Home Group Pension and Life Assurance Scheme (HGPLAS)
Annual Review 2023

Defined Contribution Section

Have you changed address, or planning to do so?

Please let us know by logging into your Aviva account at: **www.avivamymoney.co.uk/Login**

Alternatively, you can contact the Pensions Administrator (see useful information section on the final page).

Have your personal circumstances changed?

You may wish to send us a new beneficiary nomination form. Please see page 21.

Chair's Message

Welcome to the 2023 Annual Review. In this newsletter, we inform you of the progress and current position of the Defined Contribution (DC) Section of the Home Group Pension and Life Assurance Scheme (the Scheme) over the last year.

I am delighted to introduce myself as the new Chair of Trustees of the Scheme. My name is Bhavna Kumar, and my trustee company, Align Pensions Ltd, was appointed as a Trustee of the Scheme in April 2022 as part of the restructuring of the Trustee board. I am a full-time professional trustee, and prior to this worked as a pensions actuary. I very much look forward to continuing to work with the other Trustees for the benefit of the Scheme's membership.

You will be aware that investment markets have been extremely volatile during 2022, against a background of higher inflation and rising interest rates, made worse by a series of political crises in the UK. All the main investment markets were affected during 2022, with particularly dramatic falls in the value of government bonds (gilts) and corporate bonds, which are normally assets that are reasonably stable in value.

Understandably, this is a worrying time for members of DC schemes, particularly for those approaching retirement. It's important to remember that you do have some flexibility as to when to take your pension pot. If you are retiring and need to access your pension pot, you may consider buying an annuity. With the recent market movements, annuities, which pay you a regular fixed or increasing income for the rest of your life, are more affordable. If you are planning on buying an annuity, it is very important that you shop around to find the best annuity for you at the most competitive rate. More information is available about your options at retirement on pages 15 and 16.

The Trustees continue to monitor the range of funds and the performance of the investment managers of each of the funds. This includes considering the investment returns delivered, the levels of investment risk being taken and the managers' engagement with the companies in which they invest on environmental, social and governance (ESG) matters. The issue of climate change, in particular, is vital for us all and has continued to be high on the Trustees' agenda. The Trustees are therefore considering with their investment advisers the next steps in developing the ESG performance of the Scheme's portfolio, without compromising future returns.

Increase in minimum retirement age

The Government has confirmed that the minimum age for drawing pension benefits, except if you are retiring due to ill-health, is to rise to 57 from 2028. However, if you joined the DC Section of the Scheme before 3rd November 2021 and were paying auto-enrolment (AE) contribution rates, it is possible that you might continue to have the right to take your benefits from age 55. We will write to you if this is the case.

Administration service

The Trustees continue to monitor the administration service delivered by our DC provider, Aviva. If you have had any interaction with Aviva recently that you were not happy with, we would be grateful if you could share your experience by contacting the Pensions Administrator (contact details are on the back page).

Pension scams

The new rules introduced by the Pension Schemes Act 2021, aimed at preventing people from being misled into transferring their pensions to scam vehicles, came into effect from 30 November 2021. This gave trustees of pension schemes the power to refuse a pension transfer if certain 'red flags' concerning either the legitimacy of the receiving scheme or the circumstances of the transfer have arisen. This provides added protection for pension scheme members, although we would still caution you to be very wary. Never take advice from someone who has approached you 'cold'.

I hope that you find this newsletter useful and informative. If there is anything you would like to see more of in future Annual Reviews, please get in touch as your feedback is very valuable.

Bhavna Kumar

Align Pensions, Chair and Independent Trustee

Terms used in this Review

Some of the words used in this Review have special meanings:

Active members: Members actively paying contributions, whether by deduction from their pay or by salary sacrifice, in order to save for a pension with the Scheme.

Deferred members: Members who no longer contribute to the Scheme but are not yet drawing a pension and have kept their pension pot in the Scheme.

Defined Contribution (DC) Section: The section of the Scheme where pensions depend on how much you and Home Group pay in and the investment returns (less charges) on those contributions. Before 1st January 2020, there were two DC Sections, known as the Money Purchase Section (MPS) and the Auto-Enrolment Section (AES), but these have now been combined into a single DC Section.

Equities: These are investments in company shares, either in the UK or overseas.

Bonds: These are loans typically to a company, the government or other bodies (such as the European Investment Bank). Bonds generally pay a fixed rate of interest to the investor, and at the end of their term, the investor receives the capital back. Some government bonds pay a rate of interest linked to inflation (index-linked bonds).

Statement of Investment Principles (SIP): A document setting out the Trustees' investment strategy for the Scheme, and their approach to material risks.

Implementation Statement: : An annual statement explaining how the Trustees have followed the requirements of the SIP during the year, and providing information about how voting rights relating to the investments have been exercised by the managers.

Salary Sacrifice: An arrangement where you agree to take a lower salary in exchange for which Home Group agrees to pay your pension contributions. Members who take up Salary Sacrifice improve their take-home pay because they save national insurance contributions on the amount of their pension contributions.

Membership

Below you can find a summary of the Scheme membership numbers for the DC Section as at 31st December 2022:

	No. of members
Active members	2,578
Deferred members	4,842
Pensioners	-
Total	**7,420**

At retirement, the Scheme pays benefits, either as a cash sum, a transfer payment or as a pension from an insurance company written in the member's name, or a combination of the three. The Scheme then ceases to be responsible for paying any further benefits. There are therefore no pensioners remaining in the DC Section of the Scheme.

The year in summary

Here is a brief overview of what's happened during 2022 and some of the key projects the Trustees have undertaken:

Trustee meetings

This year, the Trustees met on five separate occasions. There were also five meetings of the General Purposes Committee, four meetings with Home Group and five meetings of the Investment Working Group.

The Trustee board

As a result of recommendations from the governance review detailed in the last annual review, there was a re-structuring of the Trustee board during the first half of 2022. The re-structure reduced the size of the board from eight Trustees to six, and it is now chaired by Bhavna Kumar of Align Pensions, who was appointed as an independent professional trustee in April 2022. As part of the transition, there was a nomination and selection process for the two member-nominated trustee roles, which resulted in Harry Drennan being re-appointed, and Sarah Deans was appointed as a new member-nominated trustee.

The Trustees believe that the new board structure has encouraged greater participation in decision-making and improved inclusivity. The board also seeks to promote diversity in its appointment processes, and accordingly amended its member-nominated trustee (MNT) appointment process during 2022 to introduce appointment by selection panel. This enables diversity considerations to be taken into account in MNT appointments.

Service standards

The Trustees continue to monitor the service standards of the DC service provider, Aviva. Over 2022, Aviva achieved 86.8% of their targets for the administration of the Scheme, a big improvement from 2021. The Trustees also monitor Aviva's end-to-end times. These are the average times taken to complete each process from beginning to end, and include for example periods when Aviva are waiting for information from other parties. Although end-to-end times are not all within Aviva's control, they too improved during 2022.

Value for money

Each year, the Trustees are required by law to form a view as to the extent to which the DC Section represents value for money for members. The Trustees' view on this is published in the Chair's Statement, which forms part of the annual Trustees' Report and Financial Statements. Further information about the value for money review is provided in the 'Chair's Statement highlights' section of this review.

Fund charges

The Trustees are very aware that a portion of each member's fund is paid out each year as an annual management charge. Part of this goes to Aviva as a platform fee. This covers Aviva's costs for administering the Scheme and for providing access to a range of investment funds. The Trustees regularly review the charges elsewhere in the DC pensions market, and engage with Aviva to ensure that the DC Section remains competitive. This has produced positive benefits for members in 2022, and you can read more about it on page 12.

Socially-responsible investment

As reported in last year's Annual Review, the Trustees introduced a new Home Group Sustainable Equity Fund into the fund range during the first quarter of 2022. This fund forms part of the lifestyle investment programmes, and is also available for members to choose on a self-select basis. The fund includes equities that are selected explicitly with regard to environmental, social and governance (ESG) factors. The Trustees continue to monitor the ESG credentials of the funds available in the DC Section, and are considering with their investment advisers the next steps in developing the ESG performance of the Scheme's portfolio.

Implementation Statement

During 2022, the Trustees prepared the Scheme's second Implementation Statement, explaining how they have complied with the SIP in relation to their engagement with the Scheme's investment managers, and their assessment of the voting record of the managers.

DC Member Guide

Following recent changes to the DC Section, the Trustees have been working with Aviva to update the Member Guide. It contains lots of useful information about how the DC Section works, the contributions that go in, how they are invested and your options, as well as how and when you can take money out of your pension. You can read the new Member Guide here:

www.library.aviva.com/tridion/documents/view/aengs47358a1.pdf

Amounts from accounts

The Trustees prepare a formal report and a set of accounts every year. A copy of the full Trustees' Report and Financial Statements to 31st March 2022 is posted on the Home Group intranet. If you would like a printed version, please contact the Pensions Administrator.

A brief summary of the transactions of the DC Section of the Scheme during the year to 31st March 2022 is set out below:

Fund value as at 31st March 2021	**£60,168,521**
PLUS increase in fund from:	
Contribution by members	£3,503,280
Contributions by the employer	£3,512,376
Transfers in	£210,718
Net return on investments	£4,971,447
TOTAL INCREASE IN FUND	**£12,197,821**
LESS expenditure:	
Retirement benefits – lump sums	£703,883
Death benefits – lump sums	£64,281
Refunds of contributions	-
Transfers out	£1,902,641
TOTAL REDUCTION IN FUND	**£2,670,805**
Fund value as at 31st March 2022	**£69,695,537**

The expenses of running the DC Section of the Scheme, except for investment management costs and Aviva's charges, are met by Home Group Limited.

Chair's Statement highlights

Each year, the Trustees prepare a 'Chair's Statement' that describes how the Defined Contribution ("DC") Section of the Scheme has been governed.

Here are some highlights from the Chair's Statement for the year to 31st March 2022, and details of some of the work the Trustees have undertaken since then.

Governance of the Scheme

The Chair's Statement focuses on the following four keys areas of DC governance:

1. Ensuring the default investment arrangement is suitable for the membership and is well governed.
2. Assessing the promptness and accuracy of the administration service.
3. Charges and costs borne by members and the Trustees' assessment of their value for money.
4. Trustee knowledge and understanding.

The key aim of the DC Section is to help members achieve a good outcome for life after work.

This is done by providing a well-governed pension scheme, that represents good value for members, has accurate and efficient administration, and provides appropriate investment options for members with a communication and education programme to suit their circumstances.

Top developments

Triennial Investment Strategy Review

The Trustees made the following changes to the Scheme's investment strategy in March 2022:

- The default investment option was changed to reflect members targeting to draw down their pension benefits rather than take annuities.
- The Aviva Pension MyM BlackRock (40:60) Global Equity Fund was replaced with a combination of the Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Fund and the Home Group Sustainable Equity Fund within the growth phase of the default and alternative lifestyles. This change improved the "Environmental, Social and Governance" score and increased diversification.
- Changes were also made to the self-select fund range.

2023 DC Priorities

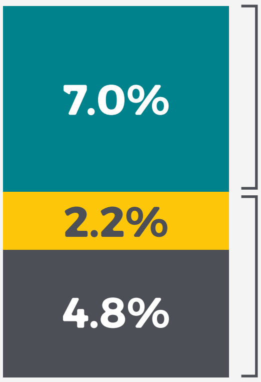
- Monitor the investment arrangements.
- Annuity purchase support for members.
- Deep dive review of the Multi-Asset Fund used in the lifestyle strategies and self-select fund range.
- Progress the Scheme's integration of ESG considerations.

DC Governance

In 2022, an independent professional trustee was appointed, who is knowledgeable and experienced in pension matters, and provides guidance to the Trustees.

How you benefit from being a member of the Scheme

The Company matches employee contributions to the DC Section up to 7% and passes on the NI contributions savings gained from 'Salary Sacrifice'. The actual cost to you, as a member of the DC Section, will normally be much less than your gross contribution, because you receive tax relief and NI contributions savings on your contributions at your highest marginal rate. The example below shows how much could go into your pension savings if you contribute 7% of your pay.



The Company then pays 7%, **meaning you receive 14% into your pension for the cost of 4.8% from your take-home pay!**

Although your contribution is 7%, your take-home pay only reduces by 4.8%* due to tax relief and NI contribution savings.

* Assumes 20% tax rate and 12% NI contribution (for Salary Sacrifice)

Value for members

The Trustees annually assess the extent to which the DC Section provides good **value for members**.

'Value' is not just about the price of services, but also their **performance** against required standards.

Who pays?

The company pays for:

- Trustee governance
- Professional advice to the Trustee and Company, including legal, investment and audit
- Bespoke project and member engagement initiatives

You (as a member) pay for:

- Investment manager costs
- Administration and platform services supplied by Aviva

Value for members' assessment

The Scheme's overall services were assessed in 2022 by the Trustees' advisors as providing members with '**reasonable to good value**'. Fees were assessed to be providing 'reasonable' value with pockets of 'good' value and general fund performance was 'good' value. Wider Scheme services around governance and administration were deemed to provide 'good' value for members.

Impact of costs and charges

The Trustees are required to show illustrations of the impact of costs and charges on a member's pension savings (full costs and charges are set out in the Chair's Statement - see link on the next page).

An example of the impact for a member invested in the Aviva Pension MyM BlackRock (30:70) Currency Hedged Global Equity Index Fund (which made up 50% of the default arrangement's growth phase at the Scheme year-end) is shown below.

0.36%*

Total expense ratio deducted from members' funds p.a.

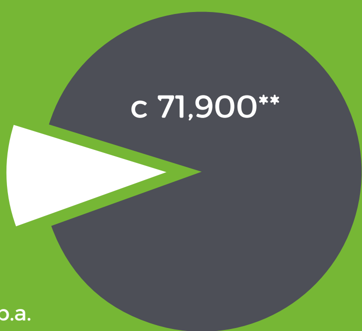
*After fee reduction in Feb 2023

Example of impact

- Member joins Scheme at age 25
- Initial pot size of £0
- Total contributions equal £100 per month
- Inflation and pensionable salary growth assumed at 2.5% per year to age 65
- Investment return assumed to be 4.54% net of costs and charges

Approximate fund size at age 65

c 8,000 in charges



* in today's money, considering the total expense ratio of 0.36%p.a.

Trustee knowledge and understanding

The Trustees undertook training during the Scheme year in order to ensure they have knowledge of best practice in defined contribution pension schemes.

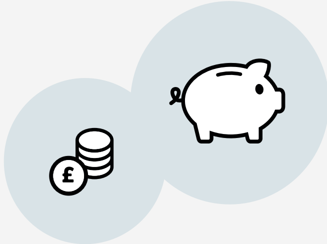
Examples of the training included:

- Training on the Pension Schemes Act 2021 and Trust Deed and Rules.
- The continuation of the review of the Scheme's investment arrangements took place at the June 2021 Trustee meeting with the assistance of the Scheme's investment advisor.
- Quarterly updates from the Scheme's DC pensions adviser covering such items as industry trends and important legislative requirements.
- Training on the Pensions Regulator's Defined Contribution Code of Practice, new transfer regulations and pension scams.

The full Chair's statement can be found here::

www.homegroup.org.uk/media/y5bdyxa5/chair-s-statement-2022.pdf

Investments



The Scheme offers a range of investment funds for members of the DC Section to choose from.

These are unit-linked funds, so that the value of your pension pot at any time is the number of units you hold multiplied by the unit price. All of the funds are invested by independent professional investment managers, and are made available to you through an investment and administration platform operated by Aviva.

There are three 'Lifestyle' options and a range of 'Self-select' funds for members who prefer to make their own investment decisions. The Lifestyle options invest in growth assets (such as equities) when you are younger, but automatically move your fund into lower-risk investments (such as bonds and cash) as you approach your chosen retirement age. The three Lifestyle options available - Home Group Drawdown Lifestyle (the default investment option), Home Group Annuity Lifestyle and Home Group Cash Lifestyle - are designed to be appropriate depending on how you expect to take your benefits when you retire.

Reduction in annual management charges

As mentioned in the 'Year in summary' section above, the Trustees have compared the annual management charges that apply to the investment funds in the DC Section with the charges that typically apply in other DC pension arrangements. As a result of this, they engaged with Aviva to see whether better terms could be offered for members of the DC Section. We are pleased to confirm that Aviva have agreed to reduce their platform fee from 0.36% per annum to 0.30% per annum. This means that the annual management charge for each investment fund reduced by 0.06% per annum from 22nd February 2023. Although this change looks modest, it could build into a significant reduction in charges over the entire period of your pension saving. It also represents a real improvement in the value for money provided by the DC Section.

Monitoring your investment choices

Given the flexibility in terms of when you retire and how you can take your benefits, it is especially important that you think carefully about your investment choices, and how your needs change as you progress through your career.

If you are invested in one of the three Lifestyle options, please also check that your selected investment programme retirement date is consistent with the date that you expect to retire. You can check your selected investment programme retirement date, find out details of your current investments and switch funds if you wish to by logging into your Aviva account at: **www.avivamymoney.co.uk/Login**

Please note that if you are intending to draw down on your fund after retirement, you cannot currently do this within the Scheme. You will therefore need to transfer your fund to another pension arrangement before you retire in order to take advantage of this option.

The Trustees encourage all DC Section members to think about their investment choices and ensure that they continue to be appropriate for their needs. This is particularly important as you approach retirement, when you should consider when and how you intend to take your benefits (ie cash, drawdown or annuity purchase). Details of the funds available to you are set out in the Member Guide, which is available here: www.library.aviva.com/tridion/documents/view/aengs47358a1.pdf

If you're thinking of making investment changes, you should consider seeking authorised financial advice from a regulated financial adviser. You can find one using the MoneyHelper website: www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

Public website

The Trustees' Statement of Investment Principles (SIP), latest Chair's Statement and latest DC Implementation Statement can be viewed on Home Group's public website: **www.homegroup.org.uk/about-us/working-with-us/careers/benefits-and-rewards/home-group-pension-and-life-assurance-scheme/**

Points of interest

Support for you when you reach retirement – Hub Financial Solutions

As you approach retirement, you will need to decide how to take your benefits from the DC Section. The main choices available to you are:

- Take up to 25% of your fund as a tax-free cash sum and use the remainder to buy a guaranteed income for life (known as an "annuity").
- Take the whole fund as a cash sum, known as an uncrystallised funds pension lump sum (UFPLS). In this case, 25% of the fund value would be tax-free, while the remaining 75% would be subject to income tax at your marginal rate.
- Transfer all or part of your fund to another pension arrangement, from which you may be able to take your fund as a series of cash sums (known as "drawdown").

For those members who prefer to have a guaranteed income for life, the Trustees have put in place a service with Hub Financial Solutions to provide assistance with purchasing an annuity. Hub is a leading specialist in annuity broking, and is independent of the Scheme. The cost of the service provided by Hub is met by a commission payment from the insurer that provides your annuity, and you will not be charged a fee for using their service.

If you are planning on buying an annuity, it is very important that you shop around to find the best annuity for you at the most competitive rate. The DC section provider, Aviva, will normally give you an annuity quotation automatically as you approach retirement, but this will not necessarily be the most competitive rate for you. Hub can help you to find the best rate, and can also guide you to the most appropriate type of annuity for you.

If you are approaching retirement and have not received any information from Hub, please contact the Pensions Administrator, whose contact details are shown at the end of this Review.

Drawdown options at retirement

On a similar theme, if you intend to take drawdown at retirement, you will need to transfer your pension pot to another pension arrangement. Aviva will offer you a drawdown arrangement that you can transfer to, but it won't necessarily be the most competitive for your needs. You would therefore be well-advised to consider what is available elsewhere, and you might wish to seek independent financial advice to help you do so (see page 20 for how to go about finding an adviser). Factors you should consider include the range of investment options offered, the charges for each of the funds you plan to invest in and the cost of taking money out of your fund (i.e. drawing down) when you need to.

Check your State pension

From April 2016, the government introduced a new State pension, replacing the previous basic State pension and State additional pension. If you reached State pension age before April 2016, you were not affected by this change. If you reach State pension age after April 2016, then the State pension you had already earned up to that date will count towards the new State pension. You will also earn 1/35th of the additional new State pension for each further year you pay National Insurance contributions, until you have reached the full entitlement of £203.85 per week (for 2023/24).

State pension age is also set to rise, depending on your date of birth. For those born between 6th April 1960 and 5th March 1961, there will be a phased increase in State pension age to 67. State pension age will further increase to age 68 between 2044 and 2046, although the government continues to review this timetable. To find out your State pension age and to obtain an estimate of your new State pension, go to **www.gov.uk/check-state-pension**

Transfer values

A transfer value is the value of your pension pot and, once paid, no further benefits would be due to you from the Scheme. If you have not yet received any benefits from the Scheme, you have a statutory right to take a transfer value from the Scheme to another suitably approved pension arrangement, such as a personal pension policy or your current employer's pension scheme. The receiving arrangement is not obliged to accept your transfer, however, so if you are considering a transfer, you should check this with them first.

In 2015, the Government introduced freedom of choice for members in DC schemes. As a member of the DC Section of the Scheme, you have the option of taking the whole of your pension pot as a cash lump sum when you retire, instead of using part of it to buy an annuity. However, this might not be tax-efficient, because 75% of the lump sum would be taxed as your income in the year you receive it, which could mean that you pay higher-rate tax. Instead, you may prefer to draw down on your pension pot in stages, as you need the income. The DC Section does not offer a 'draw-down' option, so to take advantage of this, you would need to transfer your pension pot to another arrangement. By doing so, you could choose to either:

- Take a 25% tax-free lump sum, leaving the rest of your pension pot invested and drawing on it as and when required (known as 'income drawdown' or 'flexi-access drawdown'). The amounts you draw down would be taxable as your income; or
- Leave the whole of your pension pot invested, taking out cash sums as you need them. Under current rules, 25% of these cash sums, known as an uncrystallised funds pension lump sums (UFPLSs), would be tax-free and the remaining 75% would be taxed as your income.

Neither the Trustees nor Home Group are permitted to advise you in relation to a transfer of your benefits. You are strongly recommended to take independent financial advice before making any decision to transfer your benefits out of the Scheme. You should also be alert to pension scams.

Beware of pension scams!

Regrettably, the level of scam activity in the UK relating to pensions continues to be a cause for concern. Generally, the scams start by persuading you to transfer your fund to another pension arrangement, sometimes with the prospect that all or part of your fund can be released to you as cash. Remember that, if you are under 55, it's illegal for you to access your fund unless you are retiring due to ill-health.

Some of the tell-tale signs of pension scams are:

- An offer of a free pension review
- The promise of guaranteed returns on your investment
- Low tax/tax-free rates, including tax-free lump sums
- Exotic sounding and/or overseas investments
- Pressure to sign up quickly to avoid missing out.

The Government introduced a ban on 'cold calling' in relation to pensions. If you receive a call about pensions from someone you haven't asked to call you, and with whom you have no existing relationship, then it is likely that caller is acting illegally. You would be strongly advised to take the caller's name and then end the call immediately.

The Pension Schemes Act 2021 introduced new rules to further combat pension scams, and these came into effect from 30th November 2021. Trustees of pension schemes now have the power to prevent a pension transfer taking place if the conditions proving the legitimacy of the receiving scheme are not met, or if any of a number of 'red flags' arise in relation to the circumstances of the transfer. This means that pension scheme trustees and scheme administrators now have an even more important role to play in helping to protect members from pension scams. They will need to carry out additional checks when dealing with a pension transfer request, and if the evidence obtained is not satisfactory, they will alert the trustees who may refuse to pay the transfer.

These new protections are not a substitute for members' own responsibility to ensure they do not become the victim of a pension scam. Key to this is making sure that you have taken appropriate independent financial advice, you are familiar with the pension arrangement to which the transfer is to be made, and that you know why the transfer is being made.

The Annual Allowance and the Lifetime Allowance

The pension savings you can make tax-free in each tax year (the year beginning 6 April) to all pension arrangements combined are limited to the Annual Allowance (AA). The Chancellor announced in his March 2023 budget that the AA for 2023/24 will rise to £60,000. A reduced AA potentially applies if you have taxable income above a certain threshold. Also, if you access a DC pension pot flexibly, there is a lower annual limit on the amount of contributions that you can subsequently pay with tax relief into another DC arrangement. This lower annual limit for 2023/24 is £10,000.

The value of the pension savings you can make tax-free over your lifetime are limited to the lifetime allowance (LTA), which for 2022/23 was £1,073,100. However, the Chancellor announced in his March 2023 Budget that this limit will be abolished with effect from 2024/25. Also, in 2023/24, the LTA tax charge where benefits exceed the lifetime allowance will be reduced to nil (i.e. it will have no effect).

The current stance of the Labour Party is that they would reintroduce the LTA if they get into power at the next general election. Depending on your views, you might therefore wish to seek independent financial advice if you believe your pension savings are worth more than £1,073,100.

Helpful websites about pensions

The following external websites provide useful information and are recognised independent sources:

MoneyHelper

MoneyHelper is part of the **Money and Pensions Service (MaPS)**, which is an arm's-length body sponsored by the Department for Work and Pensions (DWP). It joins up money and pensions guidance to make it quicker and easier to find the right help. MoneyHelper brings together the support and services of three government-backed financial guidance providers: **the Money Advice Service, the Pensions Advisory Service** and **Pensions Wise**. Visit their website for lots of information and support about your money matters.

The Money Advice Service has lots of help on its website, which covers more than just retirement planning.

Pension Wise is another free service for over 50s if you have defined contribution (DC) savings in other pension arrangements. Pension Wise provides independent guidance online, by phone and face to face.

www.moneyhelper.org.uk/en

Citizens Advice Bureau

www.citizensadvice.org.uk/debt-and-money/pensions

Age UK

www.ageuk.org.uk

There are numerous others, but you'll need to be cautious. Use online sites for background information, but you should seek independent financial advice (see page 20) before making key decisions about pensions, such as whether or not to transfer your pension to another arrangement.

Planning for retirement

Are you saving enough to be able to stop work one day?

That is what retirement savings are for! But understanding your pension savings can be daunting. It is never too early to start, and the sooner you begin the easier it will be. Follow these simple steps to help feel more in control about your retirement planning.

Step 1: Know what you need when you retire

It's hard to know whether you're on track if you don't know what you're aiming for. The first step is to therefore estimate the target retirement income you need. There are lots of ways to do this. Perhaps the simplest is to start with your current earnings, deduct anything you won't need when you stop work (e.g. travel costs, money for pension savings!), and add in any extras (e.g. daytime home energy costs, hobbies and leisure activities). We recommend doing this for your household for the best overall picture.

Step 2: What pensions do you have, and what are you building up?

Once you know what you're aiming for, it's time to check how your pension savings compare. You may well have pension savings in a few places, so start by tracking each of them down to find out what income and/or lump sums they may provide you with, and when.

State Pension: you build this up by paying national insurance contributions (NICs). You need at least 10 years' worth of NICs to build up any entitlement, and 35 years of paying full rate NICs to get the maximum. To obtain a forecast of your State pension and check your State pension age, go to **www.gov.uk/check-state-pension**

Workplace pensions: contact the scheme's administrator and ask them for an updated benefit statement.

If you have lost track of any pension savings, use the official tracing service here: **www.gov.uk/find-pension-contact-details**

Remember to include any other non-pension savings that you've set aside for retirement too (for example cash savings, investments, ISAs).

If there is a gap, think about what you can do – can you save a bit more? Can you cut down what you might need in retirement and reduce your target? Taking steps now could help to bring you back on track to reach your target.

Step 3: Know where to go for help

Make the most of free help that is available. As mentioned in the 'Helpful websites about pensions' section, **MoneyHelper** is part of the **Money and Pensions Service (MaPS)**, which is an arm's-length body sponsored by the Department for Work and Pensions (DWP). MoneyHelper brings together the support and services of three government-backed financial guidance providers: the **Money Advice Service, the Pensions Advisory Service** and **Pensions Wise**.

Make sure you find an adviser who is a qualified pension specialist. Your adviser should help you to understand your pension options and recommend the ones which are best suited to you. Assistance in finding an independent financial adviser is available here:

www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

Keeping in touch

Have your personal circumstances changed?

If your benefits from the Scheme have not started to be paid, the value of your fund will be payable as a lump sum if you die. The Trustees have discretion as to who should receive the lump sum, but you can nominate who you wish them to consider. If you have not already done so, we recommend that you complete a nomination form, sometimes also called an expression of wish form. Forms can be obtained from the Pensions Administrator by e-mailing **pensions@homegroup.org.uk**

If you have completed a nomination form in the past, you should review it if your personal circumstances have changed. If you are in any doubt, please complete a new form.

Please help us by ensuring your address on the Scheme's records is up to date. If your address has changed or if you need anything further, please contact the DC service provider.

Lost pensions

If you have lost track of any pension savings built up elsewhere, there is a tracing service available.

www.gov.uk/find-pension-contact-details

Queries and complaints

All queries about the Scheme, other than requests for information, should in the first instance be addressed to the Pensions Administrator, whose contact details are shown in the 'Useful information' section at the end of this Review.

If you are not satisfied with the response to your enquiry, the Scheme has an internal disputes resolution procedure (IDRP). A copy of the IDRP can be obtained from the Pensions Administrator. The IDRP explains what further steps are available to you if you are unable to resolve your complaint satisfactorily.

Useful information

Trustees

Bhavna Kumar, Align Pensions, Chair

Sarah Deans

Harry Drennan

Chris Hopkins

Rachel Lawson

Harry Lowe

Pensions Administrator

Jackie Carnegie, Home Group Limited

Email: **pensions@homegroup.org.uk**

Telephone: **0300 304 5464**

Address: **Home Group Limited,**
One Strawberry Lane,
Newcastle upon Tyne, NE1 4BX

Scheme Secretary:

Ian Banks, First Actuarial LLP

DC pension advice:

Mercer Limited

Investment advice:

Mercer Limited

Legal advice:

Pinsent Masons LLP

DC service provider:

Aviva plc

PO Box 2282
Salisbury
SP2 2HY

Helpline: **0345 604 9915**