

babcockTM



Babcock International Group Pension Scheme

Keeping you informed
Winter 2020

A welcome from your Chair

Welcome to the winter 2020 edition of the Trustee newsletter.

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For many of us, 2020 has been a difficult year. The COVID-19 pandemic has changed the way we live our lives and has caused a great deal of uncertainty. The Trustee wants to make sure you continue to feel supported with regard to your pension with Babcock, and so has worked on a number of initiatives to keep you informed. You can read more on the next page. You should also have received a letter or email in April 2020 about the steps taken by the Trustee in relation to the Scheme during this time and you can refer to this again in the News section of **oneday...** at www.myoneday.co.uk

In this newsletter we have set out summaries of the latest Report and Accounts, membership information, and news about the Scheme. As always, further information is available on **oneday...** If you haven't already registered to use **oneday...** you can get your unique access code by emailing oneday@babcockinternational.com

I would like to take this opportunity to thank Kevin Goodman who stepped down as a Trustee Director during the year. During Kevin's term he was both professional and enthusiastic and I thank him for his hard work and dedication to the Scheme and its members. He will be sadly missed by the Board. I'd also like to extend a big welcome to Dean Riggall who joins the Board. You can find out further information about the Trustee Board at www.myoneday.co.uk

I am extremely happy to report that the 2019 actuarial valuation was finalised in February 2020. You can find out more about the actuarial valuation and the current funding position on page 4 and in the Summary Funding Statement located in the Document library on **oneday...**

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

We hope the newsletter is informative and 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.

A look back at 2020

This year, the Trustee has worked on a number of initiatives to make sure you continue to feel supported with regard to your pension with Babcock. Here's a look back at how we've kept in touch with you during 2020.

April – We updated you on how we were dealing with the uncertainty brought about by the coronavirus pandemic. You can read the update by logging in to **oneday...**, heading to the Your Scheme section and selecting 'News'.

May – If you pay or have paid Additional Voluntary Contributions to the Babcock Retirement Savings Scheme, we updated **oneday...** to make it easier to access information about the BRSS, without having to log in.

August – If you weren't registered for **oneday...** we sent you a reminder of how to sign up. Following the reminder, 4,000 members across the Group registered for **oneday...** and the Trustee would like to thank you all for providing your email address and helping us keep you informed on pension matters.

September – We published our Statement of Investment Principles (SIP) publicly online. You can view it at www.myoneday.co.uk – just select "Key DB information".

November/December – We issued deferred members with their 2020 benefit statement in the post.

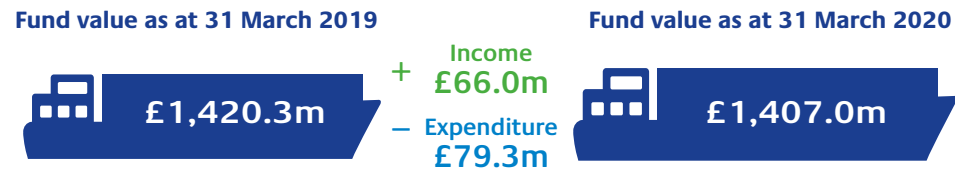
Now – We've developed a new pre-retirement webpage on **oneday...** which includes everything you need to consider throughout your savings journey and in the run up to your retirement.

Visit www.myoneday.co.uk, log in, head to the Your Scheme section and select 'Your road to retirement' to check out our handy pre-retirement information.

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 2020.



Income	£m
Contributions and transfers in	26.2
Investment and other income	32.7
Increase in market value	7.1
Income total	66.0

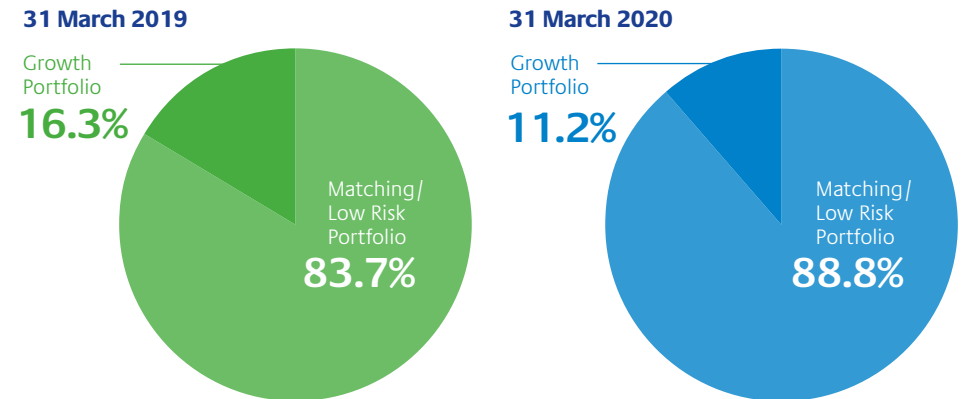
Expenditure	£m
Pensions and other benefits paid	51.5
Leavers' payments	22.1
Expenses	5.7
Decrease in market value	0.0
Expenditure total	79.3

Asset values here may differ from those in the Summary Funding Statement due to the difference in accounting and actuarial treatment of some items, such as life expectancy.

A copy of the 2020 Trustee Report and Accounts is available in the Document library at www.myoneday.co.uk

Investment overview

The Trustee works closely with investment managers who manage where the money in the Scheme is invested. The charts below set out the Scheme's asset allocation at the beginning and end of the year to 31 March 2020.



Membership numbers

The charts below show how the membership of the Scheme changed over the year to 31 March 2020.

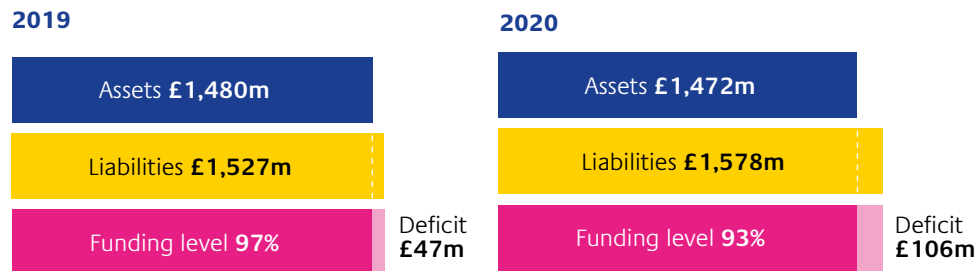
Key As at 31 March 2019 As at 31 March 2020



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 2019. In the years between full actuarial valuations, annual estimated funding updates are prepared. The results of the 2019 valuation are shown below, alongside the estimated funding position as at 31 March 2020 for comparison.



To meet the deficit at 31 March 2019, the Company agreed to pay additional contributions of £12.5m a year from 1 April 2020, increasing annually by 3% until April 2023.

You can read the 31 March 2020 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 tell you 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 75%. This means that, if the Scheme had to use its assets to buy annuities for its members, on average 75% of the total benefits owed would have been provided.

Spotlight on a Trustee



We spoke to Richard Bowen, a Member-Nominated Trustee, about his experience of sitting on the Trustee Board. Richard retired in February

2019, having worked as an HR Business Partner in Cavendish Nuclear, and has been a Trustee since March 2018.

Why did you apply to become a Trustee?

I've always been interested in pensions and felt that becoming a Trustee was a natural next step for me. I also wanted to make a significant contribution in my retirement and the Trustee role offered that. I was still working when I applied, and my HR Director was very supportive in allowing me time to attend Board meetings and training.

What's your journey been like so far?

There was inevitably a steep learning curve from the start. I was guided through a structured induction plan, but most learning is either on the job or self-driven. Responsibilities expand quickly: after two-and-a-half years I am a member of a couple of committees in addition to being on the Board.

Has anything impressed you during your time on the Board?

The Trustees have a wide range of skills and experience, but we are supported and guided by a highly professional in-house team and external specialists (actuaries, lawyers, investment advisers etc). What has particularly impressed me is how this extended team works so well together, even during the exceptional circumstances we've seen in 2020.

What do you enjoy the most?

All of it, to be honest. It's a challenge – and it's hard work – but very worthwhile.

Why should members take an interest in their pension?

Many people say pensions are “too complicated”. Understanding the basics of how your pension works is an easy first step, and it is never too early to be planning for retirement.

Why not read about how your pension works on [oneday...?](http://oneday.co.uk) Simply log in, head to the Your Scheme section, and select 'Retirement income'.

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

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 form is up to date. To update your beneficiary details, go to **www.myoneday.co.uk**, head to the Your Scheme section and select 'Document library'.

Did you know that 30% of members in the Scheme have already registered for **oneday...**?

If you're not one of them, head to **www.myoneday.co.uk** and select 'Register for access'. If you need a reminder of your unique code, simply email **oneday@babcockinternational.com**



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



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

Additional information

This report summarises the Scheme developments. 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.