

MAKING THINGS SIMPLER

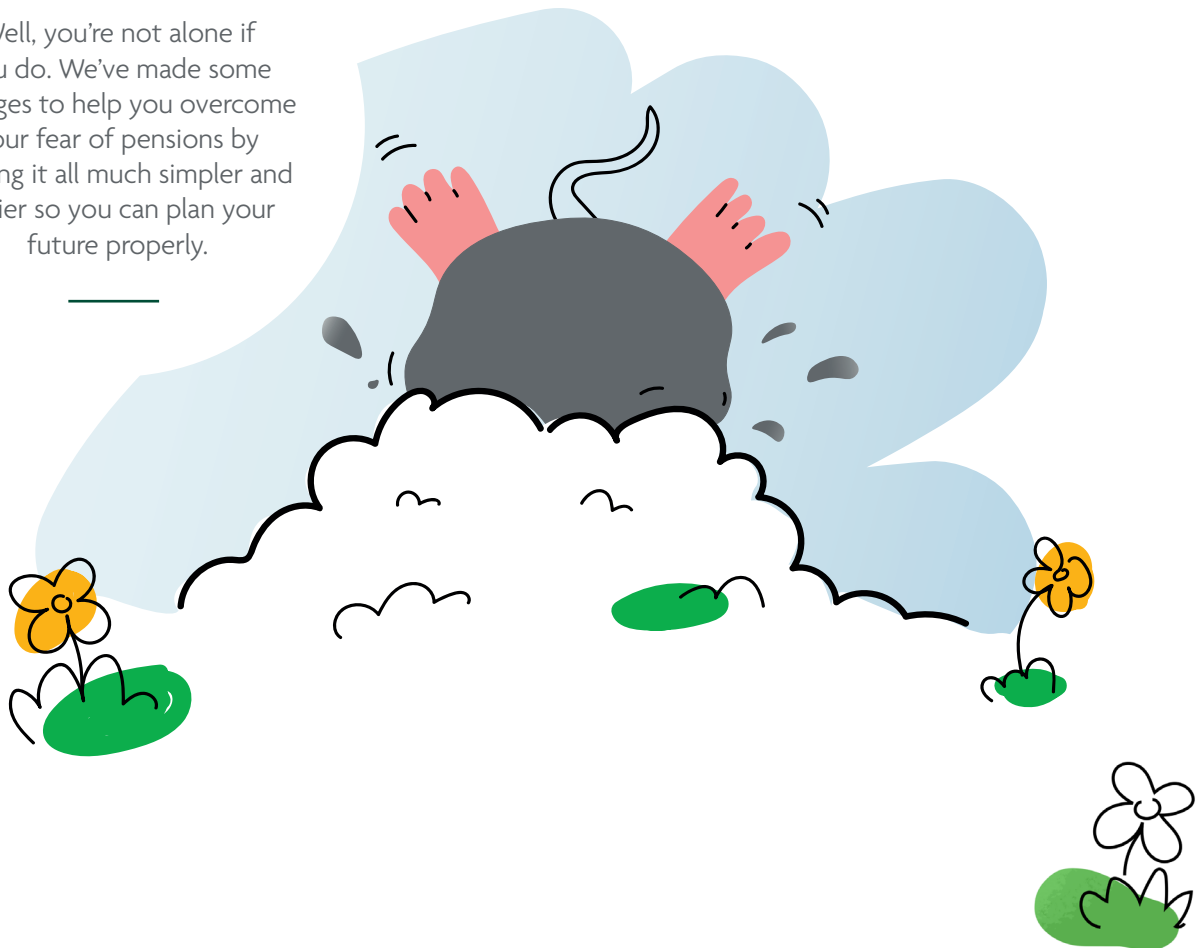
With the Morrisons 1967 Section

MARCH 2021

Do you hide away from your pension?

Does it all feel **too difficult?**

Well, you're not alone if you do. We've made some changes to help you overcome your fear of pensions by making it all much simpler and easier so you can plan your future properly.



INTRODUCING BENPAL

We've recently launched Benpal - your new online portal - where you can find everything you need to know about your pension with Morrisons. Go to **pages 4 and 5** to find out more.

BEWARE OF FRAUDSTERS

We want you to know how to spot a pension scam so you can avoid a fraudster getting hold of your pension. Go to **page 6** and find out what to look out for.

Welcome to a new year and a new look

I hope that you have all kept safe and well during 2020. It was a difficult year for many and we all hope that 2021 will be a little brighter.

In good hands

We'd like to start out this newsletter by reassuring you that the Morrisons 1967 Section has remained in good hands throughout 2020. Your 1967 Section pension has remained stable through the great efforts of the administration team who, whilst working from home, have ensured that urgent queries, retirement requests and pensions in payment have been dealt with in as timely a manner as possible.

The Trustees and all their advisers have continued to look after the 1967 Section, switching to online meetings and making sure that your benefits in the 1967 Section are protected. It's been so good to see how our team has risen to the new challenges to ensure as much continuity as possible.

Making things simpler

You'll have noticed that this newsletter looks different to the ones you've received before. It's the start of our new approach to communicating with you about your pension, which we hope makes things simpler for you. As your Trustees, we have a responsibility to you to make sure you understand as much as possible about what you have and the choices you can make. We also want to make it as easy for you as we can which is why we're launching a new website where you can have all the information you need at your fingertips. Read more about this on pages 4 and 5.

All about the finances

We've also included a separate insert that shows the financial report for the year and an update on the overall financial health of the 1967 Section. Apart from being a legal obligation for us to share this information, it does have an impact on your pension. The 1967 Section promises to pay you a certain level of pension and benefits and for you to receive these in full, the 1967 Section needs to have enough money available to pay these out when they become due. That's why we review the financials so closely and let you know just how healthy the 1967 Section is. You should be reassured that with the investment returns and contributions from Morrisons, the 1967 Section is in a healthy financial position.

Sad news

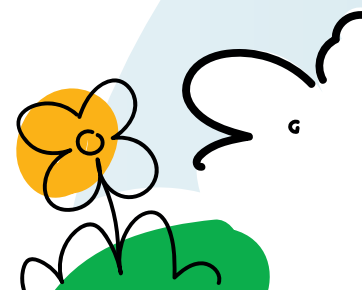
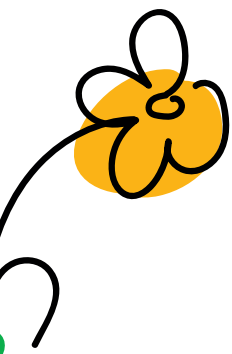
We were very sad to hear that one of our Trustees – Andrew Plews – passed away in February 2020. We've included some more information about his long-standing contribution as a Trustee on the back page.

Please take a bit of time to look through this newsletter. There will be useful snippets of information for you and contact details as well. Keeping in touch with your pension scheme – especially when you no longer work at the company – means that you'll be in a better position to get all the right information when you're ready to retire.

Wishing you all a healthy and safe year ahead.

Steve Southern

Independent Chair of the Trustees



Your pension put simply

Unlike many people in the UK, you are in the fortunate position of having a defined benefit pension in the 1967 Section of the Retirement Saver Plan. Having a defined benefit pension is good because:

- **It's relatively easy to know what pension you'll get**
as it's a calculation that's worked out based on your earnings when you left the Plan or when it closed.
- **It's paid for the rest of your life**
from the day you retire and start to take your pension.
- **It's increased each year**
to help your pension keep up with inflation.
- **There's a pension for your spouse**
if you die before them.

1 in 4

people over 55 don't know what income they'll need in retirement.*

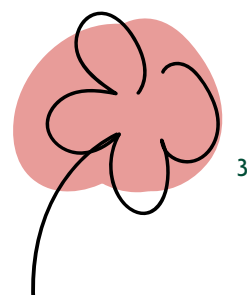
1 in 5

people in the UK don't know how much pension they will have in retirement.*

Over the next few months you'll be hearing more from us about how you can find out more about your pension as we help you to get to grips with what you have, and what you can do with it, once you've turned 55.

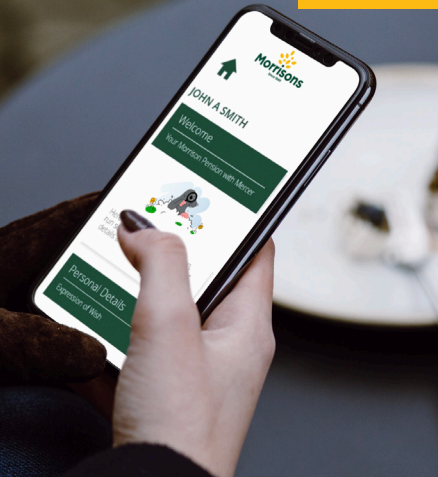
We want to make sure you're one of the people in the UK who does know what pension they'll get in retirement!

*Research from Unbiased



Introducing Benpal:

your pension at your fingertips



You should have recently received a letter from the pension's admin team explaining the launch of our new online portal, Benpal - please let Mercer know if you've not yet received your letter.

Benpal is run by the 1967 Section administrators, Mercer, and holds all the information you need to know about your pension. There are no more excuses for not knowing what pension you can get from the 1967 Section. It's easy to access, and simple to understand.

On Benpal, you can find out

→ **How much pension you've got**
in the 1967 Section

→ **Your transfer value**
This is the amount of money that would be needed to buy these benefits if you were to move your pension to a different kind of pension arrangement.

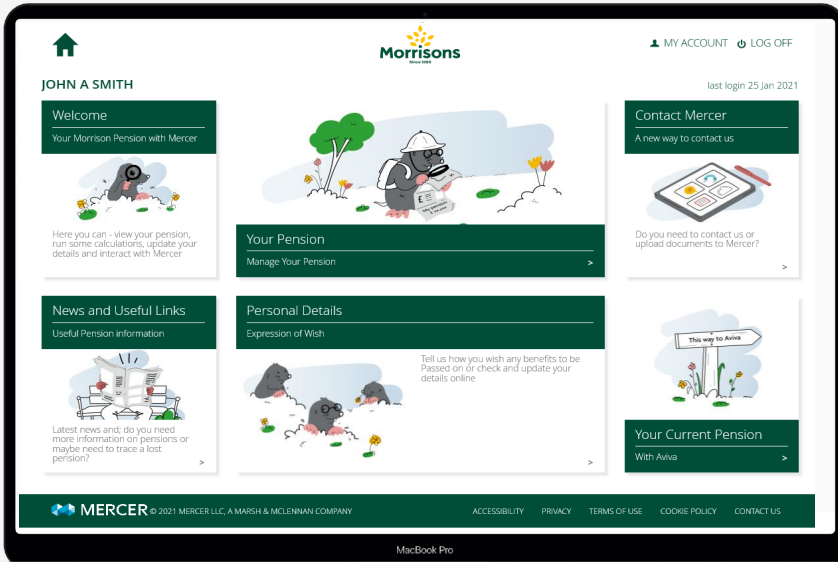
→ **What information we hold about you including:**

- Where you live
- Who you'd like any death benefits paid to (your beneficiaries)
- Your bank details (if you're a pensioner)

You can also:

- ✓ Update your information
- ✓ Use the calculators to see what you'd get at different retirement ages
- ✓ Learn about your pension – we'll be adding new and different content like videos to help you in the future
- ✓ Link directly to the Morrisons defined contribution pension with Aviva – this is the pension you'll be paying into at the moment if you still work at Morrisons
- ✓ Find links to other useful websites that explain pensions and can tell you about your State Pension

Make sure you activate your account on our new secure portal – Benpal – so that you have all your pension information to hand whenever you want it.



More than one Morrison's pension?

If you have pension built up in either the Retirement Saver Plan Section and/or the Safeway Pension Scheme, you currently won't be able to access this information on Benpal, but there are plans to get these on the portal later this year. Once they have been added you will be able to see how much you have in each scheme when you log in to Benpal.

If you're interested in the details about how the Plan's money is invested and the full financial information, you can also find the following documents on Benpal:

The Statement of Investment Principles

This explains how the Trustees invest the money paid into the Plan.

The Annual Report and Accounts

This shows the Plan's income and expenditure for the financial year.

The full report on the Actuarial Valuation

This shows the results of the Plan actuary's investigation into the funding position of the Plan.

The Statement of Funding Principles

This sets out the Trustees' policy for securing the statutory funding objective.

MAKING THINGS SIMPLER

Make sure no-one steals your hard-earned pension savings

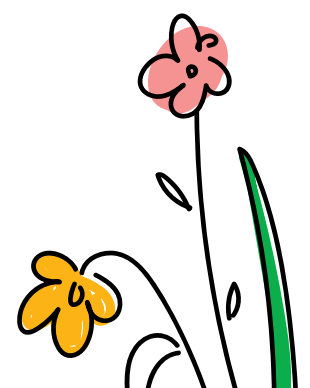
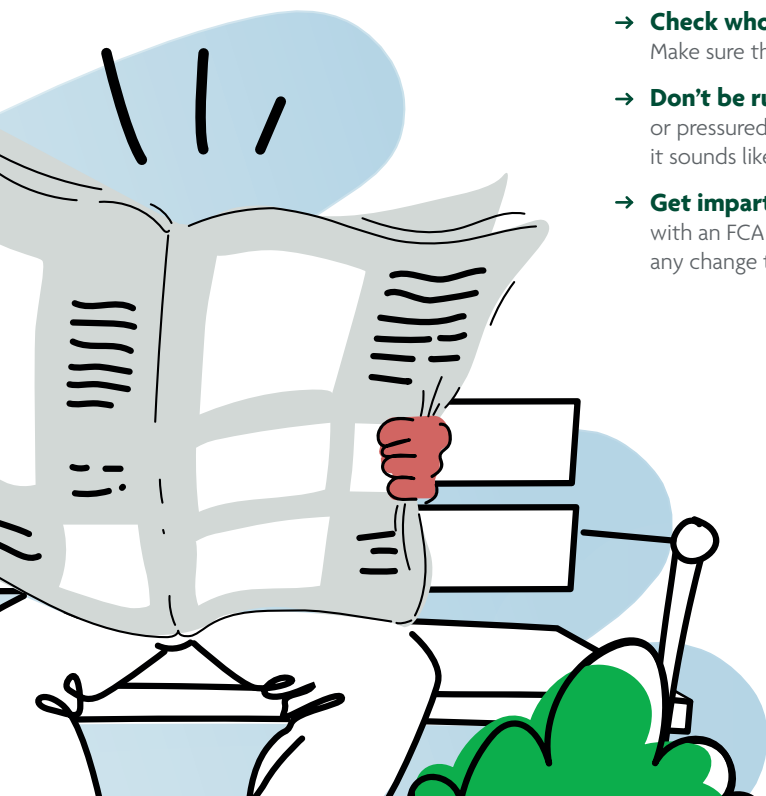
It's a sad reflection on human nature that when there's a crisis, there will be criminals intent on taking advantage of people's increased concerns and anxieties. This has been true of the Covid-19 pandemic, with a dramatic rise in all kinds of fraud, cyber-attacks, and scamming activity over the past year with serious concern that pension savers are particularly at risk.

So please, remember to ignore any messages that come from someone you don't know or have never heard of, especially if they are telling you that you can have your pension earlier than age 55 or that they'll review your pension for you. If you're online, look at the Financial Conduct Authority's advice on their website at www.fca.org.uk/scamsmart/how-avoid-pension-scams

Top tips to remember:

- **Always double-check the website address**
is the same as the address shown in any official communications. Sometimes scammers will impersonate websites but there's usually something different about it that you can spot.
- **Reject unexpected offers**
These often come from text or social media messages.
- **Check who you're dealing with**
Make sure they are FCA authorised.
- **Don't be rushed**
or pressured into making a decision – even if it sounds like a great deal.
- **Get impartial advice**
with an FCA authorised adviser before making any change to your pension.

The Financial Conduct Authority (FCA) is a financial regulatory body in the UK



Other

pension news

Pension increases for our pensioners

The 1967 Section rules state that once you retire and start receiving your pension, you'll receive an increase each year. This will either be in line with the Retail Prices Index (RPI) which is a measure of inflation or 5% for any pension you earned up to April 2006 and 2.5% for any pension you earned after April 2006 - whichever is the lower amount.

On the 1 April 2020 pensioners received increases to their pension over and above the Guaranteed Minimum Pension (GMP) of: 2.2% (for pension up to April 2006) and 1.7% (for pension after April 2006). The GMP element of their pension was increased by 1.7%.

The GMP is only relevant if you joined the 1967 Section before 1997 as it replaces what you would have earned in the State second pension at this time.

When can I claim my State Pension?

The State Pension age for both men and women has been gradually increasing and is now age 66. The Government is planning to raise the State Pension age again to 67 for everyone by 2028.

You can check your State Pension age at www.gov.uk/state-pension-age

Building up your pension savings tax efficiently

The Annual Allowance is how much you can pay into all of your pension savings over a tax-year (which runs from 6th April to 5th April each year), without paying a tax charge on your pension contributions. Although you're not making contributions into your 1967 Section pension, this is important to know for any other pensions you're saving into for your retirement.

DID YOU KNOW?

The current standard Annual Allowance of £40,000 hasn't changed since 2016.

However, if you're a higher earner, you may also be subject to a lower 'Tapered Annual Allowance'.

This means that if you currently earn more than £240,000 the Annual Allowance reduces by £2 for every £1 you earn over £240,000 – which could reduce your Annual Allowance to as little as £4,000.

When can you start taking your pension?

The Government has put forward plans to increase the age when you can start to access your pension savings from age 55 to age 57 in 2028.

The reason for the change is that people are living longer and there is a concern that some people who start to use their pension savings too early might run out of money in retirement. Given future increases to the State Pension age, it also makes sense to encourage people to wait a bit longer before drawing on their own savings.

An update on GMP equalisation

Last year we informed you about Guaranteed Minimum Pension (GMP) equalisation. Your GMP is a part of your overall pension benefits.

We're working to ensure that all required data is compiled so we can identify how individual members are affected. If you have benefits earned before April 1997 you may be affected but this review will not result in any reduction to your benefits. However, you could see a small increase in your benefits. If you request a transfer value quotation before this review is completed, GMP equalisation will be allowed for and the transfer value will reflect this.

We will write to you with an update once more information is available.

The people behind the Plan

The Retirement Saver Plan has two sections – the Morrisons 1967 Section and the Retirement Saver Plan Section. The Plan is set up as a Trust – Wm Morrison Pension Trustee Limited - under a Trust Deed and Rules. This sets out how the Plan should be run including administration and management. All the money held by the Plan is kept completely separate from the Company.

The Trustee Company is made up of a board of directors who we refer to as Trustees. They are responsible for making sure the Plan is properly managed on behalf of all the members. The Trustees appoint a number of professional advisers and service providers to help them run the Plan with additional support from the Pension & Benefits Team at Morrisons.

Company appointed:

Steve Southern (Chair and Independent Trustee)

Lindsey Crossland

Andrew Plews (to 3 February 2020)

Owen McLellan

Member nominated:

Graham Logie

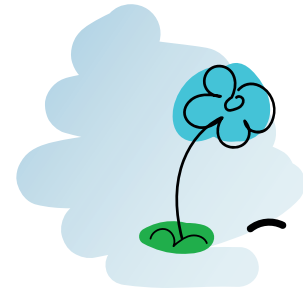
John Sampson

Charlotte Surblys-Seale

Daniella Wainwright (until 31 July 2020)

Secretary to the Trustees

Steven Robson, Head of Pensions & Benefits



A sad loss to us all

We were saddened to hear of the death of Andrew Plews in February last year. He was an extremely valuable member of the Trustee board and we'll miss his insights, experience and active contribution to the running of the pension scheme. He started his career at Presto in 1974 and worked continuously for Presto, Safeway and Morrisons for 43 years until he retired in 2017. Andrew became a Trustee for the Safeway scheme in 2000 and the Morrisons scheme in 2010 and continued as a pension scheme Trustee after his retirement. He was well known to many of you and will be remembered fondly by us all.

Who to contact, if you...

Have a question about your pension

Mercer at:

 **0345 450 6564**

 **morrisonsadmin@mercerc.com**

Have your National Insurance number to hand when you call so that the admin team can easily identify you.

Want to find out more about your State Pension

To find out your State Pension age:
www.gov.uk/state-pension-age

To find out how much State Pension you'll get:
www.gov.uk/check-state-pension

Have a complaint about the Plan that can't be resolved by Mercer, the Trustees or the Company

Contact the Pensions Ombudsman:

 **0800 917 4487** (UK Freephone)

 **enquiries@pensions-ombudsman.org.uk**

 **www.pensions-ombudsman.org.uk**

