

# News Brief

FOR MEMBERS OF THE BRITISH STEEL PENSION SCHEME (BSPS)



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# Message from your Trustee Chairman

Welcome to the Spring 2020 edition of News Brief.

## Scheme funding position

There is much in the news just now about the impact the current unprecedented conditions have had on financial markets and on people's savings. As a member of a defined benefit pension scheme such as the BSPS, your benefit entitlement is not affected by the current upheaval.

Our investment strategy gives us a high level of confidence that the assets we hold will provide the cash needed to pay benefits – not only in the coming months and years but for so long as pensions are payable for decades to come.

In the Autumn 2019 News Brief, I explained that the Trustee was looking at what options might be possible, now or in the future, for securing benefits with one or more insurance companies. This work is ongoing and whilst several quotations have been received from a range of prominent insurers, which confirm the Scheme's funding position has improved, no price has been received as yet which would allow a transaction to take place.

Members will be kept informed of any significant developments. As always, the Scheme website remains the best source of up-to-date Scheme information.

## Covid-19 pandemic restrictions – our response

These have, of course, been difficult times for us all. Your Trustee is well aware that around 60,000 members rely on us to pay their pensions monthly and we continue to do this successfully. Whilst ensuring benefits are paid as they fall due and supporting those who have suffered bereavements has been given priority during this lockdown, we have continued, so far as practicable, to offer a full range of services. This had been balanced with the requirement to safeguard the health and welfare of colleagues in the Glasgow and London Offices.

Our contingency arrangements have proven to be effective: most staff were provided with equipment to enable them to work safely and securely from their homes. The Glasgow Office has remained open, albeit with reduced hours, for those staff who are required to carry out essential tasks that cannot be carried out remotely. Members can continue to contact the Pensions Office through the usual channels, although we ask you to delay routine enquiries and only to make contact where immediate action is required.



Our staff recognise the importance of the Scheme to its members and I am delighted how well they have risen to the challenge. Thank you too for your patience during these testing times – we are aware it is taking longer than normal to carry out some tasks, although we continue to operate within regulatory guidelines.

At the time of writing, some of the restrictions in place are starting to be relaxed and we look forward to returning to something approximating more normal circumstances. Whatever challenges we face, I can assure you that we will continue to strive to offer the best service possible to you, our members.

Best wishes

**Keith Greenfield**

Chairman of B.S. Pension Fund Trustee Limited

**Dr David Grieves**

The Trustee was saddened to learn of the death of Dr David Grieves, a figure known and respected widely across the steel industry. During 37 years of service, latterly as British Steel's Deputy Chairman, David gave 16 years to the role of Trustee Chairman. David played an instrumental role in steering the Scheme through the difficult years of transition from a nationalised to a privatised industry ahead of the creation of the 1990 scheme, emerging with a scheme both improved and strengthened for its members.

# Getting to know your new Trustee Director

The Trustee board is pleased to welcome Matt Wilson as its new Company Nominated Trustee Director.



Matt replaces Jo Regan, who has now left the Company's employment. Jo had served as a Trustee Director of both the new and old British Steel Pension Scheme for 4 years. Jo leaves with the Trustee's grateful appreciation for her contribution during this time.

Matt brings with him a wealth of experience over his 22 years of service in the steel industry since he joined British Steel as a graduate trainee in 1997. Matt has served as a director of several boards associated with the Company and is currently the Finance Director for Strip Products UK Hub.

Matt's financial background with Tata Steel has positioned him well to replace Jo on the Trustee's Audit and Risk Committee.

Matt, welcome to the BPS!

## Audit and Risk Committee

This Committee's duties include monitoring the external auditor to ensure independence and objectivity. This Committee also oversees risk management processes and the internal controls framework.

# What is a trustee?

All occupational pension schemes must have trustees who are responsible for running the scheme. The British Steel Pension Scheme is run by a Trustee company called B.S. Pension Fund Trustee Limited, which has a board of six Trustee Directors.

A trustee is responsible for ensuring that the scheme is run professionally and efficiently, in accordance with the legal documents governing the scheme and overriding legislation. All Trustee Directors have the same duties and responsibilities. These include a duty to act prudently, in the best interests of all the beneficiaries and to protect members' benefits.

Find out more about who else is on the Trustee board by visiting the Scheme website: **[www.bspspensions.com](http://www.bspspensions.com)**

**The Scheme is completely independent of, and entirely separate from, the sponsoring employer, Tata Steel UK. Separating the Scheme's assets from the employer's business ensures that these assets will be available to pay members' pensions even in the event of the employer becoming insolvent.**





# Taking your pension

The Normal Pension Age in the BSPS is age 65, however you can start receiving your pension at any time on or after your 55<sup>th</sup> birthday. (Some members who joined the Old British Steel Pension Scheme before 6 April 2006 may be able to start taking it as early as age 50.)

You may have the option to exchange some of your pension for a one-off lump sum. This lump sum is tax-free. The Pensions Office will provide you with details of this option as part of any retirement illustration provided to you.

## Considering transferring your benefits?

Before your pension comes into payment, you may be able to transfer the value of your BSPS pension to another registered pension arrangement. This may provide you with access to additional options, known as 'pension freedoms'.

### What are 'pension freedoms'?

In April 2015, the Government introduced greater flexibility for individuals when accessing certain types of pension savings. You cannot access these additional options directly from the BSPS, however you can consider transferring the value of your BSPS pension to another registered arrangement which can then be used to access 'pension freedoms'.

The additional options include:

- Taking a greater proportion, or all, of your pension savings as cash sums;
- Drawing a number of cash sums from your pension savings, whilst leaving the remainder invested to access later; or
- Purchasing an insurance policy which provides a guaranteed income, but with different benefit features from the pension payable from the Scheme.

Whilst these alternative options may be appropriate for some individuals, transferring out of the Scheme into a different type of pension arrangement may not be in the best interests for many members. This is an important decision and one you should take only when you understand all the financial consequences. If the transfer value is greater than £30,000, legislation requires you must take independent financial advice before any payment can be made.

## Warning: pension scams

**One downside to the introduction of these flexibilities is that it has led to an increase in the fraudulent activities of pension scammers.**

The UK's national reporting centre for fraud, ActionFraud, has seen a surge in scam activity during the Covid-19 pandemic, with scammers trying to take advantage of the situation. Social distancing and lockdown restrictions mean that scammers are more likely to initiate contact by phone or online.

## Where can I find more information?

The Pensions Regulator, Financial Conduct Authority and Money and Pensions Service have issued a joint statement containing important information for members when considering financial decisions of this kind. You can access this statement and other important information on the BSPS website within the 'Transferring out' section.

***"The impact of the pandemic on markets and personal finances may make members more vulnerable to scams..."***

**The Pensions Regulator**



# Need help managing your financial matters?

It's very important to make sure your pension can be safely managed on your behalf in the event that you become unable to manage it yourself. You can do so by appointing a legal Power of Attorney to make decisions on your behalf – that way, someone you trust will be in charge of your financial matters.

Almost 900 Scheme pensioners have arranged with the Pensions Office for someone to act on their behalf due to their ill-health or mental capacity.

The Pensions Office will be checking over the coming months that our records are accurate and up to date. If you are currently acting on behalf of a Scheme member and receive a communication as part of this exercise, your co-operation will be greatly appreciated.

A Power of Attorney is a legal document that lets you authorise someone else to manage your affairs if you are unable to for a temporary period or in circumstances where you're no longer capable yourself. If you become unable to make your own decisions without a Power of Attorney in place, the alternative would be to get a court order. This can take longer to set up, is more complicated and can cost more.

There are different types of Power of Attorney which cover different types of circumstances:

## Ordinary Power of Attorney (OPA)

An 'Ordinary' Power of Attorney is used to give another person temporary authority to take decisions and sign documents on your behalf if it is temporarily difficult for you to do so (because, for example, you become unwell for a while or are out of the country). However, an Ordinary Power of Attorney can only be used if you have (and continue to have) mental capacity.

An Ordinary Power of Attorney is not therefore appropriate for circumstances when you're not able to take decisions yourself because of your ill-health or mental capacity, for which a Lasting Power of Attorney (see page 9) would be required.

If you would like to set up an Ordinary Power of Attorney, contact your local Citizen's Advice or get advice from a solicitor.





## Lasting Power of Attorney (LPA)

This covers decisions about your financial affairs or your health and care. If you can't make decisions for yourself anymore, then we will only be able to take instructions from another person on your behalf if they have a Lasting Power of Attorney or LPA. If you are married or in a civil partnership, you shouldn't assume your spouse will automatically be able to deal with your pension if you lose the ability to do so. The same applies in relation to other relatives, such as your children. Without an LPA, they don't have the automatic authority to manage your affairs if you are unable to do so.

If you want to set up an LPA, you must do this while you are still able to make decisions for yourself.

You can use the online service at **[Lastingpowerofattorney.service.gov.uk/home](https://lastingpowerofattorney.service.gov.uk/home)** or download the forms from **[www.gov.uk/power-of-attorney/make-lasting-power](https://www.gov.uk/power-of-attorney/make-lasting-power)**

When you've made an LPA, you need to register it with the Office of the Public Guardian (OPG) or your attorney will not be able to make decisions for you.

The Pensions Office can only accept Powers of Attorney that cover finances and property.

In Scotland, Ordinary Power of Attorney is known as Continuing Power of Attorney and Lasting Power of Attorney is known as Welfare Power of Attorney. You can register someone you trust as an Ordinary or Welfare Power of Attorney online at **[epoar.publicguardian-scotland.gov.uk/](https://epoar.publicguardian-scotland.gov.uk/)** or by post.

Providing valid Power of Attorney documentation to the Pensions Office is the most straightforward way for the Scheme to establish someone else has the authority to act on a pensioner's behalf. The Trustee recognises that there are sometimes circumstances where pensioners may not have Power of Attorney documentation and they are now unable to appoint an attorney because of ill-health. The Pensions Office will look to work with members' family in these circumstances.

**Further details on how to enable someone to act on a member's behalf due to their ill-health can be found on the Scheme website.**

# Scheme noticeboard

## Increases for pensioners

Under the Rules of the Scheme, some or all of a BSPS pension in payment may increase each year on 1 April.\* Pensioners will have received a letter at the end of March 2020 detailing how any increase has been applied to their pension.

Included with the pension increase letter is a statement (known as a P60), which shows how much pension has been received and how much has been deducted in tax during the year.

If you have not yet received your documents, you should contact the Pensions Office (see page 12 for contact details).

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

## 2020 consultative meeting cancelled

The Trustee continues to keep members up to date on key Scheme matters through updates on the Scheme website ([www.bspspensions.com](http://www.bspspensions.com)) and in Scheme newsletters like this one.

Regretfully, however, due to the restrictions arising from the Covid-19 pandemic, the Trustee has decided that the annual consultative meeting in October 2020 will not take place.

The consultative meeting affords member representatives the opportunity to ask Trustee Directors questions about the Scheme face-to-face. In its absence, you can still contact the Trustee (see page 12) with any questions you might have.



## Other ways to receive the newsletter

### By email

Rather than receive a paper copy of News Brief, almost 9,000 members have elected instead to receive an email from the Pensions Office, alerting them when a new edition has been added to the Scheme website: **[www.bspspensions.com](http://www.bspspensions.com)**

If you would like to receive these alerts, please email the Pensions Office at **[pension.enquiries@bspspensions.com](mailto:pension.enquiries@bspspensions.com)** from your usual email account with the following information:

- Your full name
- Your National Insurance number

Please quote 'News Brief by email' in the email subject field.

We will then update our records and send you confirmation by email. If you are unable to provide us with an email address, don't worry – we will continue to send your News Brief by post.



### Other formats

News Brief is available in either Braille or large print formats. If you have 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 and let us know which version you require.

The Scheme website

**[www.bspspensions.com](http://www.bspspensions.com)** is compatible with Browsealoud, which allows you to have website content read to you. Browsealoud software is free to download.



## Your feedback

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

Lee Chadwick  
Section Head Secretariat  
British Steel Pension Scheme  
FREEPOST RLXS-ZXKT-AUER  
Glasgow  
G2 7BW

# Contact details

If you have any other questions or concerns about your pension, you can get in touch with the Pensions Office.

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.

During the Covid-19 pandemic, the Pensions Office has operated reduced opening hours, in accordance with government guidelines; during this time please note that personal visits are not possible and we would also ask that you do not contact the office on routine matters. The Scheme website can be a helpful alternative source of key information relating to the Scheme.

The telephone system is currently being upgraded to add a host of new features for an improved experience for members who phone the Pensions Office at busy times, including:

- ✓ more telephone lines into the office
- ✓ new functionality to indicate your position in any queue and the estimated time for your call to be answered



## Email

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



## Website

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



## Telephone

Phone 0330 440 0844

During the current restrictions, our lines are open from 9.00am to 4.30pm, Monday to Friday.

We will revert to normal hours when it is safe to do so. Updates can be found at: [www.bspensions.com](http://www.bspensions.com)



## Writing from the UK

(no need for a stamp)

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## Writing from outside the UK

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