



Pensions News 2019

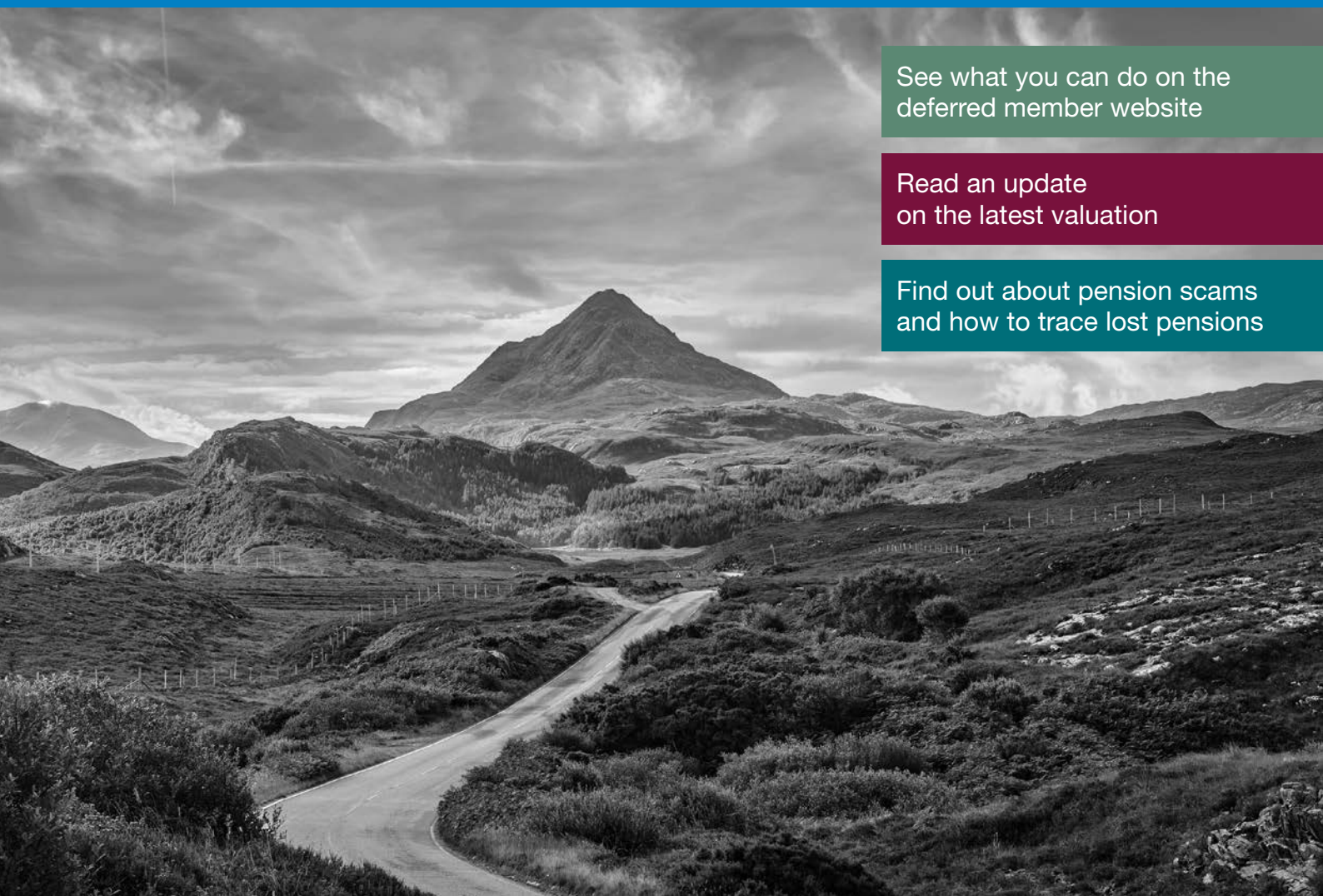
Time to update you on the Fund

From the Trustees of the Nestlé UK Pension Fund

See what you can do on the
deferred member website

Read an update
on the latest valuation

Find out about pension scams
and how to trace lost pensions



Contents

New deferred member website	4
Valuation update	5
Membership update	5
Have you reviewed your investment choices?	6
DC funds and governance update	7
Investment matters and other updates	8
Your Trustees	10



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 5.

Investment beliefs

The Trustees have also spent some of their time agreeing a set of investment beliefs for both the DB and DC 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](https://www.nestlepensions.co.uk). You can also find more information about these investment beliefs on page 8.

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 and a dedicated deferred member section has now been released. Turn to page 4 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.

Remember, 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.

Steve Delo (Chairman of the NUKPF Trustee Board)

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



Want to request a document?

You can find lots 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 (SIPs)
- DC Chair's statement
- Schedule of contributions
- Statement of Funding Principles

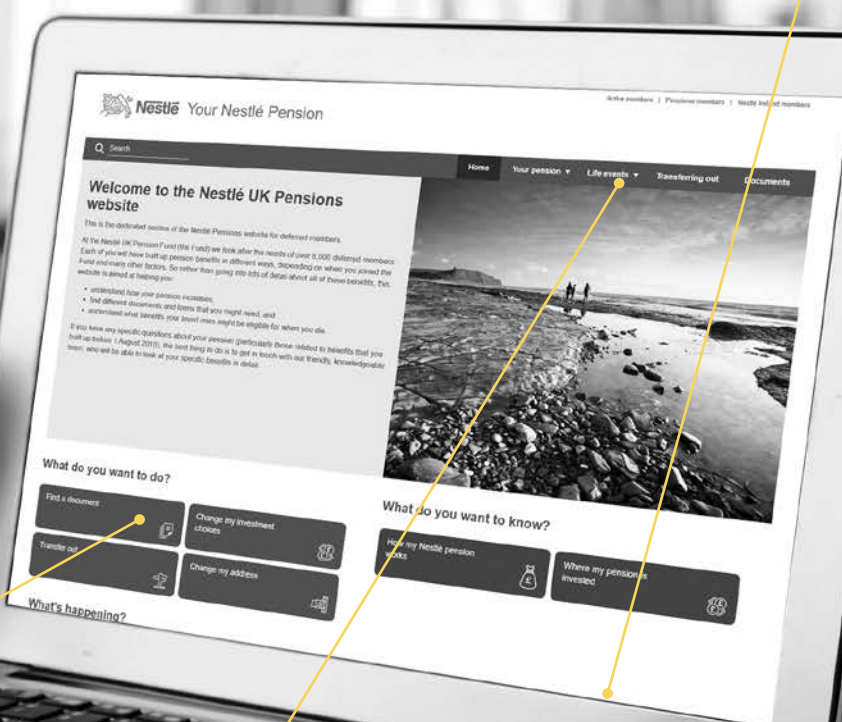
New deferred member website

Your new deferred member website is now up and running.

We've aimed to make the website as clear and easy to understand as possible. Have a browse and let us know what you think using the contact details on the back page.

Here are just a few of the things you can do on the new website:

See updates on what's going on in the Fund all year round



Find forms and documents

Find out what to do if your circumstances or details change

Remember, you can also find the DC Chair's statement online. It includes an update on the Fund from the Chair and other Fund information.

You can find the statement in the 'Forms and documents' section of the website.



Valuation update

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

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 at the valuation date that the Fund needs, so in the future, it can pay members the benefits they have already earned up to the valuation date). 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.

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 good for you	Why the Lifetime Pathway fund might not be good 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 print off a form by choosing 'Find a form or document' on the homepage or 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.



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.

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 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 will have to send you a statement each year – this is 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 helps people 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 at **findpensioncontacts.service.gov.uk**



Need to change your address?

It's important that we have your updated address so we can carry on communicating with you about your pension.

If you've changed your address, please write to Nestlé Pensions with your new address details, making sure that you sign the letter to tell us that you authorise the change. We can also accept a scanned signed letter by email.

You can find our postal and email addresses on the back page.



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**

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**.

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 on this page 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 **moneyadvice.service.org.uk**

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**



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.

During 2020, we'll be looking to appoint three new Trustees. We'll be in touch to let you know who they are once the appointment process is complete and results are available.



VIA
VECCHIA
Artisan Bread
Tel
01904
627701

CHOCOLATE
HEAVEN
Handmade
Chocolates

YE OLD
SHAMBLES TAVERN
Great Food
Fresh Coffee & Teas
Real Ales, Wine - Gifts

moo
York
Handmade
Soaps & Gifts

W. HAMOND
York
The Earl Grey
Tea
Rooms
GUEST
WALKER
& CO
COLLECTORS

YORK BAR CHOCOLATIERS

CHOCOLATE HEAVEN

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.