

Pension News 2020

The newsletter for members of the defined contribution (DC) section of the Emerson UK Pension Plan (the Plan)

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Chairman's introduction

Welcome to the latest edition of Pension News in which we share with you a variety of articles to keep you informed and help you make your pension-related decisions.

2020 has been a difficult year for all of us as the pandemic has affected so much of our everyday lives and the Trustee Board would like to take this opportunity to express our hopes that all of our members remain safe as we look towards better news in 2021.

The Trustee Board has continued to meet, albeit virtually, throughout the year to keep on top of pension developments that have

included further clarity on GMP equalisation and how to protect our members from the increasing threat of pension scams in the COVID-19 environment.

I have been persuaded to include my own Q&A in this issue that I hope you will enjoy reading, together with the other resources on the website www.oneemerson.co.uk which are provided to help you stay up to date with your pension and the Plan.

Please let us know via the Plan Administrators if there are any items that you would like to see covered in future issues of the newsletter.



The Trustee and its advisers

The Plan is run by a corporate Trustee – Emerson UK Trustees Ltd. The Trustee’s role is to act in the best interests of all members and beneficiaries, and to ensure that the Plan is run properly and in accordance with the law. To do this the Trustee Board currently has 10 Trustee Directors:

Company-nominated	Member-nominated
David Meade, Chairman	George Amabile
Martin Fernandez	Sharon Love
John Gallagher	Ashley Munden
Phil Lamb	Paul Smith
Jeremy Rowley	
Willy Vandormael	

The Trustee Directors appoint various professional advisers to ensure the Plan is run to the highest possible standards:

Actuary	Edwin Sheaf, Willis Towers Watson Limited
Administrator	Capita Employee Solutions Limited
Secretary to the Trustee	Pam Sohi, Willis Towers Watson Limited
Custodian	Northern Trust
Auditor	KPMG LLP
Investment managers	Aviva, BlackRock, The Equitable Life Assurance Society, Legal & General Investment Management, Scottish Life
Banker	National Westminster Bank Plc
Solicitor	Baker & McKenzie
Investment adviser	Willis Towers Watson Limited

Chairman's Q&A

Q: How long have you worked at Emerson?

A: I have worked at Emerson for approaching nine years now.

Q: How long have you been a Trustee of the Plan?

A: Since 2012.

Q: Were you a trustee of another plan before?

A: No, however, I worked closely with the Trustee Board at my former employer (Shell) for over ten years, so I am very familiar with the role.

Q: What do you do when you're not being a Trustee?

A: In my day job, I am responsible for overseeing the investments in Emerson pension plans globally (approaching \$12 billion in DB and DC investments), which keeps me quite busy.

Q: What do you wish more people knew about their pension?

A: Pensions are a long-term savings vehicle. The big incentive is that no tax is paid on pension contributions and, if managed in the right way, this can amount to some good savings in the long-term. However, most people spend very little time thinking about their pensions, even though they are often a large part of a person's overall wealth. I think it's worth taking a couple of hours to understand the value of a personal pension pot and what this could look like at a planned retirement date.

Q: What do you think is the most important thing that members need to do for their retirement?

A: Understand their pension savings to date and what is needed at their planned retirement age. Then put together a savings plan to get there. I think it's important to both enjoy life now and to save for the future, but there needs to be a balance between the two.

Q: What do you think is the most important piece of legislation in the pensions industry?

A: Automatic enrolment into a workplace pension has meant that more people than ever are saving into a pension, which has to be a good thing.

Q: What would you like to see in pensions in the future?

A: I think it's important for people to be able to see what they are likely to receive in their personal and government pensions at retirement age. The pensions dashboard has been under discussion for some time and may be a solution to this.

Q: What about your own retirement plans?

A: I am a DB member in Emerson's U.S. pension plan, as well as a deferred DB member at my former employer. I also actively save and invest in Emerson's U.S. savings plan.

Q: How do you like to spend your spare time?

A: I am married with three children (two still at home full time) and enjoy reading, fishing and backyard grilling with the family.



Pension scams

Rise in COVID-19 related pension scams

As a result of the increased market uncertainty caused in part by the COVID-19 global pandemic, financial regulators are seeing a surge in pension scams. It is suspected that fraudsters will prey on people's vulnerability and trick them into taking money out of their pension pots.

Avoiding a pension scam – what to look out for?

The tactics that scammers use are evolving all the time, but there are some red flags which you can easily look out for to avoid falling victim to a pension scam.

Reject unexpected offers

If you're contacted out of the blue about a financial opportunity, it's likely to be high risk or a scam. Be wary of any free offers and if you receive a marketing call about your pension, the best thing you can do is to hang up. Also watch out for text messages with misleading links. Scammers will try and entice you any way they can.

Don't be pressured or rushed into anything

During the current climate you may be worried about how your pension investments are performing. It's important you don't rush into a decision as criminals try to take advantage of any fears you may have. If you do make any decisions, take your time, do your research and make sure that your pension is safe.

Always check who you are dealing with

Check the Financial Services Register, which will tell you if the company who is contacting you is

registered by the Financial Conduct Authority (FCA). Also be wary of 'clone' companies using a similar name. If in doubt, check the register and use the contact details used there – not the ones given to you. Review the FCA warning list to check for the risk of a pension or investment opportunity, make sure that the company is authorised by the FCA and it's not a scam.

Get help and advice

If you are seriously considering moving your pension, consider getting financial guidance or advice from either The Pensions Advisory Service, Pension Wise or an independent financial adviser before you make any final decision.

ScamSmart

ScamSmart is an FCA regulated website providing information on how to avoid investment and pension scams. Visit www.fca.org.uk/scamsmart for more information.

Don't forget to check out the COVID-19 InfoHub

We have created the Emerson UK Pension Plan COVID-19 InfoHub, home to all the latest information you need to know about your pension and COVID-19.

Go to InfoHub and get:

- The latest updates on COVID-19 and your pension
- FAQs to help with any queries you may have
- Information to help you avoid and recognise pension scams
- Links to other useful pension services and information

Take a look at the dedicated page at www.oneemerson.co.uk/coronavirus-fohub

View your annual pension benefit statement online!

You will shortly receive your annual pension benefit statement. The statement contains important information to help you make informed choices about your future.

Once the statement is ready, all you need to do is:

- Log on to www.hartlinkonline.co.uk/emerson
- Input your username and password (if you've forgotten your details or haven't registered follow the relevant process on the site)
- Click on 'My mailbox' and your statement will be ready to view

Viewing your statement is important as it helps you to understand the potential value of your pension in retirement. Your statement is based on the current data we hold for you and contains information about the death benefits under the Plan. You should check that the personal details we hold for you are correct.

Environmental, Social and Governance (ESG) standards

'ESG' stands for 'Environmental, Social, and Corporate Governance' and refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business.

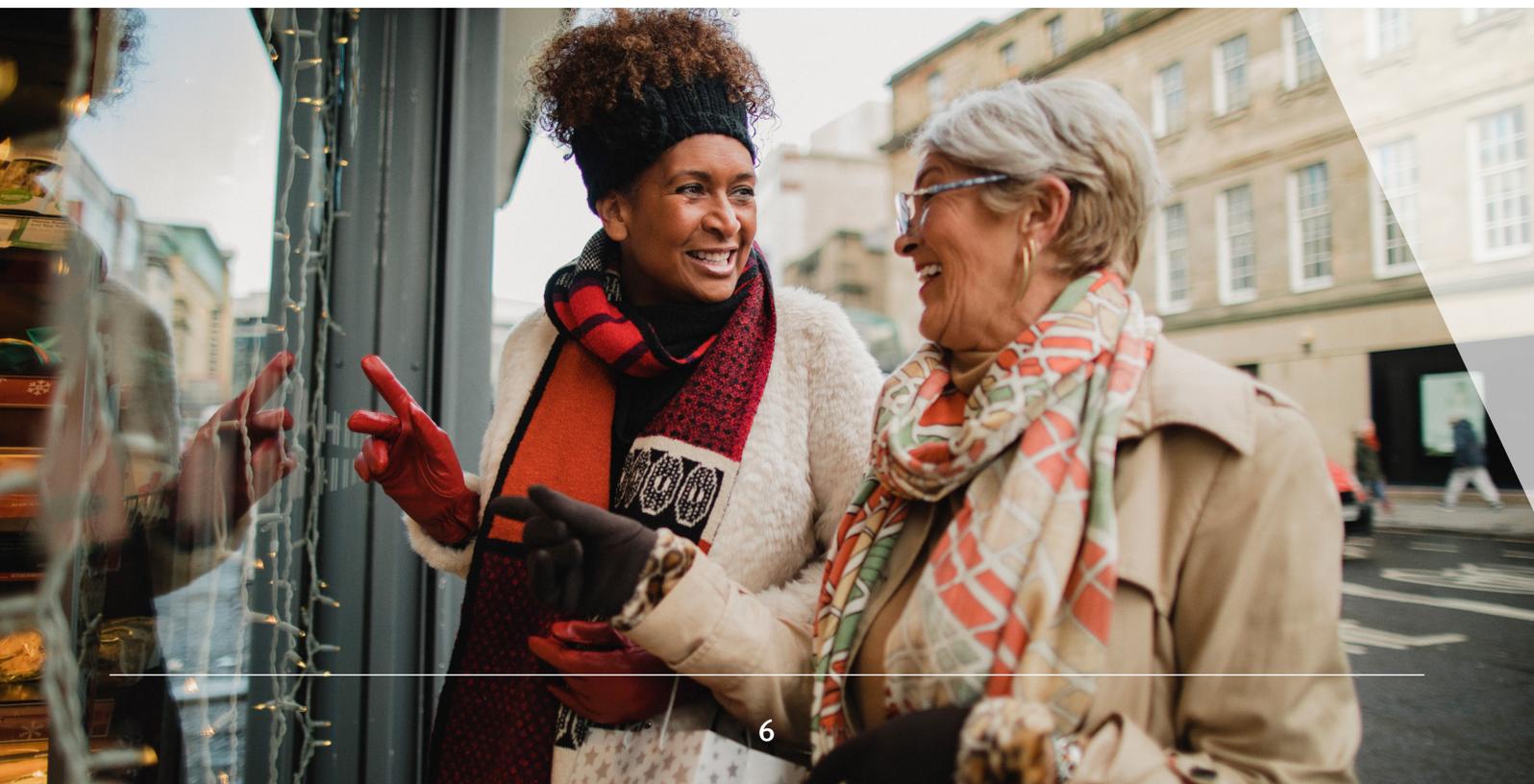
ESG is not about accepting lower returns in exchange for the moral high ground. It is a vital element in finding sustainable long-term investments in responsible, well-run, profitable businesses.

What do I need to know about ESG?

Environmental impact is perhaps the most obvious and talked about factor. It covers fossil fuels, single-use plastic, palm oil plantations and the many other activities that threaten our climate and ecosystems.

Social responsibility addresses considerations such as the opioid crisis, gambling addiction, gender discrimination and human rights abuses.

Governance standards consider the systems in place to manage cyber security, accuracy of reported accounts, gender diversity on boards, executive pay and many other indicators of how well a company is being run.





How can fund managers influence these issues when deciding how to invest our money?

The most obvious way is to avoid investing in companies with poor ESG performance, but there are other tools at their disposal. As shareholders in a company, they can (and do) vote on resolutions at Annual General Meetings and require the company's management to meet them to discuss corrective actions. In the last few years, the 'E' in ESG has taken on a more positive slant too. Many fund managers now seek out companies whose activities will have a positive environmental impact, such as renewable energy and new approaches to water management.

What is the Plan doing about ESG?

Under new legislation, which came into effect on 1 October 2020, pension scheme trustees must outline their approach to ESG and related considerations in investment decision making. This information has been included in the Plan's Statement of Investment Principles (SIP) www.oneemerson.co.uk/resources/policies

The Trustee Directors are about to carry out an investment review and ESG options are expected to feature very prominently in potential changes to investment options.

If you would like to know more about our activities and progress on ESG, or would like a copy of the SIP, use the contact details at: www.oneemerson.co.uk/contact-us

Retirement planning - PLSA Retirement Living Standards

The Pensions and Lifetime Savings Association (PSLA) has published the new Retirement Living Standards to help people understand the cost of the kind of retirement they wish to have.

Research has shown that 51% of people focus on their current needs and wants at the expense of providing for their future and only 23% of people know how much they need to save.

The standards are pitched at three levels:

- 1. Minimum** - £10,200 per year for a single person, or £15,700 for a couple. This would cover a holiday in the UK, eating out once a month and some affordable leisure activities twice a week.
- 2. Moderate** - £20,200 per year for a single person, or £29,100 for a couple. This would provide, in addition to the minimum lifestyle, a two-week holiday in Europe and eating out a few times a month.
- 3. Comfortable** - £33,000 per year for a single person, or £47,500 for a couple. This would achieve both the minimum and moderate lifestyles, plus extra luxuries such as spa days, theatre trips and those important holidays.

If you want to learn more about what the PSLA says about how much to save for retirement, visit www.plsa.co.uk/Policy-and-Research-Defined-Contribution-Retirement-Living-Standards

Pensions Dashboard

The Pensions Dashboard is an initiative being worked on by the Money and Pensions Service and will enable individuals to access their pension information online, securely and all in one place.

The Dashboard will help you find your lost pensions and ultimately give you more money at retirement.

The project is ongoing and there is currently no set date as to when this service will be available.

To find out the latest updates, you can visit www.pensionsdashboardsprogramme.org.uk

Expression of wish form

In the event of your death, the Trustee is responsible for deciding whom your pension should be paid to. You can help the Trustee with this decision by completing an expression of wish form. This is the best way to ensure your wishes are taken into account when the Trustee makes its decision.

Your personal circumstances may change over time, as may your wishes regarding who you would like to receive your pension benefits when you die. It is therefore important that you keep your expression of wish form up to date. The form also allows you to add any additional information you feel would be relevant for the Trustee to know when determining your beneficiaries.

Out-of-date forms that do not match up with the member's wishes when they die can cause lengthy investigations by the Trustee into who should receive the resulting pension benefits.

It is important to make sure all your personal information is up-to-date so that we can provide you with accurate information about your pension.

Where to get help

If you have any questions about anything in this newsletter, or your benefits in general, please contact the Plan Administrator, Capita Employee Solutions Limited.

You can also contact the Plan Administrator if you would like to see the full Report and Accounts.

Emerson UK Pension Plan
Capita Building
48 Finnieston Square
Sky Park 4
Glasgow
G3 8ET

Telephone: 0345 601 0607

Email: emerson@capita.co.uk

Hartlink Online Portal

The Hartlink Online Portal gives you access to your pension fund (with the latest values) 24/7 and you can use the pension modeller which is designed to give you an indication of what your income could be in retirement. It also provides plenty of information about your pension and you can also update some of your personal details.

Log in at www.hartlinkonline.co.uk/emerson

If you have any problems using it, please call 0333 222 0082.

Other useful websites

Age UK

www.ageuk.org.uk

Information about pensions as well as a free advice line (0800 678 1602).

Citizens Advice

www.citizensadvice.org.uk

Free, independent and confidential guidance online as well as your local Citizens Advice centre.

Financial Conduct Authority

www.fca.org.uk

The FCA regulates financial service firms and financial markets in the UK. They aim to make markets work well – for individuals, businesses and for the economy as a whole.

Money Saving Expert

www.moneysavingexpert.com

Founded by journalist Martin Lewis, this website aims to provide information and articles that could save you money and includes areas such as pensions and finance.

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