



babcockTM

Babcock Retirement Savings Scheme

Keeping you informed
Winter 2021

A welcome from your Chair

Welcome to your newsletter from the Babcock Retirement Savings Scheme (the Scheme).

While the challenges of living with COVID-19 are still present, the Trustee wants to ensure that you feel supported with regard to your pension. It continues to work on a number of initiatives to keep you up to date and informed. Find out more on page 4.

Your newsletter sets out summaries of the Scheme's financial position and investment performance as well as some other useful information and news from the Trustee.

You can find much more information about the Scheme on our website **oneday...** that will support you throughout your membership and as you plan your retirement. As at September 2021, over 40% of the Scheme's active members and almost a quarter of our deferred members had registered for **oneday...**, this is a great result so far! Remember, you don't need to register or log in to access information about the Scheme – just head to **www.myoneday.co.uk** and select the BRSS button on the homepage. The Trustee encourages you to register so we can communicate with you electronically and make sure we keep your contact email address up to date. By registering you can also access financial information, provided by the Company, to help support your retirement planning.

You will have received correspondence from Aviva in November inviting you to register to their new pensions website, MyWorkplace. The new and improved website allows you to see how much your pension is currently worth, and you can also access useful content and tools to help you achieve the financial future you deserve. If you haven't already registered, you can do so via **oneday...** You can also download the new MyWorkplace app, giving you convenient access so it's never been easier to check on your pension. Available through the AppStore or through Google Play, by searching for 'Aviva MyWorkplace', the App makes it quick and easy to see the current value of your pension savings and make some changes online simply by logging in. If you need support registering you can contact Aviva on 0800 404 6539.

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The pensions world is always evolving and from 2021 it's now a legal requirement for schemes to produce an 'Implementation Statement', which sets out how the Trustee has followed the principles set out in the Scheme's Statement of Investment Principles (SIP). You can view the Scheme's current SIP and new Implementation Statement at www.myoneday.co.uk – you don't have to log in, simply select the 'Key investment information' button on the homepage.

The Trustee Board and Pensions Team are both keen to receive feedback on the communications that you receive about your pension and the Scheme. So, we've developed a survey to make it easy for you to share your thoughts. Please take the time to complete the survey if you haven't already – it will help us shape our communication strategy for the future. You don't need to log in to complete it, just head to www.myoneday.co.uk/dc_survey

I hope you enjoy reading your newsletter and find it useful.

Susan Jee

Chair of the Trustee



Over 40% of the Scheme's active members have registered for **oneday...**

Share your views on the Scheme communications – www.myoneday.co.uk/dc_survey

Don't forget! We update the news pages on **oneday...** throughout the year. Visit www.myoneday.co.uk and select the 'BRSS' section, then navigate to the News page. You don't need to log in.

Scheme activity in 2021

Let's take a look at how the Trustee has kept in touch with you throughout 2021.

March

We added a feedback tool to **oneday...** to enable you to tell us what you think about the content and tools available on the website. Look for the orange feedback button on the right-hand side of the web pages. Give it a try and share your views!

May

Aviva issued your 2021 benefit statement.

August

If you're registered for **oneday...** we emailed you to remind you of your Target Retirement Age and investment choices, and invited you to update them if needed.

October

We published our Implementation Statement and Statement of Investment Principles (SIP) publicly online. You can view the documents at **www.myoneday.co.uk** – just select 'Key investment information'.

October

The 2021 Annual Report and Accounts were completed. You can read the full report in the Document library in the 'Your Scheme' section at **www.myoneday.co.uk**

November

Aviva launched its new website – MyWorkplace – where you can manage your BRSS pension online. If you haven't yet registered, do it now and check out what MyWorkplace has to offer. Aviva contacted you in November with details of how to register, and they will provide webinars to help you navigate the website in early 2022. We'll share more information about the webinars in the 'News' section on **oneday...** nearer the time.

November

We launched a survey for you to tell us what you think of the communications you receive from us. If you haven't completed the survey yet, please visit **www.myoneday.co.uk/dc_survey** – it only takes 5 -10 minutes and will help shape how we communicate with you in future.

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. The Report and Accounts includes a Chair's Statement, which also assesses the Scheme Trustee Knowledge and Understanding, value for members, and charges and transaction costs. You can access the Chair's Statement in the Charges & Governance area in the 'Your Scheme' section at www.myoneday.co.uk

You can see a summary of the Report and Accounts below for the year ended 31 March 2021.

Fund value as at 31 March 2020



Income
+ £278.9m
– Expenditure
£39.4m

Fund value as at 31 March 2021



Income	£m
Contributions and transfers in	99.4
Investment and other income	3.0
Increase in market value	176.5
Income total	278.9

Expenditure	£m
Benefits paid	11.3
Leavers' payments	25.1
Expenses	3.0
Expenditure total	39.4

Figures have been rounded so may not total exactly.

You can find a copy of the Report and Accounts in the Document library within the 'Your Scheme' section at www.myoneday.co.uk

Investment overview

The table below shows the performance of the investment funds available in the 12 months to 30 September 2021, compared with the benchmark (the reference point against which the Trustee measures investment performance). It also shows the Annual Management Charge (AMC). You can find full details of the investment charges and costs, as well as guidance and fund factsheets, on [oneday...](#) Head to the BRSS section and select 'Charges & Governance' within the 'The basics' section.

Depending on when you joined the Scheme and how your contributions are invested, the performance of your funds may differ. You can see how your investments are performing by visiting your personal record with Aviva, which you can access via www.myoneday.co.uk

	Performance of the benchmark index	Performance of the fund	AMC
Growth funds			
Emerging Markets Equity Fund	13.33%	13.41%	0.46%
Global Equity Fund	23.49%	22.82%	0.24%
Stewardship Fund	27.89%	22.92%	0.29%
Diversified Growth Fund	13.80%	12.76%	0.37%
Shariah Fund	18.89%	18.36%	0.51%
Approaching Retirement funds			
Target Increasing Annuity	-0.91%	-1.47%	0.21%
Target Level Annuity	-4.79%	-5.62%	0.29%
Money Market	-0.08%	-0.21%	0.21%

The performance data is net of fees, except for the Emerging Markets Equity Fund, the Stewardship Fund and the Shariah Fund, where it is gross of fees.

New climate-focussed investment fund

The Trustee is pleased to announce that it has committed to introducing a new climate-focussed investment fund to the Scheme in 2022. The fund will be available as a self-select investment fund for all members of the Scheme to invest in, if they wish to do so. You will be able to invest as little or as much as you like into the fund.

The Trustee plans to launch the new investment fund on the Scheme platform in January 2022 and will issue a separate communication on how to invest in this fund, together with all the relevant fund information you will need to allow you to make an informed investment choice, nearer the time.

In the meantime, if you want to review your current investment choices please log into your personal account with Aviva by clicking on the 'View my account' link within the BRSS section at www.myoneday.co.uk. You can also access information about the Scheme's current investment choices in the Document library within the 'Your Scheme' section at [oneday...](#)

Value for members

The Scheme receives an excellent value-for-money rating. The Trustee is committed to ensuring that members receive value from their Scheme membership. The latest value-for-members assessment, carried out by the Trustee and Willis Towers Watson, the Scheme's investment consultant, looked at key areas of the Scheme as well as the general characteristics of the Scheme's membership. You can find the full assessment on [oneday...](#) on the 'Charges & Governance' page within the 'The basics' section. Overall, the Trustee concluded that the combined value provided to members by the Scheme's governance and management, administration, investment and communication services offers **good to excellent** value for members when compared with the overall level of charges met by members. Scheme Governance and Management continues to offer **excellent** value due to a dedicated committee responsible for the monitoring of the Scheme's value for money. The Trustee also believes its communication service continues to offer **excellent** value, and is an area the Trustee is continually developing to improve member engagement.

Membership

Here's how the membership of the Scheme changed over the year from **31 March 2020** to **31 March 2021**.

Active members

20,133 → **19,665**

Deferred members

14,494 → **17,442**

How much money will you need when you retire?

More of us than ever are saving into a workplace pension. We now have more information, more choices, and more responsibility for our retirement savings, but will the future you want at retirement be possible?

The Pensions and Lifetime Savings Association (PLSA) has suggested the income that's needed to achieve the three following standards of living.

PLSA Standard	Minimum	Moderate	Comfortable
	per year (after tax)		
Single	£10,900	£20,800	£33,600
Couple	£16,700	£30,600	£49,700

These figures will be subject to change in the future, as the cost of living increases.

These standards show what a range of common goods and services you would be able to afford at each level. To find out more about the PLSA retirement living standards, go to www.retirementlivingstandards.org.uk

Remember to take into account any other workplace pensions you may have built up throughout your career and any personal pensions you may hold. You should also include the State Pension, which is payable from your State Pension age. For many people their workplace and State pensions, along with any other savings, could go a long way towards these costs. To get a forecast of your State Pension, go to www.gov.uk/check-state-pension

You will need to get a clear picture of any outgoings you expect to pay. Depending on your circumstances, this could include mortgage/rent, social care costs and any tax on pension income you might be liable for on top of day-to-day costs for bills, travel and socialising.

You can use the Scheme modeller to estimate what your benefits may be worth. If you think you're not on target, you can increase the level of contributions you are making. Visit 'Contributions' within the 'The basics' section on [oneday...](#) to find out more.

Tax allowances

The Government limits how much money you can save into your pension(s) without paying tax. It is your responsibility to check if you're exceeding these allowances and make sure you pay any charges.

The Annual Allowance (AA)

This is the maximum amount of money you can pay in to all your pension arrangements in one tax year before incurring a tax charge. For the 2021/22 tax year, the AA is £40,000.

If you exceed the AA, then you may have to pay tax on any contributions that take you over the threshold. If you have not used all your AA in the preceding three tax years, you can carry forward any unused allowance into the current tax year to increase your AA for the year.

The Tapered Annual Allowance (Tapered AA)

This affects anyone earning over £200,000 a year before tax (excluding any deductions like pension contributions) or £240,000 a year (including deductions) in the 2021/22 tax year. This allowance sees your Annual Allowance reduced by £1 for every £2 you earn over the threshold. The minimum that your Annual Allowance can be tapered to is £4,000 a year.

The Money Purchase Annual Allowance (MPAA)

This applies if you are flexibly withdrawing any money from a Defined Contribution (DC) pension arrangement. If you are, the amount you can continue to contribute into other DC pension arrangements is lower than the normal AA. The MPAA for the 2021/22 tax year is £4,000.

The Lifetime Allowance (LTA)

This limits the amount of pension benefits that you can take from all your pension arrangements in your lifetime without paying an additional tax charge. For the 2021/22 tax year, the LTA is £1,073,100 and it will stay frozen at that amount until April 2026. If you exceed the LTA, you would incur a tax charge on any money you take out over the threshold.

Looking after your loved ones

Did you know that your loved ones could be entitled to receive benefits from the Scheme when you die?

If you die while you're still contributing to the Scheme, a lump sum may be payable in line with the Scheme's Trust Deed and Rules. In addition, the value of your personal account on the date of your death will normally be paid as a lump sum, in line with the Scheme's Trust Deed and Rules.

If you are a deferred member of the Scheme, the value of your personal account on the date of your death will normally be paid as a lump sum, in line with the Scheme's Trust Deed and Rules.

The Trustee decides who receives any benefits, but you can help them by completing an Expression of Wish form. It's not legally binding, but it does give the Trustee an indication of who you would like to receive your benefits when you die.

If you don't complete this form, your benefits could be paid to someone that you wouldn't wish to receive them, but who is deemed to be a beneficiary in line with the Trust Deed and Rules of the Scheme. This could place additional strain on your family at an already difficult time as they may have to provide the Trustee with more information as part of the decision-making process.

If you have already completed an Expression of Wish form, make sure that your details are still relevant. Life events such as marriage, divorce or the birth of a child could mean your form is now out of date.



To download an Expression of Wish form just visit www.myoneday.co.uk and select the BRSS button, then go to the Document library. Complete your form and either email it to babcock@aviva.com or post it to NGP Customer Operations, Babcock Retirement Savings Scheme, PO Box 1550, Salisbury, SP1 2TW.



Pension scams – stay alert

Scammers are continuing to target pension pots of all sizes. The pandemic has impacted all kinds of companies, including those listed on the stock market. As a result, markets have been volatile and are likely to remain so for a while. This can have an impact on pensions, leading to an increase in scams.

If you're facing financial difficulties because of the pandemic, you may be tempted to cash in some of your pension. Scammers design attractive offers to persuade you to transfer your pension pot to them, where it could be:

- invested in unusual and high-risk investments
- invested in more conventional products but within an overly complex structure that hides multiple fees and high charges
- stolen outright.

Common pension scams include early pension release or pension reviews. You should:

- reject any unsolicited contact about investments
- check the Financial Conduct Authority's warning list
- get impartial advice.

If it sounds too good to be true, it probably is!

For more information about these and other pension scams as well as how to avoid them, visit www.fca.org.uk/scamsmart

We're here to help

oneday... is your first port of call for more information about your pension.



www.myoneday.co.uk

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

Don't forget to complete our survey!

Visit www.myoneday.co.uk/dc_survey now. You don't need to log in.

If you have any questions about your pension benefits, please contact the Aviva Pensions Team.



0345 604 4463

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

If you need help with MyWorkplace, please call the dedicated helpline on **0800 404 6539**



babcock@aviva.com



NGP Customer Operations
Babcock Retirement Savings Scheme
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Salisbury SP1 2TW

Additional information

This report summarises the Scheme developments. More detailed information (such as the Trust Deed and Rules, the Trustee's Annual Report and Accounts, the Statement of Investment Principles and the Implementation Statement) is available on request from the Pensions Team.