestlepensions.co.uk. More information about these investment beliefs can also be found inside on page 7.

DC Chair's statement

We've been producing the 'DC Chair's statement' for a few years and we're pleased to say that it is now available on the website for the first time. The statement includes lots of information about the DC sections of the Fund – DC Core and DC Start. In it, you can find out about investment costs and charges and read about how the Fund provides value for DC members. Find out more about the DC Chair's statement on page 7 or view the document online.

New website

In March this year we also saw the launch of our new website, which now also contains information for pensioner and deferred members. Throughout the year we've been improving the website and you can now log in to review your pension online. Turn to page 5 to find out more.



Is your Nomination Form up to date?

Your Nomination Form lets the Trustees know who you'd like to receive any cash sum that might be paid when you die. The Trustees will consider your Nomination Form when deciding who should receive this cash sum, so it's important to keep it updated.

Your spouse or civil partner could also receive a pension when you die. However, if you do not have either, or you have been separated for more than two years, you can fill in a Dependant's Pension Application Form to nominate someone else to receive this benefit. The Trustees will then take this form into consideration when you die.

You can find all forms at
nestlepensions.co.uk/documents/forms



Want to request a document?

You can find a whole host of useful documents on our website – but remember, you can also request copies of the following from Nestlé Pensions (contact details on the back page):

- Annual Report and Accounts
- Statement of Investment Principles (SIP)
- Schedule of Contributions
- Statement of Funding Principles

Steve Delo (Chairman of the NUKPF Trustee Board)

Valuation update

A full valuation of the Fund takes place every three years and the latest one is at 31 December 2018.

What is a valuation?

A valuation is a financial 'health check' of the defined benefit (DB) sections of the Fund (DB Core and DB CorePlus). The first step is to calculate the total value of the Fund's assets (the money it has available) at the valuation date. This amount is then compared with the Fund's liabilities (the estimated amount of money that the Fund needs at the valuation date so, in the future, it can pay members the benefits they have already earned). The percentage of the liabilities covered by the assets is called the 'funding level'. If the funding level is below 100%, there is a deficit or shortfall to make up and if the funding level is above 100%, there is a surplus. If there is a shortfall the valuation signals if any action needs to take place.

The valuation also works out what contributions are needed to pay for benefits that will be built up in the future for DB Core and DB CorePlus members.

The latest valuation

The valuation process is still ongoing, and discussions between ourselves (the Trustees) and Nestlé continue. When the process is complete, we will produce a 'Summary Funding Statement' that sets out the results of the valuation, any changes from the previous year, and information about contributions from Nestlé to the Fund. We will make the Summary Funding Statement available online and will let you know when this is available.

Membership update

Below you can see the membership of the Fund at 31 December 2018.

Contributing members



Deferred members



Pensioner members



This includes all members of the Fund, however they are building up benefits, and compares with the membership at 31 December 2017.

Your online account

You can now log in at nestlepensions.co.uk to see an up-to-date summary of your account online.

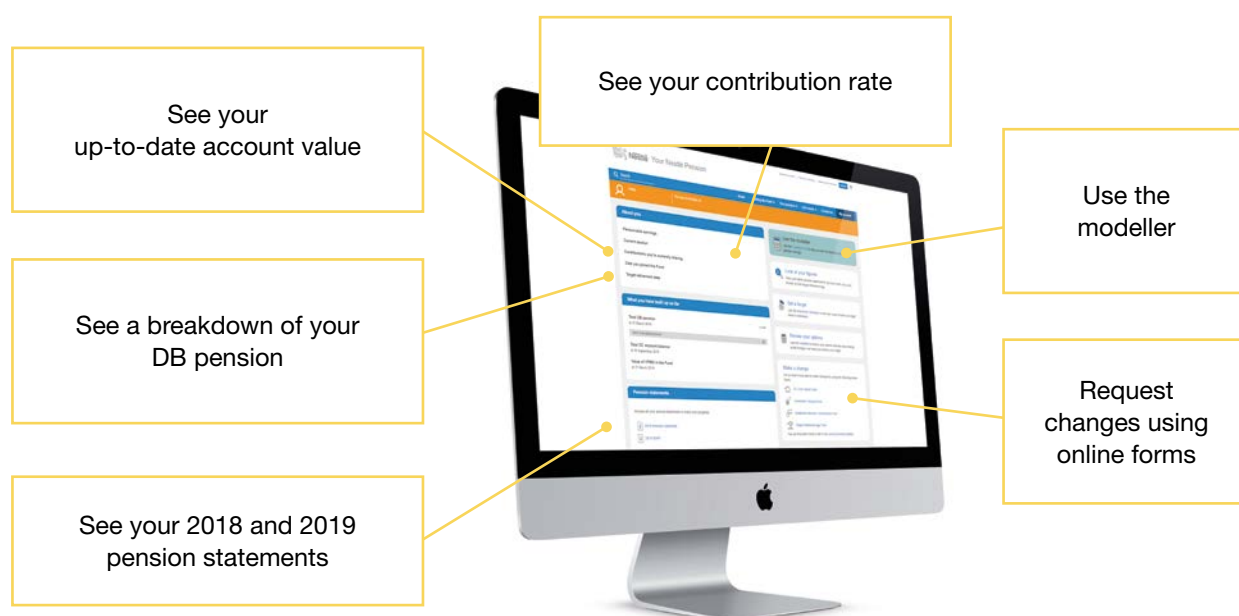
This new feature allows you to access the following information at any time:

- A reminder of your current section and contribution rates.
- Your DB pension built up so far (including a breakdown of your DB pension if you've been a member since before August 2017).
- Your DC account value.
- A reminder of your current DC investments.
- Your pension statements from 2018 and 2019.

By logging into your account, you'll also be able to request changes using the following new online forms:

- DC Core Option Form – request changes to DC Core contributions, including overcap contributions if you earn over £46,818, or to move to DC Core (if you're in DC Start, DB Core or DB CorePlus).
- Additional Voluntary Contributions (AVCs) Form – request to make one-off or regular AVCs into DC Core (if you're in DC Core, DB Core or DB CorePlus).
- Investment Choices Form – request changes to how your DC savings are invested (if you're in DC Core, DB Core or DB CorePlus).
- Target Retirement Age (TRA) Form – request to change the age you're targeting for retirement (if you're in DC Core, DB Core or DB CorePlus).

If you're a DC Start member and you'd like to be able to make more of the changes above, you should consider switching to DC Core using the DC Core Option Form.



To log in, you'll need your unique username, which you'll find in your latest pension statement. If you've previously logged in to use the modeller, your username and password will be the same. If you've forgotten your password, there's a password reset option.

Let us know what you think of the new 'Your account' page by responding to the quick poll when you log in.



Have you reviewed your investment choices?

It's important that you regularly review your investment choices to make sure they are still right for you.

If you're invested in the Lifetime Pathway fund (the default option), your investments automatically start to move into investment funds designed to protect the value of your account once you reach 15 years before your target retirement age (TRA).

Depending on your circumstances, retirement plans and preferences, there are advantages and disadvantages of investing in the Lifetime Pathway fund so it's important to review your investment choices to make sure they're right for you and your circumstances.

Why the Lifetime Pathway fund might be right for you	Why the Lifetime Pathway fund might not be right for you
You do not need to be as involved in the management of your investments as you do with the self-select option. This is because, in the Lifetime Pathway fund, switching happens automatically as you approach your TRA.	The Lifetime Pathway fund invests in a limited range of funds. If you prefer to take more control over how your savings are invested and the types of funds that you invest in, the self-select option may be more suitable for you.
If you are planning to take your entire DC account as cash, the Lifetime Pathway fund will switch your savings into the Cash fund to reflect this as you approach your TRA.	The Lifetime Pathway fund will automatically switch your savings into the Cash fund as you approach your TRA. If you are not planning to take your entire DC account as cash, then you may want to consider an alternative approach.

If you're in the Lifetime Pathway fund and don't think it's right for you, there are a range of self-select funds for you to choose from if you have savings in DC Core. You can find out more about these at [nestlepensions.co.uk](https://www.nestlepensions.co.uk)

If you're in DC Core and you've chosen self-select funds, you'll need to keep a closer eye on your investments. As your attitude to risk changes over time, you may want to consider reviewing your investment choices to make sure that they are still right for you.

If you're in DC Core, you can change your investment choices once every three months by filling in an Investment Choices Form. You can now fill in this form online by logging into your account at [nestlepensions.co.uk](https://www.nestlepensions.co.uk). Alternatively, you can print off a form by choosing 'Find a form or document' on the homepage or you can request a form from Nestlé Pensions (see back page for contact details).



If you're in DC Start, you're invested in the Lifetime Pathway fund with a TRA of your state pension age. If you want to change your investments or your TRA, you'll need to move to DC Core.

In DC Core, you can choose to save between 5% and 8% of your pensionable earnings and Nestlé pays 1.5 times what you pay into your account. You can move to DC Core at any time by filling in a DC Core Option Form. You can now do this online by logging into your account at [nestlepensions.co.uk](https://www.nestlepensions.co.uk). Alternatively, you can print off a form by choosing 'Find a form or document' on the homepage or you can request a form from Nestlé Pensions (see back page for contact details).



DC funds and governance update

Recently, The Pensions Regulator launched a programme to raise standards of governance across all pension schemes in the UK.

Though we believe the Fund is a well-run scheme, we also believe it's important to constantly improve, so we're currently using the Regulator's programme as a basis for reviewing how we do things.

You can read about how the Fund represents good value for members in the DC Chair's statement online. The DC Chair's statement also includes information on how the Trustee has met statutory governance standards in relation to:

- Default investment arrangements in DC Start and DC Core;
- Requirements for processing DC financial transactions;
- Assessment of charges and transaction costs for DC investment funds; and
- The requirement for trustee knowledge and understanding.

You can find the DC Chair's Statement on our website in the 'Member communications' section of the 'Forms and documents' page.

Investment matters

Overseeing the management of the Fund's investments is one of the Trustees' key responsibilities. To help them do this they've recently developed a set of investment beliefs for both the DB and DC sections of the Fund. The beliefs outline the principles that the Trustees will follow when managing the Fund's investments and will guide how they make their investment decisions. You can see the new investment beliefs in the DB and DC Statements of Investment Principles (SIPs).

In the SIPs, you'll also find information on responsible investment including the Trustees approach to managing Environmental, Social and Governance (ESG) factors. The Trustees believe that ESG factors will become increasingly financially material and an important factor in strategic decision making.

You can find both the DB and DC SIPs online on our website on the 'How the Fund is run' page.

External AVCs transferring to DC Core

The Trustees are currently carrying out an exercise to transfer AVCs that you may hold with Standard Life, Equitable Life and Clerical Medical to DC Core. If this affects you, you will already have received information in writing to your home address.



Tracing lost pensions

When planning for retirement, and setting your retirement savings target, you'll need to figure out how much income you'll get from all of your pensions.

It's likely that you'll have more than one pension when you retire and keeping track of them all can be hard.

Most pension schemes have to send you a statement each year – these are a good way of keeping track of all the pension savings you have. If you're no longer receiving statements for a pension you have, and you don't have contact details for the pension provider (or previous employer if it's a workplace pension), you can use the Pension Tracing Service – a free service that can help you track down lost pensions.

If you think you have lost track of a pension, phone the DWP's Pension Tracing Service on **0800 731 0193** or complete an online request form at **[gov.uk/find-pension-contact-details](https://www.gov.uk/find-pension-contact-details)**



Pension scams

You may hear about people falling victim to pension scams in the news.

These scams can result in people losing their pension savings to people disguising themselves as pensions schemes, advisers and experts. There are different types of pension scams, but they can all lead to you losing a lifetime's worth of savings in a moment. It's important to stay aware when it comes to making decisions about your pension. Follow the tips below to help make sure your savings are safe.

- Never accept an unexpected offer regarding your pension
- Always check who you're dealing with
- Take advice from a regulated financial adviser
- Take your time and do your research – don't be rushed into making a hasty decision

For more information on how to keep your pension safe from scammers, visit The Pensions Regulator's website at **[thepensionsregulator.gov.uk/pension-scams](https://www.thepensionsregulator.gov.uk/pension-scams)**

If you are currently considering, or are in the process of, transferring your Nestlé UK pension benefits and think you may have fallen victim to a pension scam, you should contact Nestlé Pensions using the details on the back page as soon as possible. If the transfer value has not yet been paid out, we should be able to stop your savings being transferred. You should also call Action Fraud on **0300 123 2040**.

If you're considering an investment or pension opportunity, do a quick online scam check with the Financial Conduct Authority (FCA) at **[fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)**



Thinking of transferring out of the Fund?

If you're thinking of transferring your benefits out of the Fund, it's especially important that you're guarded against pension scams, so make sure you follow the tips above and be vigilant.

Remember, if the value of your transfer is £30,000 or more, you must obtain financial advice from an independent adviser before taking any action. As this decision is important, and irreversible, we'd always recommend getting independent financial advice, whatever the value of your transfer.

You can find an independent financial adviser at **[moneyadviceservice.org.uk](https://www.moneyadviceservice.org.uk)**



What's coming next?

Here's a handy calendar to show you what communications you can expect from us in the coming months.

January to July	Trustee appointment process (see page 11 to find out more)
February/March	We'll send you the usual 'Choices' newsletter and you can make changes to how you build up your pension if you wish
July	DC Chair's statement available on the website
September	We'll send you your 2020 pension statement

Don't forget that you can see details of your pension on your online account at any time. See page 5 for more details.

Remember, we're always keen to take on board any comments and feedback you might have on the communications you receive from us. Get in touch using the details on the back page.



Your Trustees

The Fund is managed by a trustee company, Nestlé UK Pension Trust Ltd.

The trustee company has an overall duty to run the Fund in line with its Trust Deed and Rules and current trust and pensions law. It acts through its board of directors, who are generally called 'Trustees'.

There are currently eight Directors on the Board of the trustee company – four appointed by Nestlé UK and four nominated by active and pensioner members (known as Member-Nominated Trustee Directors).

Your current Trustees are:



Barbara Firth

Barbara is a Member-Nominated Trustee Director, pensioner member of the Fund.



David Baxter

David is a Member-Nominated Trustee Director, pensioner member of the Fund.



Irene Donaldson

Irene is a Nestlé-Appointed Trustee Director, employee member of the Fund.



John Chilman

John is a Nestlé-Appointed Trustee Director and an independent Trustee.



Malcolm Burridge

Malcolm is a Nestlé-Appointed Trustee Director, employee member of the Fund.



Marcus Barry

Marcus is a Member-Nominated Trustee Director, employee member of the Fund.



Steve Delo

Steve is a Nestlé-Appointed Trustee Director, independent Trustee and Chair of the Fund's Trustee Board.



Steve Robinson

Steve is a Member-Nominated Trustee Director, employee member of the Fund.

Could you be a Trustee?

We're looking for active and pensioner members of the Fund to become Trustees in 2020.

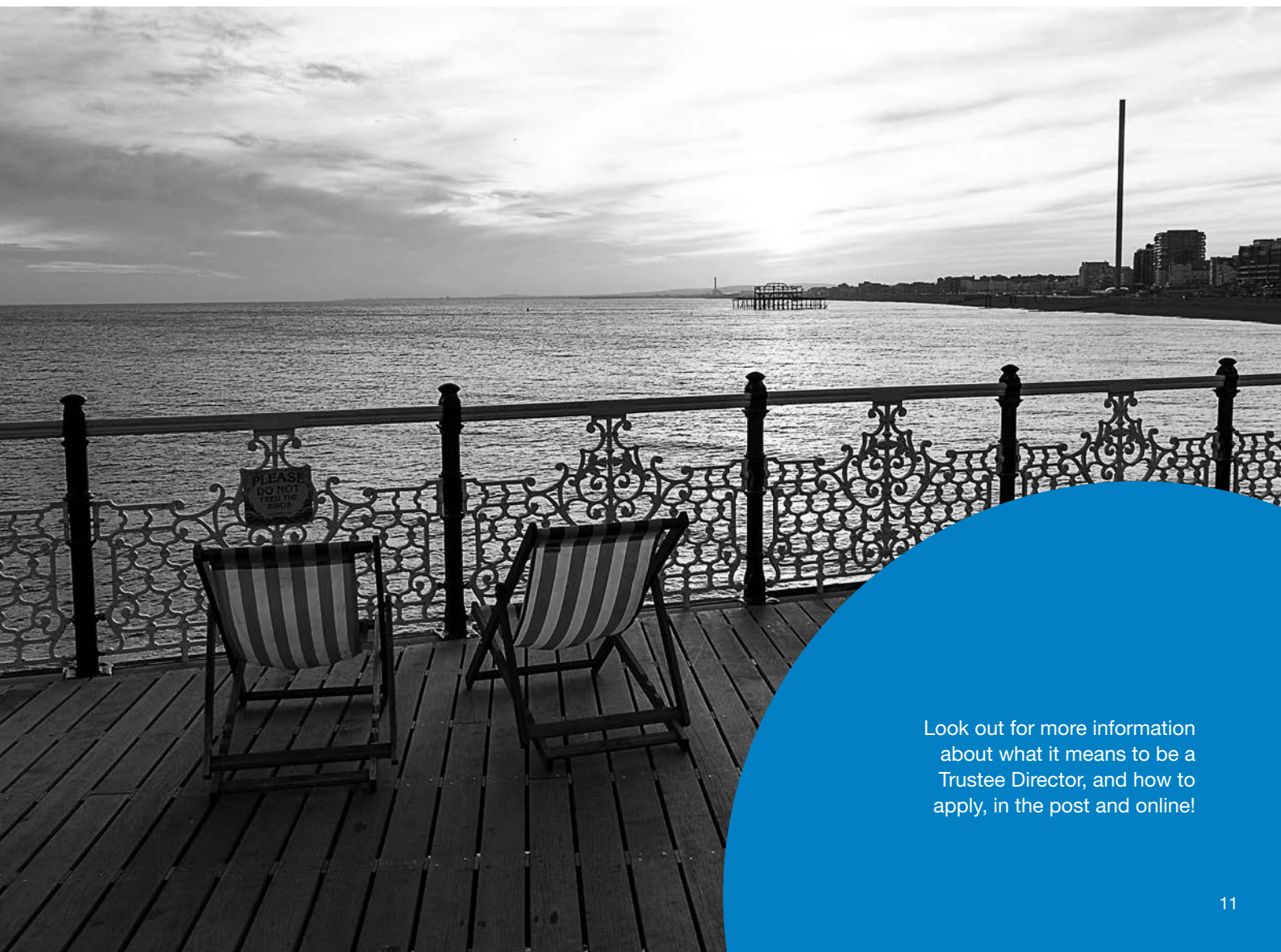
We want our Trustee Board to represent our diverse membership and we'd welcome applications from a variety of members who are interested in having a say in how the Fund is run.

Do you want to do your part in safeguarding the interests of members? Do you want to take the chance to sit on a Board responsible for managing £5bn of assets (the value of a FTSE 100 company)?

Being a Trustee is a big responsibility and provides an exciting opportunity to work as part of a team. Not only will you play your part in the running of a large pension fund, but you'll also have the chance to learn on the job and develop a broad range of new skills. These new skills could help you develop in your chosen career.

Interested?

If you're interested in becoming a Trustee, you'll have the opportunity to come along to an information day where we'll explain the role further to you and you'll be able to ask any questions you might have. We'll start advertising the roles in early 2020 so look out for more on this then!



Look out for more information about what it means to be a Trustee Director, and how to apply, in the post and online!

For further information about the Nestlé UK Pension Fund you can:



Write to:

Nestlé Pensions
1 City Place
Gatwick
RH6 0PA
United Kingdom



Tel:

020 8667 6363



Email:

pensions@uk.nestle.com



Visit the website:

nestlepensions.co.uk



Whilst every care has been taken to provide up-to-date and accurate information in this newsletter, we cannot guarantee that inaccuracies will not occur. Nestlé UK Limited and the Trustees will not be held responsible for any loss, damage or inconvenience caused as a result of any inaccuracy, error or omission. If there is any conflict between this newsletter and the Trust Deed and Rules of the Nestlé UK Pension Fund, the Trust Deed and Rules (as amended from time to time) take precedence.

Although every effort is made to ensure information is up to date at the time of writing, subsequent changes to the Fund's documentation and/or applicable legislation may subsequently affect its correctness or completeness.

This document is not intended to provide a definitive description of any benefits payable from the Fund or a comprehensive statement of the law on any issue. Nothing in this document confers any legal entitlement to benefits.

Nothing in this document constitutes financial advice and you should not rely on information in this document in making any decisions about your benefits or Fund membership. We recommend that you consider taking independent financial advice before making any such decisions.

This document contains references to the Trustees. These are the Directors of the Nestlé UK Pension Trust Ltd.