



Abbey Life Assurance Company
Limited Staff Pension Scheme

Newsletter

March 2025

In this issue

In numbers	2
Investment update	3
In the news	4-7
More information	8

Welcome to this latest issue of your Scheme newsletter.

The economic landscape has shown signs of improvement recently, but it remains fragile. Inflation appears to be broadly under control, yet interest rates remain high. At the time of writing, the Bank of England expects to cut interest rates gradually in the coming months. Meanwhile, the Government has taken decisions that may affect you, such as cutting the winter fuel allowance for most pensioners, and there are a number of other rumours regarding potential policy. We remain vigilant. We will monitor any updates and communicate with you where there may be an impact to Members.

We understand that your scheme benefits may be your main source of retirement income and we will continue to work hard to ensure that they are well protected.

Funding update

Whilst discussions in relation to the Triennial Actuarial Valuation as at 31 March 2024 are ongoing with the Sponsoring Company, we are not currently in a position to share with you the latest Summary Funding Statement. This will be provided, likely towards summertime, once the Triennial Actuarial Valuation has been agreed.

In the meantime you can find an update on the Scheme's investments on page 3.

Wider pensions news

Our round-up of general pensions news starts on page 4. We report on changes to the pension tax allowances and include reminders on forthcoming changes to the minimum retirement age, and how to stay safe from pension scams.

If you have any questions about the Scheme or your benefits, or you have a topic you want to see covered in our next issue, then please do get in contact. The relevant details are on page 8.

Neil C H Tointon
Chairman of the Trustee



In numbers

The Membership





As at 31 March 2024, there were 2,559 Members in the Scheme, compared with 2,576 Members at the same date last year. This does not include Members who are paid by an annuity.

1,211	Deferred Members No longer work for Pearl Life Holdings Limited (nor Abbey Life – the previous employer), nor have contributions paid, but they do have benefits retained in the Scheme for when they retire.
1,348	Pensioner Members Receiving benefits from the Scheme (and including the dependants of Members who have died).



The accounts

Here we show headline figures from the Scheme’s Annual Report and Accounts for the year ended 31 March 2024. If you would like more detail, please request a copy of the full report using the contact details on page 8.

	The value of the assets supporting the Scheme as at 31 March 2024	£207.4m
	The increase in the value of the assets over the reporting year (a negative represents a decrease in the value)	-£9.5m
	The total value of Company contributions paid in to the Scheme during the year	£6.2m
	The total value of benefits paid to Members during the year	£11.4m

Investment update

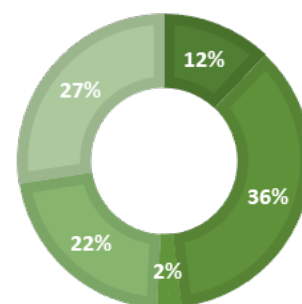
As Trustees, it is our responsibility to agree on the overall investment strategy, and to make changes as and when appropriate. We work closely with our investment advisers, and we keep a close eye on how the funds are performing.

Over the year to 31 March 2024, global bond yields rose, reducing both liabilities and assets that are designed to mimic them (gilts, bonds and leveraged Liability-Driven Investments (LDI)). The assets are invested to match the change in the liabilities and target some outperformance. Global equities generated positive returns and inflation began to moderate in most major economies as the global economy proved more resilient than previously anticipated. Geopolitical tensions remained elevated over the past year with military actions in the Middle East, the continuation of the Ukraine war, and increasing tension between China the US and UK.

Asset allocation

As at 31 March 2024, the Scheme held assets of £207.0m compared with £215.0m at the same date last year (not including insured policies and AVCs).

- Private Credit 12%
- Public Credit 36%
- Cash 2%
- Diversified Growth and Income Fund 22%
- LDI 28%



Performance

The table below shows how the Scheme's investments have performed compared with their agreed benchmarks. Each benchmark is an agreed indicator of how the fund is expected to perform bearing in mind economic and market expectations.

	Over the year to date to 31 March 2024		Over the three years to 31 March 2024 (% per year)		Over the five years to 31 March 2024 (% per year)	
	Performance	Benchmark	Performance	Benchmark	Performance	Benchmark
Diversified Growth & Income Fund	8.7%	10.0%	4.8%	7.5%	4.7%	6.6%
Public Credit	7.5%	7.2%	-2.6%	-3.0%	0.4%	-0.2%
LDI	-20.0%	N/A	-55.4%	N/A	-37.1%	N/A

Over the year, long term interest rates rose from 4% to 4.7%, and the Scheme's liabilities fell, which were offset by a similar reduction in the Scheme's asset value, given that it is invested in a manner to match the liabilities. The total Scheme assets delivered an investment return of -0.8% against an objective of -3.2%, with the assets most sensitive to changes in interest rates (LDI) being the biggest faller. The outperformance was primarily due to the DGIF and Public Credit holdings, which increased in value due to better economic conditions and the markets belief that inflation and interest rates would fall in the future.

Over three years, the Scheme's assets returned -9.0% per annum, against its objective of -8.6% per annum. The main performance driver was the negative performance of LDI portfolio caused by rising interest rates in 2022, and the outperformance was driven by the Diversified Growth assets. The Private Credit mandate has an internal rate of return (IRR) of 3.5% since inception (31 March 2020).

We will continue to monitor performance and make any changes we feel are necessary.

For further details on our investment approach, read our Statement of Investment Principles (SIP) at www.thephoenixgroup.com/site-services/abbey-life-staff-pension-scheme/

In the news



Autumn Budget

The Government is consulting on changes that are likely to bring some items of pension savings into the calculations for inheritance tax, but not until 6 April 2027. We will keep you up to date with developments.

Your pension tax allowances

The Government has made some changes in recent years to the tax allowances that apply to pension benefits, which are set out below. Please note that these allowances apply to the total of all your pension arrangements, not just those relating to the Scheme.

Annual Allowance (AA)

This is the maximum amount that you can add to your pension benefits each year tax free. The standard Annual Allowance for most people is £60,000. Higher earners – broadly someone with a total UK taxable income over £200,000 a year – might have a lower Annual Allowance.

You may have a Money Purchase Annual Allowance if you have savings in a Defined Contribution pension scheme and use these to provide certain benefits. Examples include taking some of your savings as cash, or moving them into a drawdown arrangement and using them to provide you with an income. The Money Purchase Annual Allowance is £10,000.

Lifetime Allowance (LTA)

The Lifetime Allowance used to limit the total amount of pension savings you could accumulate when you retire, without having to pay extra tax. The Lifetime Allowance was abolished with effect from 6 April 2024.

Lump Sum Allowance (LSA)

This is the maximum amount of tax-free cash you can take from all your pension arrangements when you retire. The standard allowance is £268,275, but could be more if you hold various LTA Protections.

Lump Sum and Death Benefit Allowance

This limits the maximum amount of tax-free lump sums that can be paid (i) when you retire, and (ii) your beneficiaries can receive following your death. It also covers any serious ill-health lump sums paid. This allowance is £1,073,100, but could be more if you hold various LTA Protections.

There are more details on the pension tax allowances on the Government's website, which you should review. Go to www.gov.uk/money/business-tax-pension-scheme-administration-tax-on-pensions

You are responsible for monitoring your tax position. If you are unsure of your tax position, please speak to an independent financial adviser (see page 8)





In the news

Stay alert to the threat of pension fraud

As the Scheme Trustee, we continue to be vigilant around the dangers of cyber security and fraud as a risk to the Scheme.

On an individual basis, recent research suggests that one in seven UK adults have been the victim of an attempted pension scam in the past year.

There are common signs to look out for. If you receive any of the below warning signs, it could well be a scam:

- Unsolicited contact about your pension.
- Undue pressure to make a quick decision.
- Promises of guaranteed investment returns.
- Information about apparent loopholes to access your pension savings early.

To learn more about how to protect yourself go to www.moneyhelper.org.uk and choose **Money troubles > Scams > How to spot a pension scam** (you may need to click 'View all' first).

The Financial Conduct Authority (FCA) also provides guidance on how to spot potential scams. Visit the ScamSmart area of their website: www.fca.org.uk/scamsmart

The National Cyber Security Centre has a Cyber Aware website that contains up-to-date advice on how to stay secure online. For more information, including a free personalised action plan to improve your cyber security, visit their website at www.ncsc.gov.uk/cyberaware

The Pensions Regulator has also set up the Pensions Scheme Action Group. For more information please visit: www.thepensionsregulator.gov.uk/en/about-us/what-tpr-does-and-who-we-are/pension-scams-action-group

Newsbites

Minimum retirement age to increase

The youngest age most people can start to receive their pension benefits will go up from April 2028 – from age 55 to age 57.

The aim of this change is to keep the minimum retirement age at around 10 years below the State Pension Age, which is due to rise gradually from 66 to 67 between 2026 and 2028.

Pensions Dashboards update

The Pensions Dashboards Programme is developing an online framework to enable savers to keep track of all of their pension savings in one place. All schemes must connect by 31 October 2026, and the Trustee is working closely with EQ to ensure the Scheme is connected on time.

Once the framework is in place, the expectation is that multiple providers will connect to it. This will potentially give consumers a choice of where to go to monitor their savings. Providers are likely to include government-backed services, such as MoneyHelper, plus pension providers and banks.

We will keep you updated on progress.

www.pensionsdashboardsprogramme.org.uk

In the news

Pension Wise Digital

The government-backed **Pension Wise** service has introduced a new online platform offering free, impartial guidance in a more accessible, digital-first support to those seeking information on their pension choices.

Key Features

- **Tailored Online Guidance:** Members can access personalised guidance based on their individual pension situation, helping them to explore the options available for accessing their pension savings.
- **Interactive Tools:** The platform includes tools designed to help Members calculate how their choices might impact their future income.
- **Access to Expert Advice:** Through online chat or video consultations, Members can speak with pension experts who can provide impartial advice about their pension options.
- **Clear, Structured Information:** The service helps demystify pension-related decisions, providing easy-to-understand explanations and resources about the choices available.

As more Members approach retirement, making informed decisions about pension options is vital to ensuring financial security in later life. Pension Wise Digital makes this process easier by providing accessible, digital resources that can be accessed at any time. The existing face-to-face and telephone support remains in place, allowing Members to choose the method that best suits their needs.

Whether you are nearing retirement, or looking to understand your pension options more thoroughly, **Pension Wise Digital** provides a convenient way to access expert guidance, all in a format designed to be user-friendly and flexible.

You can access Pension Wise Digital by visiting the MaPS website at www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/book-a-free-pension-wise-appointment. We encourage you to make use of this valuable resource to better understand your retirement options and ensure that you are making informed decisions regarding your pension savings.



Paying Your Pension Some Attention in 2025

The #PensionAttention campaign has evolved into the exciting Face Forward campaign, encouraging people across the UK to think ahead and take control of their retirement savings. Co-ordinated by the Association of British Insurers (ABI) and the Pensions and Lifetime Savings Association (PLSA), and supported by much of the pensions industry, the campaign focuses on simple and actionable steps to help savers better prepare for their futures.

The Face Forward Message, with a focus on simplicity, encourages savers to:

- **Reconnect with your past pensions** – Do you know where your pension pots are from previous jobs? Finding them is easier than you think.
- **Assess where you are now** – Do you know how much you've saved so far? Small adjustments today can make a big difference tomorrow.
- **Plan for your future** – What kind of retirement do you want? Understanding your options now can help you achieve your goals.

For more tips and resources, visit the Pension Attention website today and take the first step toward securing your future. www.pensionattention.co.uk.



In the news

Pension Credit: Enhancing Financial Support for Pensioners

Pension Credit is a vital benefit provided by the Department for Work and Pensions (DWP) to assist individuals over State Pension age who have a low income. It aims to ensure that pensioners have a minimum level of income to help with living costs.

Pension Credit is designed to top up your weekly income if it falls below a certain threshold. It consists of two parts:

- **Guarantee Credit:** This ensures that your weekly income is at least £218.15 if you're single, or £332.95 if you have a partner.
- **Savings Credit:** An additional amount for those who have saved some money towards their retirement, such as a pension. However, Savings Credit is being phased out and is no longer available to new claimants.

Pension Credit provides essential financial support to pensioners, helping to alleviate poverty and improve quality of life in retirement. It can also unlock additional benefits, such as:

- Housing Benefit: Assistance with rent payments.
- Council Tax Reduction: Potential reductions in council tax bills.
- Free TV Licence: For those aged 75 and over.
- Warm Home Discount: A discount on electricity bills.

The DWP has launched several awareness campaigns to encourage applications. These initiatives aim to inform pensioners about the support available and the importance of claiming Pension Credit. The Pensions and Lifetime Savings Association (PLSA) has been actively supporting these campaigns, emphasizing the significance of Pension Credit in enhancing financial security for pensioners.

Applying for Pension Credit is straightforward:

- Online: Visit the official DWP website to complete the application form.
- By Telephone: Call the Pension Credit claim line at 0800 99 1234.
- By Post: Request a form by calling the claim line and return it to the address provided.

It's advisable to apply three months before you reach State Pension age to ensure that you receive the benefit promptly.

For more detailed information, and to check your eligibility, please visit the pension credit page.

www.gov.uk/pension-credit/how-to-claim

Behind the scenes

As the Scheme Trustee, we maintain up-to-date knowledge of pensions, investments and finance. We also attend training courses as and when necessary, for example, when pensions legislation changes. We meet regularly throughout the year to discuss how the Scheme is progressing.

The Board is made up of Company-appointed Trustee Directors and Member-Nominated Trustee Directors.

Company-appointed	Member-nominated
Richard Zugic	Neil C H Tointon
Justin Granger	Valerie Jones
Ellie Siva	

Member Nominated Trustee Directors – Terms of Office

The 5-year term of office for both Member Nominated Trustee Directors (MNTDs) will come to an end on 31 May 2025. Both Trustee Directors have confirmed that they intend to stand again for a further 5-year term.

In line with the Trustee's MNTD nomination process, we will be writing separately to all eligible Scheme Members, inviting any further nominations to act as an MNTD for the Scheme. This communication will include further details around the commitments of the role, as well as the Experience, Knowledge and Skills requirements.

More information



Scheme website



To find out more about the Scheme, go to:
www.thephoenixgroup.com/site-services/abbey-life-staff-pension-scheme/

or scan the QR code with your tablet or smartphone.

You can find the following information on the site:

- General information about the Scheme
- Member guide and other useful documents

Contact point

Please use any of the methods below to get in touch with the Administration team.

Email: abbeylifepensions@equiniti.com

Telephone: 0345 712 5921

(lines are open Monday to Friday, 9.00am to 5.00pm)

Write to:

Equiniti Limited

PO Box 4991

Lancing

BN99 8WQ

We also appoint professionals to support us on areas of particular expertise.

Administrator	EQ Limited
Actuary	Nick Coates, Aon Solutions (UK) Ltd
Auditor	PricewaterhouseCoopers LLP
Covenant Adviser	Aon Solutions (UK) Ltd
Investment Adviser	Aon Investments Ltd
Investment manager	abrdn
Legal Adviser	Linklaters LLP

Reminder to keep us up to date

Please let us know if you change your name or address so that we can continue to contact you about the Scheme and your benefits.

Please also update your Beneficiary Nomination form if you need to. This tells us who you would like to receive any benefits that become payable in the event of your death. As the Trustees, we have the final say over who receives the benefits. We will consider your Beneficiary Nomination form, so if you have never filled one in, or you have not done so recently, particularly if your circumstances have changed, please complete a form and send it to us.

Taking advice

If you would like advice about your retirement plans, we recommend that you speak with an independent financial adviser (IFA). You can find an adviser in your area by searching MoneyHelper's online directory.

Go to www.moneyhelper.org.uk and choose *Pensions and retirement > Taking your pension > Find a retirement adviser*.

Remember

If you would like more information about the Scheme, you can request a copy of the Trustee's Annual Report & Accounts.

Contact the EQ (as above).

The Insurance Charity

Many of you will have heard of this charity in the past. They offer financial support and practical guidance to current and former insurance professionals in the UK and Ireland.

They understand the challenges people can face. If you need help, they'll listen to you and provide support for as long as it's needed to get you back on your feet.

To find out more about this very worthwhile charity, and what they are able to offer, go to:

www.theinsurancecharity.org.uk/