



DeLaRue

PENSION SCHEME  
DECEMBER 2022

# THOMAS

The pension magazine for Defined Benefit (DB) Scheme members

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# A review of the year

Welcome to THOMAS, your dedicated update to members of the De La Rue Pension Scheme (the Scheme). It's a great way for us to keep you in the know with the Scheme's management, developments, and other pensions-focused news.

## Trustee Update

We'd like to share some news about changes to the Trustee Board. In March this year we undertook a Member Nominated Trustee Director (MNTD) nomination process. We're pleased to announce that Keith Brown was reappointed to his role as an MNTD, we'd like to thank everyone who took part in this process. We'd also like to welcome James Robinson who was appointed as an MNTD in April.

Nicol McGregor (Company Appointed) and Paul Outridge (Member Nominated), resigned from the Trustee Board earlier this year. We would like to thank them for their time and dedication over the years with the Scheme.

The Company has approached the Trustees with a proposal to move to a Sole Professional Trustee Board model and there will be a follow up communication with further detail in the New Year. Please be assured this will have no adverse effect on your Scheme benefits.

## The Scheme Valuation

As detailed in the last update, the Trustee is fully committed to increasing the overall funding level of the Scheme's finances. I'm pleased to announce that the funding level has increased from 90% to 91% from the last valuation to April 2022. You can find out more about the funding level and how the Trustee aims to reduce the deficit on page 5.

## Investment update

You will no doubt be aware that there is considerable movement in global financial markets at the moment. Investment performance including the robustness and continued appropriateness of our long-term investment strategies is reviewed regularly by the Scheme's investment adviser Hymans Robertson, the Trustee (both the Investment Subcommittee and full Trustee Board) and the Company on a quarterly basis. Get a full picture of the investment performance on page 3.

## Connecting with your pension

We are always looking into ways to improve how you can control your pension and with this in mind we want to let you know about Prism, your new dedicated pension site. Find out about Prism and the great tools available to you on page 2.

Also in this issue, we'd like to draw your attention to the risks of pension scams and how you can avoid them, you can find out more on page 4.

We hope you enjoy this issue. Remember, we'd love to hear your feedback, so get in touch using the contact details on the back page.





# Scheme news

## Pensioner Buy-in with Scottish Widows

Over the years, the Trustee has been carefully monitoring the funding position of the Scheme and has taken comfort from the fact the Scheme is well funded. The Trustee has also been monitoring the price of insuring Scheme benefits and in May 2022 was able to purchase a bulk purchase annuity policy.

The buy-in policy covers approximately 1,400 pensioner members. This action reduces the level of risk and protects the long-term security of these benefits.

After conducting a thorough review of the market, receiving insurance quotations, taking detailed specialist advice including comprehensive due diligence of Scottish Widows, and consulting with De La Rue plc (the Company), the Trustee agreed to

purchase a bulk purchase annuity policy from Scottish Widows.

The policy is a Trustee investment, providing a monthly income to the Scheme and removes a significant proportion of the Scheme's risks helping to maintain the Scheme's good funding position.

In June the Trustees issued a letter to the Pensioners included in the buy-in policy to provide assurances that the purchase of this policy does not affect their benefits within the Scheme and there is no change in the way they should communicate with the Scheme. Their pension will continue to be paid by Hymans Robertson LLP in exactly the same way.

## Take control of your pension online

Prism is your dedicated pension site which provides you with quick and simple online access to your pension held within the Scheme. Once registered, you'll be able to log in anytime on a desktop computer, smartphone, or tablet.

To register go to:

[secure.delaruepensions.co.uk](https://secure.delaruepensions.co.uk)

**Prism is the easiest and most secure way to manage your pension, you'll be able to:**

- View and update your personal information
- Update your address
- Submit general enquiry requests online
- Tell us how you prefer us to contact you
- Add and update your nominated beneficiaries

**If you're yet to take your pension from the Scheme you'll be able to:**

- View your annual pension at date of leaving
- Submit requests for illustrations and view the results online
- View your annual pension revalued to a current date
- View your estimated transfer values
- Model your benefits at retirement

**If your pension is in payment you'll be able to:**

- View and print your pension pay slips and P60s
- View your current pension in payment

## Not accessed Prism previously?

If you're yet to register, simply visit [secure.delaruepensions.co.uk](https://secure.delaruepensions.co.uk) and click 'Don't have an account? Register' then follow the onscreen instructions.

You will need your:

- Surname
- National Insurance number
- Mobile Telephone number
- Date of Birth
- Personal Email address

If you've previously visited the site and registered, you'll already have a username and password.



# Scheme update

## Key figures from the 2022 accounts

The key figures at 5 April 2022 are highlighted below. This is so you can get a good idea of how the Scheme membership and contributions are moving throughout the year. You can see a full version of the report by visiting [delaruepensions.co.uk](https://delaruepensions.co.uk) or by contacting the Scheme administrator using the contact details on the back page.

In addition, the Scheme's Defined Contribution section (excluding AVCs) was transferred to a master trust arrangement with LifeSight, with the transfer of assets taking place in December 2021. The Defined Contribution section of the Scheme (excluding AVCs) completed Wind Up on 2 November 2022.

## Summary



## Scheme investment performance

The chart below shows how the Scheme investments have performed overall against the benchmark, one and three years, ending 31 March 2022.

	Last 12 months (%)		Last 3 years (% p.a.)	
	Fund	Benchmark	Fund	Benchmark
Legal & General - UK Equities	13.1	13.0	5.3	5.3
Legal & General - Global Equities	6.8	7.1	11.7	12.0
Baillie Gifford – Diversified Growth <sup>1</sup>	12.4	3.2	5.4	3.9
Insight - Buy & Maintain	-6.6	-6.6	0.7	0.7
Insight - Secured Finance <sup>2</sup>	1.8	3.2	-	-
Insight - Liquid ABS <sup>2</sup>	0.4	0.6	-	-
Insight - Global ABS <sup>2</sup>	0.1	2.2	-	-
Insight - LDI	-9.4	-9.4	-4.2	-4.2
Insight - Liquidity Plus <sup>2</sup>	-0.1	0.1	-	-
Partners Group - MAC 2016 Fund <sup>3</sup>	3.9	-	-	-
Partners Group - MAC 2019 Fund <sup>3</sup>	5.4	-	-	-
Alcentra – Global Multi-Asset Credit <sup>1</sup>	8.1	4.3	-	-
<b>Total</b>	<b>-1.7</b>	<b>-1.5</b>	<b>0.9</b>	<b>0.8</b>

<sup>1</sup> Performance for Baillie Gifford is to 20 August 2021 (date of fund closure); performance for Alcentra is to 1 December 2021 (date of fund closure).

<sup>2</sup> Inception of the fund is less than 3 years ago; therefore 3-year performance is not available.

<sup>3</sup> Performance is a "since inception" Internal Rate of Return, excluded from the total Scheme performance. The fund does not have a formal performance benchmark.



# Scheme update continued...

## Market volatility and what it means to The Scheme

You may have seen reports in the media regarding the Bank of England's intervention to secure pension schemes and calm investment markets. As pensions are a long-term investment, it's important we do not react to short-term market movements.

We continue to monitor the situation closely, looking for any potential impact which this situation may have on the Scheme. We'd also like to further reassure pensioner members that the ongoing payment of their pensions has not been affected.



## Pensions news

### A new normal minimum pension age (NMPA)

The NMPA is the minimum age when most pension savers can access their pensions without incurring an unauthorised payments tax charge (unless they are retiring due to ill-health). The NMPA is currently age 55 but will be increasing to age 57 from 2028.

### Be aware of pension scams

The Pensions Regulator has highlighted the potential risk of increased pension scam activity as fraudsters look to prey on people's concerns.

Fraudsters are clever and know all the tricks to get you to hand over your savings. Here are some helpful tips to help protect you and your pension savings from potential scams.

#### Step 1 — Reject Unexpected Offers:

If you're contacted out of the blue about a pension opportunity, chances are it's a scam. Pension cold calling is illegal, and you should be very wary. An offer of a free pension review, from a firm you've not dealt with before, is possibly a scam.

#### Step 2 — Don't be rushed or pressured

Take your time to make all the checks you need — even if this means turning down what seems to be an 'amazing deal'.

#### Step 3 — Get impartial information or advice

You should seriously consider seeking financial advice before changing your pension arrangements.

#### Step 4 — Check who you're dealing with

Visit the ScamSmart page on the FCA website to help you avoid investment and pension scams. This interactive page will take you step by step through how to check an investment or pension opportunity.

For more information on how to avoid being scammed, visit [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

### How your pension is managed

Our Scheme is a Defined Benefit (DB) arrangement, which means the benefits you have built up in the Scheme are not directly impacted by any short-term changes to the investments the Scheme holds. The Trustee is committed to a diversified investment strategy to mitigate volatility, which members can review in the most recent Summary Funding Statement and shows the total asset split between the various investments.

If you also have Additional Voluntary Contributions (AVCs) invested in the Scheme these may be affected more directly, at least in the short term. Similarly, if you have other retirement savings in Defined Contribution (DC) arrangements you may want to contact your provider in relation to the impact on these savings.



# Funding update

Every three years, the Scheme Actuary carries out a financial review of the Scheme. This is known as a valuation, and we use Hymans Robertson to do this. The valuation is important because it gives us a picture of where the finances of the Scheme are today, as well as a projection of what things might look like in the future.

## An update of the funding position

The Actuary has provided an update to show the Scheme's funding position at 5 April 2022.

The Scheme's liabilities decreased over the year, driven by an increase in gilt yields. Together with strong growth asset returns and deficit contributions paid, this has led to an improved funding level and a reduction in the deficit since the last valuation.

5 April 2022

**Deficit** (extra money the Scheme needs)  
**£95.9 million**



**Liabilities**  
(amount needed to provide the benefits)  
**£1,103 million**

5 April 2021

**Deficit** (extra money the Scheme needs)  
**£119.5 million**



**Liabilities**  
(amount needed to provide the benefits)  
**£1,170.8 million**

\* The actuarial report was prepared before audited accounts were available and it is not unusual to see small discrepancies.

## What is De La Rue doing about the deficit?

Following the 5 April 2021 formal valuation, the Trustee and the Company agreed a new Schedule of Contributions which was signed on 2 March 2022. Deficit contributions of £15m (2022: £15m) were received during the year.

Under the revised schedule, the Company is required to pay annual deficit contributions of £15m by 5 April each year until 5 April 2029.

## How we aim to keep your pension secure

The Trustee aims to have enough money in the Scheme to pay pensions and other benefits to members. With the Company's continued support of the Scheme and the investments delivering the expected returns, your benefits will be paid in full when they become due.

The Actuary works out how much money the Scheme would need if the Company could no longer support it, the Scheme was wound up and the Trustee secured members' benefits by buying an insurance policy.

Securing benefits in this way is expensive because the insurance company pays members' benefits in full in exchange for a one-off payment.

## Now for the legal bits

If there was not enough money in the Scheme to buy out all the benefits with an insurance policy, the Company would have to make up the shortfall. For cases where a company goes out of business and doesn't have the money to pay the benefits promised the Government has set up the Pension Protection Fund (PPF) which can pay compensation to members. You can find out more about the PPF on its website:

[ppf.co.uk](http://ppf.co.uk)

**Important:** There are no plans to wind the Scheme up, but we are required to tell you about the PPF. It's been a difficult year, with some uncertainty, but we want to reassure you that the latest funding check showed the Scheme at present has more than sufficient assets to ensure that if De La Rue was to stop supporting the Scheme, benefits over the PPF level would be secured for you, though this is unlikely to be the full level of promised benefits.

Legally, we have to confirm that the Company has not taken any surplus payments out of the Scheme in the last 12 months. We can also confirm that The Pensions Regulator has not intervened to change the way that benefits build up, the way valuations are calculated, or the way the funding shortfall is met.



# Stay in touch

If you have any questions about your benefits or the Scheme, you need to update your contact details, or you need a new nomination form, you can contact the Scheme administrators, Hymans Robertson:

**Email:** delaruepension@hymans.co.uk

**Phone:** 0141 566 7642

**Write to:** De La Rue Pension Scheme  
Hymans Robertson LLP  
20 Waterloo Street  
Glasgow  
G2 6DB

You can also contact the Group Pensions Department if you'd like to see copies of Scheme documents, such as:

- The annual report and accounts;
- The statements of investment or funding principles; or
- The most recent report from the Scheme Actuary.

**Email:** pensions@uk.delarue.com

**Phone:** 01256 605003

**Write to:** Group Pensions Department  
De La Rue House  
Jays Close  
Basingstoke  
RG22 4BS



## It's important to update your Expression of Wish

As a member of the Scheme you build up valuable benefits which you are able to access once you retire from the Scheme. However, what happens if you were to die? Where would that money go?

No one likes to think or talk about death, but it's really important that you complete an Expression of Wish form. This form allows you to tell the Scheme Trustees who you would like to receive your pension benefits in the event of your death.

If you've already completed an Expression of Wish, you should also make sure that the details are up to date to reflect your current circumstances.

## How can I update my Expression of Wish?

We've made improvements so it's even easier to confirm your wishes to the Trustee.

You can update your Expression of Wish through Prism. This is the most secure way to tell the Trustee your wishes.