



Your newsletter for the
University of Edinburgh
Staff Benefits Scheme

KNOW YOUR PENSION 2023



In the know

page 03

Know the latest news

page 04

Know the finances

page 06

Know the investments

page 11

Want to know more?

page 12

Please get in touch with Andrew Mills using the contact details on **page 12** if you require this document in an alternative format.

KNOW YOUR TRUSTEE

The assets of the Scheme are held in trust for the benefits of members and are managed by a corporate trustee entity called EUSBS Trustees Limited. The directors of EUSBS Trustees Limited are noted below.

University appointed

Doreen Davidson
Ashley Shannon
Scottish Pension Trustees Limited
(represented by Julia Miller)
Kathryn Graham

Member nominated

Khushaal Joshi
James Hardacre

Advisers

Scheme Actuary:
Susan McIlvogue of Hymans Robertson LLP
Scheme Secretary:
Andrew Mills
Auditor:
RSM UK Audit LLP
Legal Adviser:
Shepherd & Wedderburn LLP
Administrator:
Hymans Robertson LLP
Investment Adviser:
Hymans Robertson LLP



ARE YOU ON THE MOVE?

Please remember to let the Scheme Administrator know if you move home, so that we can keep in touch with you and make sure your benefits are paid on time. Contact details are on **page 12**.

YOUR DATA

If you would like to find out more about how we use your personal data please follow the link to the Scheme administrator, Hymans Robertson's, Trust Centre: www.hymans.co.uk/information/trust-centre/

IN THE KNOW

Welcome to your 2023 newsletter. It has been another busy year in pensions, and for the Scheme.

Your trustees are now a single trustee – we became a company at the beginning of the year, so do the same job but are now directors of a company rather than individual trustees. This makes some of the day to day running of the Scheme easier but makes no difference to what we do or to the duties we owe to you, the members.

There have been some changes in our line-up. Richard Davidson reached the end of a long and invaluable term as Chair of our Investment Sub-committee (ISC) last July, and Lauren Reid resigned. Our thanks to Richard and Lauren for all their work on the Scheme. James Hardacre is our new member-nominated director. We have also recently welcomed Kathryn Graham, an alumna of the University, as our new ISC Chair. Kathryn has a background in investment management and we are very fortunate to be gaining the benefit of her expertise.

Kathryn will be helping us review the Scheme's focus on environmental, social and governance (ESG) matters in our investments. We have already done some work on this, which you can read about later in this newsletter. In the coming year we will be considering what more we may be able to do to build on that work.

Some forthcoming changes in the wider world of pensions may affect you if you have yet to retire. The date from which you can take your State Pension (your State Pension Age) is changing. If you were born between 6 October 1954 and 5 April 1960 your State Pension Age will be 66. If you were born after 5 April 1960 your State Pension Age will be 67. This will also affect your Scheme normal retirement date which, for most members, is linked to the State Pension Age for at least part of your benefits.

There will also be a change to the age from which you will be able to take early retirement from the Scheme. From 6 April 2028 that will change from age 55 to age 57, to stay in line with the State Pension Age. This age limit will not apply if you retire early because of serious ill health.

We do hope that you find this newsletter helpful and interesting. Please get in touch if you would like to follow up on anything you read here.

Yours sincerely,
Julia Miller
Trustee Chair

KNOW THE LATEST NEWS

MANAGING YOUR FINANCES DURING A COST OF LIVING CRISIS

Many of us are wondering how we will manage with escalating food and energy prices. There are some free online resources that offer guidance and support:

MoneyHelper is backed by the Government and has information, video guides and online tools to help you budget. They also have a team of specialists you can talk to. Visit www.moneyhelper.org.uk or ring 0800 138 7777.

Citizens Advice can help on a range of money matters. You may be able to talk to them about help with the cost of living, including benefits, discounted council tax and reduced energy bills. Visit www.citizensadvice.org.uk or ring 0800 144 8848.

MoneySavingExpert, founded by TV's Martin Lewis is another useful and reliable resource for up to date information on how cut your costs. Visit www.moneysavingexpert.com.

The important thing is to seek help if you need it.



TRANSFER OUT REGULATIONS

The Trustee and Scheme Administrator must follow regulations when processing any transfer out request. Where members wish to transfer benefits to another registered pension arrangement, the Trustee and administrator will carry out checks to assess whether the request meets certain conditions, in an effort to prevent pension scams. If you are thinking of transferring your benefits out of the Scheme, we recommend that you take financial advice first. For a list of independent financial advisers local to you, go to www.unbiased.co.uk.

FLEXIBLE RETIREMENT

Flexible Retirement gives you some choices about exactly when you retire, how long you take to retire and how you work in the lead up to final retirement. This means that you don't have to stop working completely before taking some of your pension benefits, which may help you ease into retirement.

Flexible Retirement lets you continue working on reduced hours while starting to take some of the Scheme benefits you have built up.

So long as you meet certain conditions, you can take up to two steps towards retirement before finally stopping work completely. Each step will involve a reduction to your working hours and salary. You can take a minimum of 20% of your Scheme benefits each time. On the final occasion you stop working and start to receive the remainder of your benefits.

You can take Flexible Retirement if you:

- are an active member of the Scheme;
- are aged 55 or more;
- have at least 2 years' qualifying service;
- reduce your working hours by at least 20% (at each step); and
- have the University's consent.

To find out more about Flexible Retirement including how this affects your Scheme benefits, please contact the Scheme Administrator by email at uoe@hymans.co.uk or by writing to UofE Staff Benefits Scheme, Hymans Robertson LLP, 20 Waterloo Street, Glasgow, G2 6DB.

KNOW THE FINANCES

We receive regular payments from the University which we invest and use to pay benefits. Here is a summary of the money we received, and the payments we made, over the last Scheme year.

UNIVERSITY CONTRIBUTIONS

The contributions paid into the Scheme are made up of contributions towards future benefits (including those made through salary sacrifice) plus the contributions the Trustee and the University have agreed should be paid to remove any shortfall in funding.

WHAT CAME INTO THE SCHEME

University contributions	£17,812,931
Member contributions	£340,954
Investment & other income	£13,155,393

SCHEME MEMBERSHIP 2023



- Members currently paying in
- Members who have left but not retired
- Pensioners

To see how we manage the Scheme's funds, see "Know the investments" on page 11.

ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

£537,046,290

Value at 31 March 2022



£31,309,278

What came into the Scheme



£149,679,834

What went out of the Scheme



£418,675,734

Value at 31 March 2023



WHAT WENT OUT OF THE SCHEME

Benefits paid or payable	£16,210,295
Transfers out	£106,378
Investment management expenses	£770,855
Change in market value of investments	£130,950,842
Other payments & administration expenses	£1,641,464

PENSION PAYMENTS

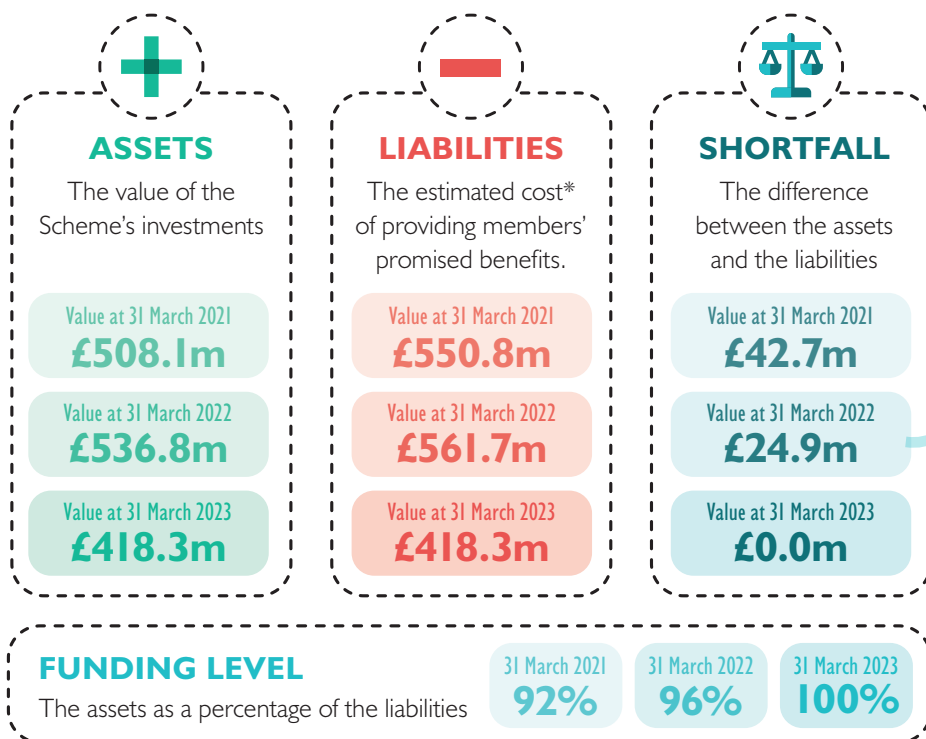
During the 12 months to 31 March 2023, benefits of £16,210,295 were paid out of the Scheme. These benefits included pension payments and retirement lump sums. If you want to read the full breakdown of the Scheme's finances, you can ask the Scheme Administrator for a copy of the Scheme's Reports and Accounts.

KNOW THE FINANCES

HOW IS THE SCHEME DOING?

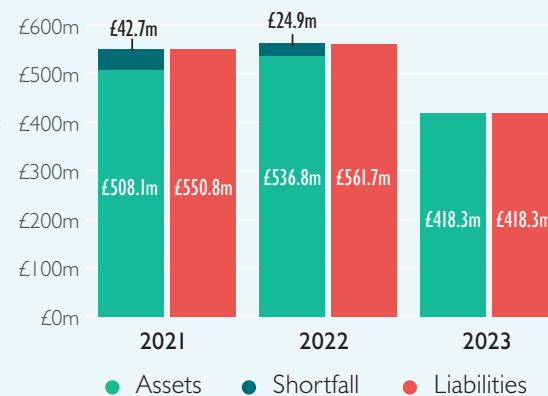
The Trustee must make sure the Scheme has enough money to pay members' benefits both now and in the future, and so every three years a full valuation of the Scheme is undertaken, with annual checks in between. These calculations are carried out by an Actuary appointed by the Trustee. Here is a summary of the funding positioning at the last valuation and how this compares with the annual updates.

The last full valuation was carried out on 31 March 2021. The next full valuation is due on 31 March 2024.



* Assuming the Scheme continues until all benefits have been paid.

THE SCHEME'S FINANCIAL POSITION



These valuations are only a snapshot in time, and as market conditions change, it's perfectly normal for the funding level to fluctuate over time. If the funding level is 100% or more, that means there was enough money to pay the benefits as and when they are due to be paid.

THE FUNDING LEVEL

As you can see as at 31 March 2023 the Scheme had a modest surplus with 100% of the money it needed to pay all benefits due now and in the future. As long as the University continues to support the Scheme, your benefits will be paid in full when they become due.

The improved funding level was mostly due to the value of the Scheme's liabilities falling more than the value of the Scheme's assets. The value of the Scheme's liabilities fell mainly due to a rise in gilt yields (which more than offset the increase in liabilities due to an increase in inflation expectations).

As at 31 March 2021, the Scheme had a funding level of 92% and so the Trustee agreed a recovery plan with the University which included a commitment to pay additional contributions to remove the shortfall. Whilst the Scheme had a surplus at 31 March 2023, the University continues to make the contributions that were previously agreed.

These additional contributions include:

- An additional £1.5m payable in April 2023
- An additional £1.5m payable in April 2024
- £1.1m a year from April 2025 to April 2029 (increasing with inflation from April 2022).

KNOW THE FINANCES

PROTECTING YOUR BENEFITS

As part of the valuation, the Actuary also works out how much money the Scheme would need if the University could no longer support it, the Scheme were to be wound up and the Trustee secured members' benefits by buying an insurance policy.

Securing benefits in this way is expensive. The estimated cost to ensure that all members' benefits could be paid in full if the Scheme wound up on 31 March 2021 was £900.9m, resulting in a shortfall of £392.8m compared with the value of the assets on the same date. If there is not enough money in the Scheme to buy out all the benefits with an insurance policy, the University would have to make up the shortfall.

For cases where a company goes out of business and doesn't have the money to pay the benefits promised, the Government has set up the Pension Protection Fund (PPF), which can pay compensation to members. The PPF is not intended to replicate each member's pension, but to ensure that members receive most of their pension. There is an overall cap on pensions, which may apply, and any increases to pensions once in the PPF are less generous than the increases

that the Scheme would have provided. You can find out more about the PPF on its website: www.ppf.co.uk.

Please note that the inclusion of this information does not imply that the University or the Trustee are thinking of winding-up the Scheme. It is simply required to form part of our report.

THE LEGAL BIT

Legally, we have to confirm that the University has not taken any surplus payments out of the Scheme in the last 12 months and that there has been no intervention from The Pensions Regulator to use its powers to modify the Scheme, or to impose a direction, or a schedule of contributions.



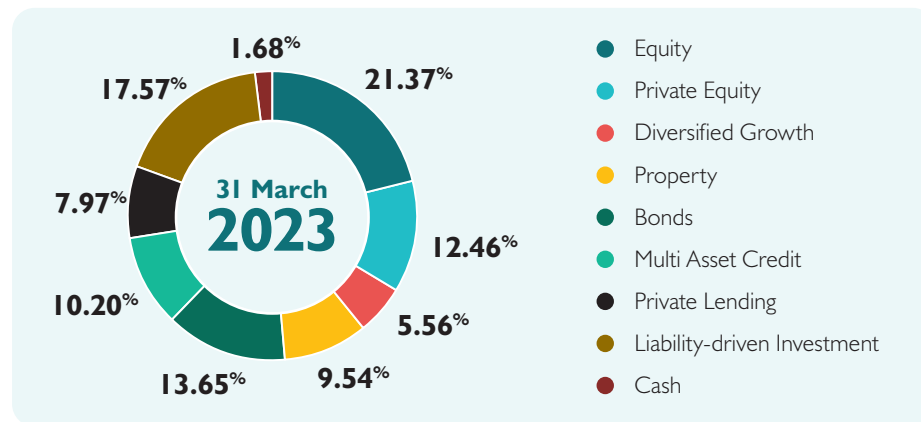
DID YOU KNOW?

There may be benefits payable on your death. Please let the Trustee know who you would like to be considered for payment of these benefits, by completing a nomination form. Please contact the Scheme Administrator, if you have not completed a nomination form already, or you would like to make a change.

KNOW THE INVESTMENTS

OUR INVESTMENT STRATEGY

The Scheme's investment strategy is set by the Trustee after taking appropriate independent advice. The Scheme's assets were allocated to the following investment types.



The Trustee and its investment adviser have considered environmental, social and governance criteria when setting the investment strategy for the 2023/24 year and will continue to do so. The Trustee will also consider how it intends to factor climate related risks and opportunities into the Scheme's investment strategies.

More information about our investment strategy is published in our Statement of Investment Principles and Implementation Statement. Copies of all the Scheme's documents are available upon request from the Scheme Administrator.

WANT TO KNOW MORE?

SCHEME INFORMATION

If you would like any more detailed information about the Scheme, you can ask the Scheme Administrator for a copy of various documents including:

- the trust deed and rules
- actuarial valuations
- the schedule of contributions
- the Statement of Investment Principles
- internal dispute resolution procedure
- the Scheme's privacy notice

The Scheme Administrator is:

✉ Hymans Robertson LLP
21/20 Waterloo Street
Glasgow
G2 6DB

📞 **0141 566 7807**

@ **uoe@hymans.co.uk**

Members can also contact the Scheme Secretary:

✉ Mr Andrew Mills
Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB

@ **andrew.mills@hymans.co.uk**

TRACKING DOWN LOST PENSIONS

It's worthwhile taking time now to think about how much income you are on target to receive when you retire and whether it will be enough. Of course, your income in retirement may come from a number of sources including previous employers. If you would like to track down a lost pension scheme, the Pension Tracing Service may be able to help you free of charge.

🌐 **www.gov.uk/find-lost-pension**

📞 **0800 731 0193**

🗣️ **0800 731 0176**

When you call, it is a good idea to have some information to hand – such as your National Insurance number, the name of the company you worked for, and the dates you worked there.

SEE YOUR PENSION ONLINE ANYTIME, ANYWHERE

At **www.uoesbspensions.co.uk**. You'll find useful information in the home page as well as recent announcements and news about the Plan.