



Babcock International Group Pension Scheme

Keeping you informed
Winter 2019

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A welcome from your Chair

Welcome to the winter 2019 edition of your Trustee newsletter.

We have set out summaries of the latest Report and Accounts, membership information, and news about the Scheme for you. As always, further information is available on the **oneday...** website at www.myoneday.co.uk

The Trustee has spent a lot of time this year discussing the 2019 valuation with the Company, which comes against a backdrop of the Company's decision to close the Scheme to future accrual for some members. At the time of writing, the results of the 2019 valuation haven't yet been agreed, but we will update members through **oneday...** once the results are available.

If you haven't already registered to use **oneday...** you can get your unique access code by emailing oneday@babcockinternational.com

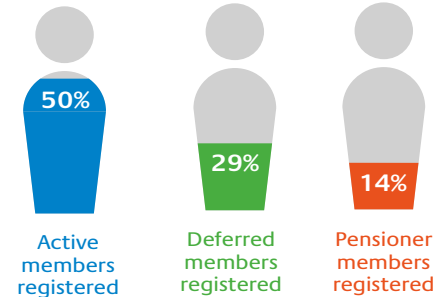
Please remember to stay vigilant when it comes to your pension. Pension scams are, unfortunately, still common, so I and my fellow Trustees want to make sure you know how to protect yourself. If anyone contacts you out of the blue about your pension – over the phone, face to face, or online – ignore them. It's now illegal to cold call about pensions. If you do engage with a company, check that it is registered with the Financial Conduct Authority – head to register.fca.org.uk to check. Always be especially careful with your personal information online – never share any of your details with organisations you don't know, and never share your passwords to online accounts with anyone. Finally, you should seek financial advice if you're thinking of transferring your pension out of the Scheme, and it's the law if your transfer value is over £30,000. You can access financial advice through **oneday...**, or you can choose your own adviser.

We hope you enjoy reading your newsletter. As always, we welcome your feedback. You can get in touch using the contact details on the back page.

Susan Jee
Chair

Are you up to date?
Please complete an
Expression of Wish form.
See the back page
for more info.

Your pensions website **oneday...**



13,140 members across the Group have now registered – 30% more than last year. We'd still encourage you to register if you haven't yet done so. After all, it's never too soon to start planning your retirement lifestyle, and **oneday...** can help you do that.

www.myoneday.co.uk

So why register? You'll have access to:

- Online courses to help you plan your retirement;
- Information about your options at retirement;
- An estimate of your pension benefits if you're over 55;
- Financial advice if you're looking to transfer your benefits; and
- Your personal record with Hymans Robertson, where you can access the pension modeller to get estimated retirement benefits and lots more.

If you pay Additional Voluntary Contributions (AVCs), you can access your personal record and view and manage it online. You will need your Aviva Policy Number to access your record, which you can find on any Aviva correspondence you have.

You can also find out more about your Scheme, including:

- Information about how your Scheme works;
- Who your Trustees are;
- Important documents such as Report and Accounts, valuation results, forms and newsletters; and
- Contact details.

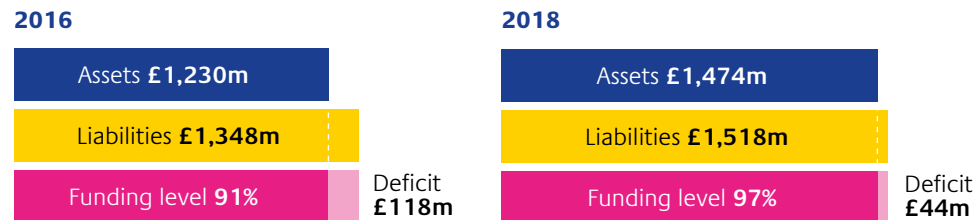
It's quick and easy to do! Just go to **oneday...** and register using your choice of email address, your National Insurance number and the unique access code we provided previously. If you can't find your unique access code, you can email oneday@babcockinternational.com to request it again.

Funding update

Every three years, the Trustee assesses the financial health of the Scheme to measure the money that the Scheme has (the assets) against the benefits expected to be paid over the life of the Scheme (the liabilities). Where there is a deficit, the Trustee and the Company will agree for additional contributions to be paid by the Company.

The last full actuarial valuation was as at 31 March 2016. In the years between full actuarial valuations, annual estimated funding updates are prepared. The results of the 2016 valuation are shown below, alongside the estimated funding position as at 31 March 2018.

The Company and the Trustee are still carrying out the full actuarial valuation as at 31 March 2019. Results are expected to be available from early 2020.



To meet the deficit at 31 March 2016, the Company pays £8.5m a year from 1 April 2020, increasing annually by 3% or dividend growth if higher, until April 2032.

You can read the 31 March 2018 summary funding statement in the Your Scheme section at www.myoneday.co.uk

We have to let you know whether there have been any payments from the Scheme to the Company in the last 12 months. We can confirm that there haven't.

We're also required to explain whether The Pensions Regulator (TPR) has modified or used any of its powers in relation to the Scheme. We can confirm that it hasn't.

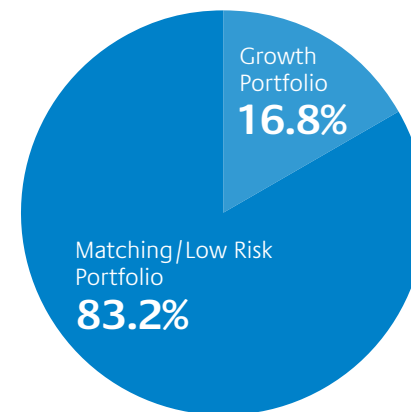
Please note, there are no plans to wind up the Scheme – however, we are required to tell you by law that, if the Scheme were to wind up, the funding position on this basis would have been 60%. This means that, if the Scheme had to use its assets to buy annuities for its members, on average 60% of the total benefits owed would have been provided.

Investment overview

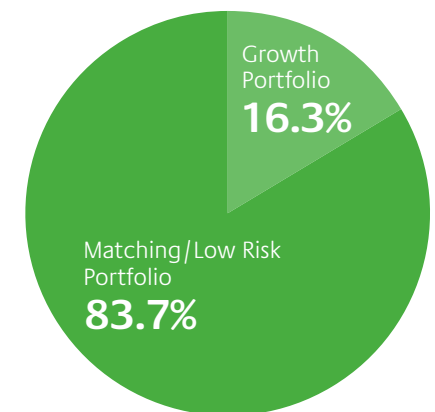
The Trustee works closely with investment managers who manage the day-to-day investments.

The charts below set out the Scheme's asset allocation at the beginning and end of the year to 31 March 2019.

31 March 2018



31 March 2019

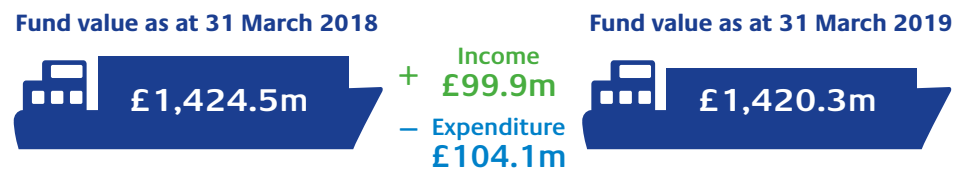


To find out more about the Scheme's investments, and to see a breakdown of the portfolio, view the Report and Accounts in the Your Scheme section at www.myoneday.co.uk

Financial summary of the Scheme

Each year, the Trustee produces its Report and Accounts. This shows the financial development of the Scheme over the year.

You can see a summary of the Report and Accounts below for the year ended 31 March 2019.



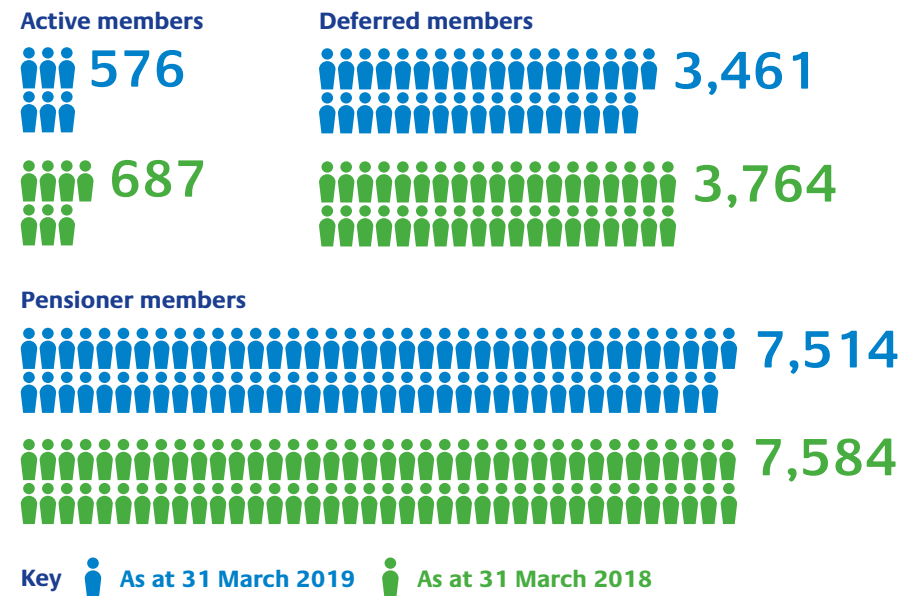
Income	£m
Contributions and transfers in	25.8
Investment and other income	29.9
Increase in market value	44.2
Income total	99.9
Expenditure	£m
Pensions and other benefits paid	52.4
Leavers' payments	45.3
Expenses	6.4
Expenditure total	104.1

Asset values on page 4 differ from those shown here due to the difference in accounting and actuarial treatment of some items, such as life expectancy.

A copy of the 2019 Trustee Report and Accounts is available in the 'Your Scheme' section at www.myoneday.co.uk

Membership numbers

The table below shows how the membership of the Scheme changed over the year to 31 March 2019.



We're here to help

If you have any questions about your pension benefits, you can contact the Hymans Robertson Pensions Team in one of the following ways.



Call us:
0121 2104382

The helpline is open from 8:30 to 17:30, Monday to Friday



Send us an email:
babcock@hymans.co.uk



Write to us:
**Babcock International
Group Pension Scheme
Hymans Robertson LLP
45 Church Street
Birmingham
B3 2RT**



Visit **oneday...**
www.myoneday.co.uk



For help with **oneday...** please email:
oneday@babcockinternational.com

Keep us informed

To make sure your benefits are paid correctly, it's important to tell us if your details change, for example if you change your address.

You should also make sure your expression of wish details are up to date. To update your beneficiary details, find the form in the Your Scheme section at **www.myoneday.co.uk**

Additional information

This report summarises the Scheme developments. However, if you wish, more detailed information (such as the Trust Deed and Rules, the last Actuarial Valuation Report, the Trustees' Annual Report and Accounts and the Statement of Investment Principles) is available on request from the Pensions Team.