

News Brief

FOR MEMBERS OF THE BRITISH STEEL PENSION SCHEME (BSPS)



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Chairman's welcome

Welcome to the Autumn 2021 edition of *News Brief*. I hope that you and your family are all staying safe and well.

I am taking the opportunity to highlight some major projects that we are currently progressing where I expect to have more details to share with you in the Spring 2022 newsletter.

The Trustee is required to carry out a financial health check of the Scheme at least every three years and the latest such valuation is taking place as at 31 March 2021 and is progressing well. Despite the impact of the coronavirus pandemic on financial markets, the Trustee expects the valuation to confirm that the Scheme remains well positioned to pay benefits securely on a low-risk basis now and in the future.

We will provide members with a report on the outcome of the valuation in the Spring 2022 newsletter which is expected to be published in March.

The agreement to set up the Scheme in 2018 included provisions for an additional payment to eligible pensioner members if the 2021 valuation resulted in an 'unexpected surplus'. Any such payment would apply to pensioners who have service earned before April 1997. I am very pleased to say that the necessary conditions for a modest payment have been met though the actual details will not be finalised until after the valuation is completed, with payments expected to be made to eligible members in late 2022. The Trustee has set up a working group to take this matter forward and members will be informed of developments in the next newsletter.

I have previously reported that the Trustee and Scheme sponsor, Tata Steel UK Limited, have been looking at possible options for further de-risking the Scheme. This work is

also making good progress, and again I will provide you with a further update in early 2022.

The 2021 United Nations Climate Change Conference (COP26) has taken place not far from our Glasgow office. The Trustee considers climate change a significant risk and mitigating that risk is now a central part of our approach to investment and Scheme governance. Since 2018, we have been reviewing the portfolio of assets transferred from the Old Scheme, which includes less than 5% in equities, to ensure it meets the risk and return requirements to pay members' benefits as they fall due. Part of this review is to consider the Scheme's ESG (Environmental, Social and Governance) obligations and this will ultimately include consideration of an appropriate net zero carbon commitment. Further information on this topic is contained in the Scheme's Annual Report & Financial Statements which can be found on our website, www.bspspensions.com

In this edition, we are pleased to offer members the opportunity to put themselves forward to serve as a Member Nominated Trustee director. We have six Trustee directors on the Trustee board, two of whom are member nominated posts where the appointment terms expire at the end of March 2022. If you are interested in nominating yourself, you will find information on page 6.

Best wishes

Keith Greenfield

Chairman of B.S. Pension Fund
Trustee Limited

Summary of 2021 Annual Report & Financial Statements

The Scheme provides benefits for former members of the Old British Steel Pension Scheme who elected to transfer into the Scheme on 28 March 2018 under the Time to Choose exercise. Here's a summary of the Scheme's Annual Report for 2020/21.

	For the year to 31 March 2021 £'000
Income	
Return on investments	201,750
Total	201,750
Expenditure	
Benefits paid	472,796
Transfers-out	13,396
Administration expenses	7,271
Levies	7,240
Total	500,703
Net increase (decrease)	(298,954)



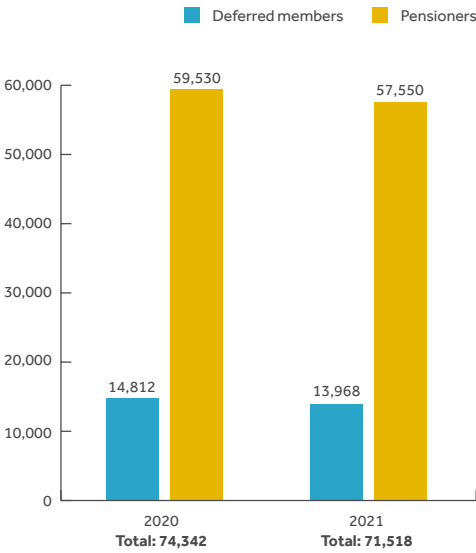
Value of the Fund (£'000)



The Scheme’s investment strategy is set by the Trustee after taking appropriate advice. This strategy is set out in a Statement of Investment Principles (SIP), which was last updated in March 2021. You can now view a copy of the SIP on the Scheme website, www.bspspensions.com.

The Scheme’s 2021 Annual Report has been published. If you want to see the full version, please visit the Scheme website, www.bspspensions.com.

Membership at 31 March 2021



	Under age 50	Between 50 & 54	Between 55 & 59	Between 60 & 64	Between 65 & 69	Age 70 & over
Pensioners	155	390	1,867	5,816	8,831	40,491
Deferred members	5,927	3,084	2,833	1,891	197	36



Number of members over age 100 = 119
Age of oldest Scheme member = 104
Age of youngest Scheme member = 24

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*.

BSPS pensions in payment are increased 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 2021 was 3.1% and, accordingly, this increase will generally be applied to BSPS pensions in payment in April 2022.

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

Pension	April 2022 increases
Guaranteed Minimum Pension built up between 1978 and 1988	None
Guaranteed Minimum Pension built up between 1988 and 1997	Capped at 3.0%
Excess pension over Guaranteed Minimum Pension built up to 1997	None
Pension built up between 1997 and 2005	3.1%
Pension built up after 2005	Capped at 2.5%

Years relate to 5 April

Pensioners will receive a letter at the end of March 2022 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 (CESPS).

The Trustee expects to introduce one common payroll date, with CESPS pensioners moving to the same payment date as BSPS pensioners, i.e., generally the last working day of the month. This payroll changeover has been targeted for June 2022. CESPS pensioners will be kept informed of progress as this date approaches.

Member Nominated Trustee directors: nomination and selection

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

The Scheme is run by six Trustee directors. Trustee directors are appointed for a three-year term on a rolling basis. Two Trustee directors have been nominated by Tata Steel UK, as the sponsor of the Scheme, and two are Independent Trustee directors. Two Member Nominated Trustee directors have been selected from the population of the Scheme's deferred pensioners and former-employee pensioners. The term of appointment of both MNDs expires on 31 March 2022.

If you would like to be considered for a 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. However, the role is challenging and not one that should be entered into lightly.

Following the postponement of the 2021 MND selection exercise, due to Covid lockdown restrictions which affected our plans to hold face-to-face interviews, the Trustee board decided to postpone the selection process and extend the term of appointment of one of the incumbent MNDs (Shaun Corten) for a further 12 months through to 31 March 2022.

Applications from last year will be automatically considered as part of this exercise, so if you submitted an application at that time you do not need to reapply. Mr Shaun Corten and Mr Barrie Evans, the two current MNDs, have both indicated that they will stand for re-selection.

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

Lee Chadwick
British Steel Pension Scheme
1/2 Dalmore House
310 St. Vincent Street
Glasgow G2 5RU

Email: lee.chadwick@bspensions.com

Nominations must be received by 10 January 2022. Your application should be acknowledged within one week of receipt.

Member Portal

An online Member Portal was launched earlier this year and allows those members in receipt of a pension to access:

- ✓ The annual P60 certificate
- ✓ The most recent pension increase letter
- ✓ Monthly payment statements.

From early 2022, pensioners will also be able to:

- ✓ Change contact details quickly and securely
- ✓ Change bank account details
- ✓ Complete, or update, a Nomination form, where applicable.

Where to find the Member Portal

Go to the Scheme website, www.bspspensions.com and click on 'Member Portal' at the top of the page.

If a pensioner has not already registered to use the Member Portal, we have provided instructions along with this newsletter to help guide them through the registration process.



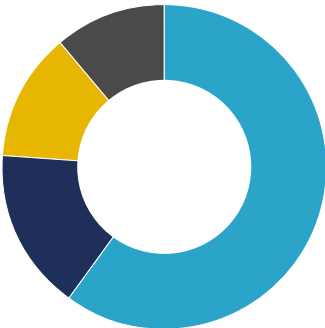
Member communication survey

In the Spring 2021 edition of the *News Brief* we included a survey seeking views from Scheme members about the newsletter. We were pleased to receive over 1,600 responses.

The ease at which the newsletter could be read and its overall quality rated very highly. Over a quarter of respondents rated the Chairman's Message as the most interesting article.

Summary of key results

Q1. How easy to read was the newsletter for you?



Rating	Number of responses	%
10	974	60.2
9	261	16.1
8	204	12.6
7 and under	180	11.1

Ratings: 10 = very easy and 1 = very poor

Q2. Please rate the overall quality of the newsletter



Rating	Number of responses	%
10	813	50.5
9	373	23.2
8	256	15.9
7 and under	167	10.4

Ratings: 10 = excellent and 1 = very poor

In summary, the survey results support the view that the format and content of the newsletter is well received by members. Thank you to everyone who took the time to tell us their views.

Online member event 2022

The communication survey also asked members about whether they would be interested in a free-to-access online member event.

Over 1,500 survey respondents expressed an interest in an event of this kind, with the majority identifying the 2021 valuation results, restoration and the future plans for the Scheme as matters of key interest. The Trustee is now pressing ahead with arrangements for an online event which we expect will take place in Spring 2022.

The Spring 2021 *News Brief* newsletter reported on the Trustee's decision that the Scheme's traditional face-to-face annual member Consultative Meeting would not take place during 2021; instead, consideration would be given to holding an online meeting to allow greater member participation.

For any member interested in viewing this online event, registration details will be included in the Spring 2022 *News Brief*, which is expected to be issued in March 2022. Details will also be posted on the Scheme website, **www.bspspensions.com**

We will also write to all members for whom we hold an email address to tell them about the arrangements and to explain how to register for the online meeting. If you haven't already provided the Pensions Office with your email address you may wish to do so over the coming weeks so that you don't miss receiving details for the online event.



Minimum pension age

The government plans to increase the minimum pension age at which benefits under registered pension schemes can generally start to be paid, without a tax penalty, from age 55 to age 57 commencing 6 April 2028.

The government is consulting on how best to apply its decision to increase the age when people can start taking their pension savings. The normal minimum pension age (NMPA) will increase in 2028 when the State pension age (SPA) increases to 67.

The normal retirement age for the Scheme is generally 65. The Pensions Office will contact you in the months before your 65th birthday to detail your options.

If you want to access your pension before this date, you will need to contact the Pensions Office to request details. If you choose to take your pension before age 65, your annual pension is reduced to reflect the fact that you are receiving your pension for longer.

The government's plans to change the NMPA to age 57 from 2028 is unlikely to affect many BSPS members. Most members with pension not yet in payment have a 'protected' minimum pension age of 50 or 55. If you have a protected pension age which is lower than NMPA, you will remain able to access pension benefits from that lower protected pension age.

The Pensions Office will write to all members not yet in receipt of their pension in early 2022 to confirm the minimum pension age that applies to them whilst they remain BSPS members.

Please note: if you have a protected pension age of 50 or 55 in the Scheme, this may be lost if you transfer your BSPS benefits to another pension arrangement. An update will be provided to members when further information is available.



Non-UK pensioners: existence checking






The Pensions Office is required to carry out existence checking exercises for all pensioners. UK-resident pensioners are routinely checked against a central register of deaths, but we do not have a register for our non-UK resident pensioners. Therefore, every two years we write to all our non-UK pensioners.

This year we have introduced a new process where we can offer members the opportunity to verify their identity online through facial recognition technology. Pensioners electing to use this service can expect to complete the verification process in minutes; this compares favourably to the traditional paper-based route which is considerably more time consuming as it involves pensioners providing both identification documentation and independent witness testimony.

Pensioners can still follow the paper-based option if they don't have access to a smartphone or would prefer to use this method.

The 2021 exercise is already well underway. If you receive a Scheme pension and live outside the UK and have not yet replied, the Pensions Office asks that you return the information to the Pensions Office as soon as possible to ensure that there is no disruption to your pension payments.

Over 900 BSPS pensioners live outside the UK. The ten most popular countries among this group are:

Country	Members
 Australia	200
 Spain	128
 Canada	112
 United States of America	102
 France	64
 Republic of Ireland	41
 South Africa	40
 New Zealand	38
 Thailand	25
 Cyprus	21



Contact details

If you have any 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 Steels Pension Scheme.

Please remember we need your written and signed authority to discuss or release your personal information to a third party.



Email

pension.enquiries@bspensions.com



Website

www.bspensions.com



Telephone

UK 0330 440 0844

Non-UK +44 141 274 2244

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

All our calls are recorded for training and monitoring purposes.

The Pensions Office has moved. Our new address details are below.



Writing from the UK

(no need for a stamp)

British Steel Pension Scheme
FREEPOST RUCT-GLGS-HLRU
Glasgow
G2 5RU

Writing from outside the UK

British Steel Pension Scheme
1/2 Dalmore House
310 St. Vincent Street
Glasgow G2 5RU
Scotland, United Kingdom

YOUR FEEDBACK

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

Lee Chadwick
Section Head Secretariat
British Steel Pension Scheme
FREEPOST RUCT-GLGS-HLRU
Glasgow G2 5RU

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 and let us know which version you require.

An audio version of the newsletter will be added to the Scheme website, www.bspensions.com. The Scheme website is compatible with Browsealoud, which allows you to have website content read to you. Browsealoud software is free to download.



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