

# News Brief

FOR MEMBERS OF THE BRITISH STEEL PENSION SCHEME (BSPS)



# Message from your Trustee Chairman



## Welcome to your December 2018 Newsletter from the Trustee of the British Steel Pension Scheme.

A key priority for the Trustee board has been to carry out the first actuarial valuation of the Scheme as at 31 March 2018. The valuation is a financial 'health check', which must take place at least every three years. I am pleased to say that good progress is being made and the final results are expected to be issued to members early in the New Year.

In this edition, we're pleased to offer members the opportunity to put themselves forward to serve as a Member Nominated Trustee director and take an active role in the running of the Scheme. We have six Trustee directors in place, two of whom are member nominated. Their job is to oversee the administration of the Scheme in line with the Trust Deed and Rules and the prudent management of the Scheme finances and investments to be able to pay pensions when they are due. If you're interested in putting yourself forward, you'll find information on page 6.

Finally, this will be my last year as Chairman of the Trustee board. My term in this role comes to an end on 31 March 2019. Under the agreement which brought about the creation of the new Scheme, the role of Chairman has to be filled by one of the Independent Trustee directors. Keith Greenfield has accepted the invitation to chair the Trustee board going forward. I wish Keith every success in the role.

# Membership details

The Scheme has over 80,000 members.

**31 March 2018**

**Pensioners**  
**62,020**

**Deferred pensioners**  
**18,795**

I have been a BSPS member since 1970 and joined the Trustee board in 1994 before becoming Chairman in 2007. Tata Steel UK Limited has asked me to remain as a Company Nominated Trustee director and I am delighted to accept this invitation to continue to serve the Scheme and its members.

Best wishes to you and yours

Allan Johnston

Chairman of B.S. Pension Fund Trustee Limited

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# Scheme noticeboard

## Hugh Smart awarded Chief Investment Officer of the year 2018



Hugh Smart, Chief Investment Officer, British Steel Pension Fund

Congratulations to Hugh on receiving the Chief Investment Officer of the Year 2018 award at the Institutional Investor Institute UK & Ireland Peer-To-Peer Awards.

Hugh Smart joined the British Steel Pension Fund in 2005 and, as Chief Investment Officer, has overall responsibility for the management of the Scheme's investment portfolio (£10bn). Hugh has over thirty years' experience in financial services, having previously headed Swiss Re's UK asset management operation, prior to which he held senior treasury roles in global reinsurance, investment banking and technology companies.

## Consultative Meeting 2018

The Scheme's annual Consultative Meeting was held on 3 October 2018 at Ashorne Hill Management College. The event was attended by representatives from the Trustee board, Retirement Associations, Works Committees, Pensioners and Tata Steel (Europe).

In addition to presentations by the Trustee, Tata Steel UK Limited, and Scheme officers, there were opportunities for delegates to ask questions about the Scheme. Materials and a selection of photographs from the event can be found on the BSPS website:

**[www.bspspensions.com](http://www.bspspensions.com)**







## GMP court ruling

If you have Scheme benefits which were built up between 1990 and 1997, part of these might be what is known as Guaranteed Minimum Pension (GMP). The GMP was the minimum pension that a scheme had to provide for members who were contracted out of the State earnings-related pension scheme (SERPS) between 1978 and 1997. GMPs were different for men and women.

You may have recently seen in the news the decision by the High Court that the Lloyds Banking Group pension schemes must equalise GMP-related differences in benefits for men and women earned after 1990 (when equal treatment laws first applied to occupational pension schemes like the BSPS).

This has implications for many pension schemes. Equalisation of GMP-related differences in benefits earned between 1990 and 1997 would usually result in some members (and former members) receiving a small uplift to their scheme benefits. This is a complex matter and pension schemes will need further clarification on what, if any, actions need to be taken. This is likely to take some time.

The Scheme website [www.bspspensions.com](http://www.bspspensions.com) will be updated with the latest news on this matter.

# Your Scheme needs you

The Trustee board is looking to select two Member Nominated Trustee directors (MNDs) from the ranks of deferred pensioners and former-employee pensioners.

If you would like to be considered for this MND role, you should, in the first instance, register your interest by requesting a nomination pack from the Pensions Office. To be eligible, you must be a deferred pensioner or former-employee pensioner and must not be an undischarged bankrupt or disqualified from acting as a trustee.

Relevant prior knowledge or experience, though advantageous, is not essential as all Trustee directors receive training and support to achieve the required knowledge and understanding of their responsibilities.

You can find further information on the role of a Trustee director on the Scheme website **[www.bspspensions.com](http://www.bspspensions.com)**.

If you would like to receive a nomination pack, please contact:

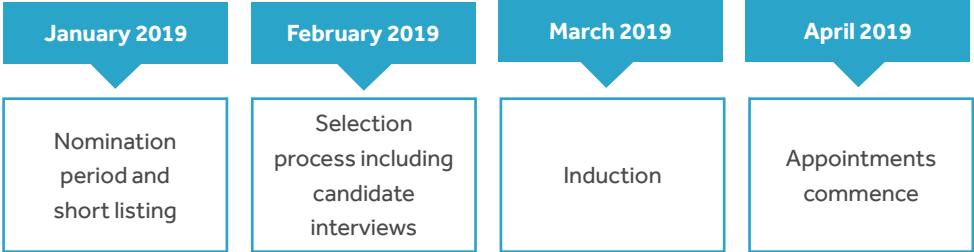
Graeme Cunningham  
British Steel Pension Scheme  
Ground Floor, Sentinel  
105 Waterloo Street  
Glasgow G2 7BW

Email: [graeme.cunningham@bspspensions.com](mailto:graeme.cunningham@bspspensions.com)

**Nominations must be received by 31 January 2019.** Your application should be acknowledged within one week of receipt.

Selection will be carried out by an MND Panel, which includes the Trustee Chairman and the Chairman-designate. Scheme Officers will shortlist applications for the MND Panel to consider in more detail and interviews will take place during February 2019.

The MNDs will be appointed from 1 April 2019. MNDs are generally appointed for a period of three years, although under transitional arrangements, one of the selected MNDs will have an initial two-year term of office.



Details of the Scheme's current Trustee can be found on the Scheme website:  
[www.bspspensions.com](http://www.bspspensions.com)



# Increases for pensioner members

Under the Rules of the Scheme, some or all of a BSPS pension in payment may increase each year on 1 April.\*

BSPS pensions in payment are increased as required by law. This means that, subject to any future changes in law or Government practice, they are increased each year by reference to the annual increase in the Consumer Prices Index (CPI) over the preceding September-to-September period, subject to a maximum capped level in each year. The relevant

increase in CPI for the year to September 2018 was 2.4% and, accordingly, this increase will generally be applied to BSPS pensions in payment in April 2019.

Increases to pensions in payment are applied with reference to the elements in the table below:

Pension	2019 increases
Guaranteed Minimum Pension built up between 1978 and 1988	None
Guaranteed Minimum Pension built up between 1988 and 1997	2.4%
Excess pension over Guaranteed Minimum Pension built up to 1997	None
Pension built up between 1997 and 2005	2.4%
Pension built up after 2005	2.4%

Pensioners will receive a letter at the end of March 2019 detailing how the increase has been applied to their pension.

\*Continues to be 6 April for pensioners paid from the payroll of the former Corus Engineering Steels Pension Scheme.



# Data protection

## The Trustee takes the security of member data very seriously.

The General Data Protection Regulation (GDPR) imposes obligations on those who hold and process personal data and provides data subjects with certain rights. The Trustee is the data controller for the Scheme and is required to hold personal data relating to Scheme members in order to administer and pay benefits. The GDPR applies to the Trustee in respect of such data.

The Trustee is committed to protecting and respecting the privacy of members' personal data and has put in place agreements with relevant third parties to ensure that data is protected and used properly. The Trustee will only share the information necessary to administer and operate the Scheme or if required to do so by law.

You can access the Scheme's Privacy Statement – which describes how the Scheme obtains, holds, and uses personal data – from the website, [www.bspspensions.com](http://www.bspspensions.com). If you need a copy, please contact the Pensions Office for one, using the contact details on the back page.



# Further information

A list of publications which provide more detailed information on the Scheme is shown below. They are all available on request from the Pensions Office.

**Trust Deed** - the legal document which governs the Scheme and sets out how the benefits are calculated and paid.

**Members' Handbook\*** - explains the main features of the Scheme.

**Annual Report and Financial Statements\*** - shows the Scheme's income and expenditure in the year up to 31 March 2018.

**Statement of Investment Principles\*** - a written statement which sets out the broad principles governing the investment policy of the Scheme.

**Statement of Funding Principles** - a written statement which sets out the assumptions which the Trustee board has made in determining the amount of money required in the Scheme to provide for future benefit payments.

**Actuarial Valuation Report** - the full report following the Actuary's investigation into the Scheme's funding position as at 31 March 2018.

**Privacy Statement\*** - outlines the type of personal data held by the Scheme, how it is obtained, how it is used, and how it is stored.

\*a copy can be viewed on the Scheme's website.

## Find answers and updates on our website

If you want to know more about the Scheme, please start by going to our website **[www.bspspensions.com](http://www.bspspensions.com)**.

We've added newsletters, documentation and background information about the Scheme onto the website, along with updates about pension increases, financial reports and other useful information.

We'll send out regular newsletters like this one, but for the latest information, please check the website first.



## Other ways to receive News Brief

### By email

News Brief can be issued electronically to Scheme members who provide the Pensions Office with their email address. Over 7,000 copies of this newsletter have been sent to members by email.

If you would like to receive future editions of the News Brief electronically, please email the Pensions Office at **pension.enquiries@bspspensions.com** from your usual email account with the following information:

- Your full name
- Your National Insurance number

Please quote 'BSPS Newsletters' in the email subject field.

We will then update our records and send you confirmation by email. If you do not email us, you will continue to receive your News Brief by post.

### Other formats

News Brief is available, as always, on Braille, CD and large-print formats. If you've used this service before, we will automatically send you a copy in your preferred format after you receive the printed version.

To register for this service for the first time, please telephone us on 0330 440 0844 to let us know which version you require.

The Scheme website **www.bspspensions.com** is compatible with Browsealoud, which allows you to have website content read to you. Browsealoud software is free to download.



# Contact details

If you have any other questions or concerns about your pension, you can get in touch with the Pensions Office in all the usual ways. When contacting the Pensions Office, please quote your National Insurance number and indicate whether your enquiry relates to membership of the former Corus Engineering Steel Pension Scheme.



Email [pension.enquiries@bspensions.com](mailto:pension.enquiries@bspensions.com)



Website [www.bspensions.com](http://www.bspensions.com)



Telephone **0330 440 0844**

Our normal hours are 8.45am to 4.45pm Monday to Friday



## Writing from the UK

(no need for a stamp)

British Steel Pension Scheme  
FREEPOST RLXS-ZXKT-AUER  
Glasgow G2 7BW

## Writing from outside the UK

British Steel Pension Scheme  
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Scotland, United Kingdom

## Your feedback

If you have any comments on this edition of News Brief or suggestions for future issues, please write to:

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