



babcock™

Babcock Retirement Savings Scheme

Keeping you informed
Winter 2022

A welcome from your Chair

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

Although these are difficult times, our biggest focus is and always has been about protecting your pension. In this newsletter, you'll find all of the relevant resources to provide you with the necessary support and information.

In this issue, we've provided an update on the Scheme's finances, as well as news from the Scheme and the wider world of pensions. This year, we've all been affected by the rising cost of living – you can read more about this, and where to get help, on page 8. The war in Ukraine and the most recent financial market volatility have also impacted financial industries including pension schemes, and the Trustee is continuing to monitor these events closely. You can read all about this in the News page on **oneday...**

Remember, pensions are a long-term investment and whilst global events can impact the value of your investments, your money is invested with the aim of long-term growth despite short-term fluctuations. If you're concerned about how your investments may have been affected, we recommend seeking financial advice and consider using the Government's MoneyHelper service – see page 9 for more information. You can also watch a short video by Aviva to help you understand the market volatility and its impact on your Scheme benefits. You can scan the QR code to watch it.

This year, we worked on updating **oneday...** so it's even easier for you to find the information you need about your Scheme pension and how to plan for your future. Turn to page 10 to read more on this and please make sure to visit the website to see the information available – simply head to **www.myoneday.co.uk**

Throughout 2021, we worked with Aviva to improve the website you can access to view your Personal Account and introduced new functions. The new website, called **'MyWorkplace'**, launched in October 2021, and Aviva contacted all members of the BRSS to let you know what you need to do to re-register.

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MyWorkplace enables you to view your fund value and amend your personal information in real time. You can also model your benefits and manage the funds your pension is invested in. In addition, you have access to the new mobile app '**MyWorkplace**' via both Android and iOS devices so you can access information about your pension anytime, anywhere. If you haven't yet registered for **MyWorkplace**, why not do it now? Head to www.myoneday.co.uk and navigate to the BRSS section, then choose 'View my Personal Account'. So far, more than 7,300 Scheme members have registered for **MyWorkplace**. If you have any issues registering for **MyWorkplace** please contact Aviva either by email babcock@aviva.com or by telephone on **0800 404 6539** to get started.

By registering for **MyWorkplace**, you will receive regular emails about your Scheme benefits and prompts to take action or just to review your benefits that will help you plan for your future.

In January 2022 we introduced regular online pension webinars, provided by Aviva, that are designed to help you understand your Scheme benefits. You can find out more about the webinars and how to register on page 7.

We also introduced a new climate-focused fund in January 2022 that you can choose to invest in using the self-select investment option. You can find out more about the fund in the Investment section on **oneday...** or head to the News section to read the article issued in January 2022.

I hope you enjoy reading your newsletter and remember we're always keen to receive feedback on the communications that you receive about your pension and the Scheme. You can send us your feedback using the online feedback tool that can be found throughout the Your Scheme section on the website, or contact us using the contact details on the back page.

Susan Jee
Chair of the Trustee



Number
of **oneday...**
registrations
Active: 40%
Deferred: 20%

Scheme activity in 2022

Here's a reminder of how the Trustee has kept in touch with you throughout 2022.

January

We launched our new climate-focused fund, available through the self-select investment option.

Aviva launched a series of webinars to help you better understand your BRSS benefits – find out more in the BRSS section of [oneday...](#)

February

We launched a refreshed and updated version of the BRSS section of [oneday...](#)

May

Aviva sent you your Annual Benefit Statements for 2022.

October

We published the Annual Report and Accounts for the Scheme year ending 31 March 2022.

We issued a statement on the recent market volatility and what it means for the Scheme. Visit [oneday...](#) and navigate to the News page in the 'Your Scheme' section to read the full statement.

April -
November

Aviva issued digital communications throughout the year covering the following topics/nudges:

- Benefit Statement reminders
- Reviewing your investment choices
- Reviewing your Target Retirement Age
- Completing an Expression of Wish form
- Thinking about consolidating your pension benefits into the Scheme
- 'Shape my future' modeller

If you haven't yet registered for **MyWorkplace**, register now to start receiving these digital communications.

Don't forget!

We update the News pages on [oneday...](#) throughout the year. Visit www.myoneday.co.uk and log in, then navigate to the News page in the 'Your Scheme' section.

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 also includes a Chair's Statement. This assesses the Trustee's Knowledge and Understanding of the Scheme, its value for members, and its charges and transaction costs. You can read the Chair's Statement by going to www.myoneday.co.uk and navigating to the BRSS section > The basics > Charges & Governance.

You can see a summary of the Report and Accounts below for the year ending 31 March 2022.

Fund value as at 31 March 2021



Income
+£182.40m
Expenditure
- £68.90m

Fund value as at 31 March 2022



Income	£m
Contributions and transfers in	102.2
Investment and other income	3.5
Increase in market value	76.7
Income total	182.4

Expenditure	£m
Pensions and other benefits paid	17.9
Leavers' payments	48.3
Expenses	2.7
Expenditure total	68.9

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

Read a statement from the Trustee about the recent market volatility on [oneday...](#)

Investment overview

The table below shows the performance of the investment funds available in the 12 months to 30 September 2022 compared with the benchmark – this is 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...](#) Go to the BRSS section and select 'Charges & Governance' within the 'The basics' section and click on the 'Charges and Governance Reporting' link.

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 Account with Aviva, which you can access through www.myoneday.co.uk

	Performance of the benchmark index (1 year)	Performance of the fund (1 year)	Performance of the benchmark index (5 years)	Performance of the fund (5 years)	AMC
Growth funds					
Emerging Markets Equity Fund	-13.17%	-13.86%	1.87%	1.71%	0.45%
Global Equity Fund	-4.29%	-4.43%	8.22%	7.85%	0.24%
Stewardship Fund	-4.00%	-12.92%	2.17%	2.10%	0.27%
Diversified Growth Fund	-10.63%	-9.00%	5.06%	2.97%	0.37%
HSBC Islamic Global Equity Fund (Shariah)	-3.59%	-4.45%	13.43%	12.15%	0.51%
Approaching Retirement funds					
Target Increasing Annuity	-33.65%	-33.39%	-3.97%	-4.15%	0.21%
Target Level Annuity	-27.67%	-31.11%	-3.48%	-4.59%	0.29%
Money Market	0.72%	0.50%	0.46%	0.24%	0.21%

The performance figures above include fees, except for the Emerging Markets Equity Fund.

Climate-focused fund: The investment performance information for the Climate Focused Fund is not available at this time as the fund was introduced less than 12 months ago.

Membership

Here's how the membership of the Scheme changed over the year from **31 March 2021** to **31 March 2022**.

Active members

19,665 → **18,959**

Deferred members

17,442 → **18,838**

Learn more about your BRSS pension

Get a better understanding of your BRSS benefits – and pensions more widely – by attending a series of Aviva webinars. They cover why it's important to save for your future, how the Scheme works, what your investment choices are, and how to plan for your retirement.

While the webinars are designed for active members of the Scheme, you'll also find them useful if you're a deferred member.

- Pension basics
- My Retirement, My Way
- Understanding Investments

All sessions take place at 10:30am.

Register

Simply select which webinar(s) you'd like to attend and go to www.eventsforce.net/avivafinancialeducation/2676 to register. You'll need your Aviva policy number to register, and this can be found on any Aviva paperwork you have.

Problems registering?

Simply get in touch with Aviva. You'll find their contact details on **oneday...** in the BRSS section.

Tax allowances for 2022/23

The Annual Allowance (AA) is the amount you can pay into all your pensions in any one year without triggering a tax charge. For the 2022/23 tax year, this is £40,000 for most people. Find out more about the AA at www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions/the-annual-allowance

The Lifetime Allowance (LTA) is the amount you can build up in pension benefits over your lifetime without triggering a tax charge. For the 2022/23 tax year, this is £1,073,100 for most people. Find out more about the LTA at www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/lifetime-allowance-for-pension-savings

Dealing with the rising cost of living

It has been a busy period for the Scheme since the last winter newsletter and, particularly in recent months, there has been considerable market turmoil. Despite the recently announced cap on energy prices, personal finances and living standards in the UK are also being squeezed from every direction. Read on for tips on how you can deal with the rising cost of living.

Make a budget

Knowing exactly how much money is coming into your household is the first step towards being able to budget accurately. Check whether you could cut back on any non-essential outgoings – even if it's just temporarily.

Get help if you're struggling

MoneyHelper offers free and impartial guidance about money and pensions. Visit www.moneyhelper.org.uk or call **0800 138 7777**.

Citizens Advice has a list of grants and schemes that you may be able to use to help with your bills and can advise you how to reduce your living costs. Visit www.citizensadvice.org.uk or call **0800 144 8848**.

How much money will *you* need in retirement?

The Pensions and Lifetime Savings Association (PLSA) has calculated the income they believe is needed to achieve the three following standards of living.

PLSA Standard	Minimum	Moderate	Comfortable
	Each 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 range of common goods and services you would be able to afford at each level. You can find out more about the PLSA's Retirement Living Standards at www.retirementlivingstandards.org.uk

When calculating your projected retirement income, remember to include any other pensions you have. Don't forget to include the State Pension, which is payable from your State Pension age. To get a forecast of your State Pension, go to www.gov.uk/check-state-pension

Use the Scheme modeller to get an estimate of what your benefits may be worth when you retire. If you think you're not on target, and you're an **active member** you could consider increasing the level of contributions you are making. Visit 'Contributions' within the 'The basics' section on [oneday...](#) to find out more. Remember Babcock will match your contribution rate to a maximum level but you can still pay in more. Your HR representative can confirm the maximum rate Babcock will pay.

Financial guidance is at hand

If you're struggling to get on top of debt, want to feel like you're in control of your finances, or would just like some help cutting through the financial jargon, MoneyHelper can help.

MoneyHelper offers free and impartial Government-backed guidance about your money and pensions. Trained staff can help you work out how to keep on top of your finances, or point you in the direction of someone who can.

Contact MoneyHelper

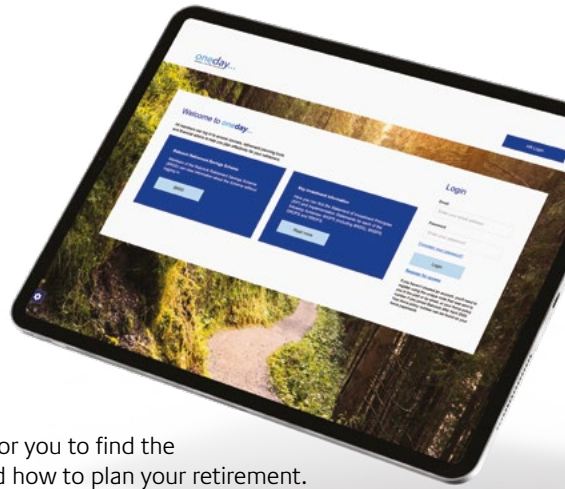
- Call **0800 011 3797**. Lines are open Monday to Friday, 8:00 to 18:00 for money advice and 9:00 to 17:00 for pensions advice
- Go to www.moneyhelper.org.uk

Normal Minimum Pension Age set to rise

The Government will be increasing the Normal Minimum Pension Age (NMPA) from age 55 to age 57. NMPA is the earliest age that you can start taking your benefits without triggering a tax penalty. For most registered pension schemes, this is currently age 55. But from 6 April 2028, it will rise to age 57 to bring it 10 years below the State Pension age unless certain conditions are met.

You can read all about this in the News page on [oneday...](#)

oneday... has been refreshed!



We've updated **oneday...** so it's even easier for you to find the information you need about your pension and how to plan your retirement.

As well as a new look and feel, we've brought the content up to date, improved the navigation, and debunked some common myths about pensions.

Visit the new **oneday...** website at www.myoneday.co.uk and check it out for yourself!

Who should we look after if you die?

Your Scheme membership provides valuable benefits for your loved ones, so it's important that we know your wishes – especially if your situation might be complicated. An up-to-date Expression of Wish form helps the Trustee make sure any death benefits that are due can be paid without delay or additional distress to your family. It's a good habit to check and confirm your chosen beneficiaries once a year, even if there are no changes to your circumstances. The older your nomination, the more research the Trustee has to do to ensure it is still valid and the longer it takes to pay the benefits.

Update your Expression of Wish form

You can update your wishes by completing a new Expression of Wish form. The form is available on **oneday...** in the Document library within the BRSS section, or you can get in touch with the Pensions Team using the contact details on the back page to request a form.

It's important to know that whilst your Expression of Wish form is not binding by law it does help the Trustee consider your wishes in line with the Scheme rules so it's important to keep it up to date.

Are your TRA and investment choices still right for you?

Alongside the contributions that you and the Company make into your Personal Account, if you are an active member, or if you are a deferred member, your contributions are invested to help it grow. You can choose how it's invested, but if you don't we'll invest your Personal Account in the current default investment strategy – the Target Lump Sum Lifestyle Fund – which has been designed so you can take your savings as cash when you retire.

Because this is a Lifestyle fund, we use your Target Retirement Age (TRA) to gradually start switching your money out of higher-risk markets as you approach retirement. This helps to protect your savings from sharper falls in value just before you access them.

If your TRA isn't right, we might start switching your funds too early or too late, so it's really important you tell us if you decide to change it. You can do this online by logging in to your Personal Account with **MyWorkplace** or contact the Aviva team using the contact details on the back page.

How the Lifestyle Target Lump Sum strategy works

Growth phase

Your savings are invested in a Global Equity Fund which is designed to provide long-term growth. The fund invests in company shares on a global basis, including emerging markets which are typically higher-risk funds.

Consolidation phase

20 years before your TRA, we gradually start switching your savings into Diversified Growth Funds designed to provide long-term investment growth that are less exposed to market fluctuations.

Pre-retirement phase

5 years before your TRA, some of your savings move into lower-risk cash funds designed to minimise exposure to market fluctuations and to provide growth similar to bank and building society interest rates.

Find out more about your investment options on [oneday...](#) Go to the BRSS section and select 'Investments'.

The Trustee regularly reviews the default investment strategy to ensure it's appropriate for members who don't make their own investment choices. Therefore the default can change from time to time in response to various changes, such as fund performance and members' typical choices at retirement.

The Trustee is currently carrying out a full investment strategy review and changes may be introduced during 2023. Any changes will be communicated to all members before being implemented.

You can make changes to your investment choice at any time by logging in to your Personal Account on **MyWorkplace** or contacting Aviva directly using the contact details on the back page.

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

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**



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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.