

CULLUM DETUNERS LIMITED CASH BENEFITS SCHEME

MEMBER NEWSLETTER: SEPTEMBER 2020

WELCOME

The **Trustee** is pleased to provide you as members and beneficiaries of the **Scheme** with this Newsletter.

In this Newsletter you will find the following information:

- Confirmation of changes to arrangements regarding administration of the **Scheme**.
- An update on the funding position of the **Scheme** following the actuarial update of the **Scheme** as at 6 April 2020.

If you have received this Newsletter in the post but would prefer to receive future newsletters by email then please do let us know.

PLEASE NOTE

This Newsletter is provided for your information only – you do not need to take any action in relation to it. However, we would encourage you to read the information we have provided carefully and let us know if you have any questions or concerns which we can help with.

In addition, you should get in touch with us if the contact details we hold for you are incorrect. Our contact details for getting in touch are on page 4 of the Newsletter.

Meanings of words highlighted in blue in this Newsletter can be found in the Glossary on page 4 of the Newsletter.

ACTUARIAL VALUATION

The **Trustee** is required to undertake a valuation of the assets and liabilities of the **Scheme** at least once every three years. The last actuarial valuation of the **Scheme** was as at 6 April 2018. In between formal actuarial valuations, the **Scheme** actuary undertakes an update to show a more recent funding position.

We have recently completed an update to the valuation of the assets and liabilities of the **Scheme** as at 6 April 2020. We are required by legislation to provide you with an update on the funding position of the **Scheme** following the completion of this update by issuing you with a summary funding statement. The summary funding statement is enclosed as an Appendix to this Newsletter.

THE TRUSTEE

Lynette Lewis



As you are aware, Shoosmiths LLP became sole corporate trustee of the **Scheme** in April 2018. Shoosmiths is represented by Lynette Lewis who has more than 10 years experience of looking after defined benefit pension schemes. She also looks after Cullum's other DB scheme, the Cullum Detuners Limited Retirement Benefits Scheme.

Lynette is assisted in the administration of the **Scheme** by Quattro Pensions. Quattro can be contacted by telephone (01527 598688) or by email (info@quattropensions.com). Any queries relating to your benefits in the **Scheme** should now be directed to Quattro making sure to refer to the full name of the **Scheme**.

ANNUAL REPORT AND ACCOUNTS

The **Trustee** is required to produce a set of accounts each year which set out the financial position of the **Scheme**. These accounts are independently checked and audited to ensure that they give an appropriate picture of the **Scheme**.

The latest **Scheme** accounts cover the period 6 April 2019 to 5 April 2020 and were signed off by the **Trustee** in September. If you would like to receive a copy of these accounts by email or in hard copy, please write to the **Trustee** using the contact details set out on page 4 of this Newsletter.

USEFUL INFORMATION

Taking your benefits¹

The **Scheme** differs to many final salary (defined benefit) schemes in that it only provides a lump sum on retirement. It does not provide any form of regular pension payment following retirement. The lump sum benefit is based on your final pensionable salary (at the earlier of the date the **Scheme** closed to accrual on 5 April 2006 or your date of leaving service with Cullum) x the number of years of your service (or pensionable service if you joined the **Scheme** after 1 July 1978) x 3/80ths. This is revalued whilst you are in deferment.

Your **Normal Retirement Age** under the **Rules** of the **Scheme** is 65. However, you are entitled to take your lump sum benefit at any time once you have attained age 55 without requiring the consent of the **Trustee** or of **Cullum**. Any benefits paid to you after age 55 but before age 65 will be reduced for early payment, and you will not be entitled to revaluation of your benefits once they have been paid.

Can I retire before my normal retirement age?

Yes you can take your lump sum benefit at any point from age 55 which will be reduced for early payment. However, please note that whilst you are a deferred member you will be entitled to revaluation which means your benefit will increase to take effect for inflation.

¹ Please note this is a summary only and your benefits would be calculated in accordance with the deed and rules of the Scheme which would take priority over the wording of this newsletter

Can I take my benefit before age 55?

Yes, if you have yet to reach age 55 you can apply for a cash equivalent transfer value which you can transfer to another registered pension scheme of your choice. However, you will lose your entitlement to take your benefit tax free following any transfer.

Your Contact Details

Everyone's circumstances change from time to time. We may move house, get married or divorced, suffer bereavement or change our contact details in some other way. While we usually remember to update institutions such as banks and utility companies with our new details, it's easy to forget to do the same for our pension benefits.

It is really important that those involved in running the **Scheme** are able to contact you to provide you with important information about the **Scheme** and your benefits under the **Scheme**. Please would you ensure that you inform us whenever you move house or change your contact details in any other way.

It is your responsibility as a member of the **Scheme** to keep your contact details up to date. If this Newsletter was addressed incorrectly to you (e.g. because you have moved house or changed your name), please write to us at the address on page 4 of this Newsletter to provide your new contact details as soon as possible.

Equally, if you are still in contact with fellow ex-employees from Cullum Detuners, please check with them that they received this Newsletter and, if not, please ask them to get in touch with either Lynette Lewis or with Quattro Pensions. It may be that we do not have their correct address on our files.

CONTACT US

General

If you have any queries about the [Scheme](#) or your benefits under the [Scheme](#), please write to the [Trustee](#) (via Quattro Pensions), who will ensure that your query is directed to the right person and that you receive any information you need. Please use the following contact details:

CONTACT DETAILS	
Quattro Pensions Prospect House Fishing Line Road Redditch Worcestershire B97 6EW Tel: 01527 598688 Email: Info@quattropensions.com	Trustee Lynette Lewis Partner Shoosmiths LLP Colmore Square 38 Colmore Circus Queensway Birmingham B4 6SH

Please include your full name and date of birth in any correspondence so that you can be identified on the [Scheme](#) records. Please also provide your membership number if you have it.

If you have any questions

From time to time, Members may need to raise questions with us about the [Scheme](#) or about their pension, or may wish to make a complaint in relation to the [Scheme](#).

In the first instance, we would encourage you to write to the [Trustee](#) to raise any questions you may have, so that we can work together to answer these.

However, if you wish to raise a formal complaint, the [Scheme](#) has a formal [IDR Procedure](#) which is available to you on request.

GLOSSARY OF USEFUL TERMS

Cullum/Cullum Detuners	Cullum Detuners Limited, the principal employer of the Scheme
IDR Procedure	Internal Dispute Resolution Procedure – the procedure by which you may make a formal complaint to the Trustee
Normal Retirement Age	The age at which it is anticipated that you will normally draw your benefit from the Plan (currently age 65) – but please see the <i>Taking your benefits</i> section of the Newsletter on page 2
Scheme	The Cullum Detuners Limited Cash Benefit Scheme
Rules	The part of the Scheme’s governing documentation which sets out the benefits to which you are entitled
Trust Deed	The part of the Scheme’s governing documentation which sets out the powers of the Trustee and Authority and the procedures which the Trustee must follow
Trustee	The trustee of the Scheme, currently Shoosmiths LLP

CONTACT DETAILS FOR PENSIONS ORGANISATIONS

THE PENSIONS ADVISORY SERVICE (TPAS)

If you have any general requests for information or guidance concerning your pension arrangements, please contact TPAS by any of the following methods:

- **In writing to:** The Pensions Advisory Service, 11 Belgrave Road, London, SW1V 1RB. Please note TPAS may be unable to receive postal correspondence if its office remains closed as a result of Covid-19
- **By telephone:** The Pensions Helpline is open from 9am to 5pm, Monday to Friday. The telephone number is 0800 011 3797
- **Online:** Online enquiry forms and web chats are available via TPAS's website, the address for which is www.pensionsadvisoryservice.org.uk

THE PENSIONS OMBUDSMAN

The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. You have the right to refer a complaint to the Pensions Ombudsman free of charge.

Contact with the Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for these time limits to be extended.

The Ombudsman may be contacted by any of the following methods:

- **In writing to:** The Pensions Ombudsman, 10 South Colonnade, Canary Wharf, London, E14 4PU
- **By telephone:** The telephone service is available from 9am to 5pm, Monday to Friday. The telephone number is 0800 917 4487
- **By email to:** enquiries@pensions-ombudsman.org.uk
- **Online:** Complaint forms may be submitted online by visiting the Pensions Ombudsman's website at www.pensions-ombudsman.org.uk

THE PENSIONS REGULATOR

The Pensions Regulator is the UK regulator of work-based pension schemes, which works with trustees, employers, pension specialists and business advisors to give guidance on what is expected of them. The Pensions Regulator may intervene in the running of schemes where trustees, managers, employers or professional advisors have failed in their duties.

The Pensions Regulator may be contacted by any of the following methods:

- **In writing to:** The Pensions Regulator, Napier House, Trafalgar Place, Brighton, BN1 4DW
- **By email to:** customersupport@tpr.gov.uk

APPENDIX

SUMMARY FUNDING STATEMENT

Latest actuarial valuation

The latest formal actuarial valuation of the **Scheme** showed that on 6 April 2018 the funding position was as follows:

Assets	£848,000
Amount needed to provide benefits	£688,000
Surplus	£160,000

The latest report prepared by the actuary to the **Scheme** shows that there has been a slight improvement in the funding position as follows:

Assets	£702,000
Amount needed to provide benefits	£526,000
Surplus	£176,000

Payments to the company

The **Trustee** confirms to members that there have not been any payments to Cullum out of scheme funds since the date of the last Summary Funding Statement.

How is my pension paid for?

Cullum pays contributions to the **Scheme** so that it can pay pensions to the scheme members when they retire.

The money to pay for members' pensions is held in a common fund. It is not held in separate funds for each individual member.

What is meant by the Scheme's funding position?

The funding position of the **Scheme** shows, at a given date, how the value of the **Scheme's** assets compares with the amount of money the **Trustee** thinks it needs to provide members' benefits. It is calculated by our actuary using prudent assumptions about what might happen in the future and is a snapshot in time. If the value of the assets is less than the amount the **Trustee** think it needs to provide members' benefits then the **Scheme** is in "shortfall". If the assets are higher it is in "surplus".

How is the amount the Scheme needs worked out?

The **Trustee** has a funding plan agreed with Cullum that aims to make sure there is enough money in the **Scheme** to pay for pensions now and in the future. The **Trustee** obtains regular checks of the funding position by our actuary (called actuarial valuations). These actuarial valuations are normally carried out every three years. If the actuarial valuation shows that there is a shortfall in the **Scheme**, additional contributions are paid by Cullum aimed at removing the shortfall over a reasonable period of time. The amount of money that Cullum pays into the **Scheme** may go up or down.

The importance of Cullum's support

The **Trustee's** objective is to have enough money in the **Scheme** to pay benefits now and in the future. However, success of this objective relies on Cullum continuing to support the **Scheme** because:

- The funding position of the **Scheme** fluctuates. When there is a funding shortfall Cullum will usually need to put in more money.
- The amount of money that the **Trustee** thinks it needs may not turn out to be enough, so Cullum will need to put in more money.

What would happen if the Scheme started to wind up?

If the **Scheme** winds up, you might not get the full amount of pension you have built up, even if the **Scheme** is fully funded under our plan. However, as the **Scheme** is currently in surplus this would not be the case at the moment. It has sufficient assets to buy out members' benefits with an insurance company and the **Trustee** is currently exploring if this is feasible.

If the **Scheme** were to start to wind up, Cullum is required to pay enough into the **Scheme** to enable all members' benefits to be completely secured with an insurance company (known as "full solvency"). As at 6 April 2018, it was estimated that the **Scheme** would require £812,000 to buy out benefits in full and was therefore £36,000 in surplus. It may be, however, that if this position changed Cullum would not be able to pay any required amount. If Cullum was to become insolvent, the *Pension Protection Fund* might be able to take over the **Scheme** and pay compensation to members.

The inclusion of the above information is required by law. This does not mean that Cullum is thinking of winding-up the **Scheme**.

What is the Pension Protection Fund?

The Government set up the *Pension Protection Fund* to provide a safety net for members of pension schemes which are wound-up where (i) the scheme does not have enough money to cover the cost of buying a certain level of benefits for members with an insurer and (ii) the company is insolvent and so cannot provide extra finance.

The pension you would receive from the *Pension Protection Fund* may be less than the full benefit you have earned in the **Scheme**, depending on your age and when your benefits were earned.

Where can I get more information about the Pension Protection Fund?

Further information is available on the Pension Protection Fund's website at:

www.pensionprotectionfund.org.uk

or you can write to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA.

Why does the funding objective not call for full solvency at all times?

The full solvency position assumes that all members' benefits will be secured by buying insurance policies. Insurers are obliged to take a very cautious view of the future and need to make a profit. The cost of securing pensions in this way also incorporate the future expenses involved in administration. By contrast, our funding objective assumes that Cullum will continue in business and will continue to support the **Scheme**.

What is the Scheme invested in?

The **Trustee's** policy is to invest in a broad range of assets. The split of the investment between different types of asset class as at 5 April 2020 were as follows:

Government securities	47%
Cash	10%
Corporate bonds	43%

Pension flexibilities introduced from April 2015

You may be aware that, with effect from April 2015, the Government introduced additional flexibility for people accessing their defined contribution (money purchase) pensions during retirement. Your benefits within the **Scheme** are defined benefit (final salary) and are not changing. You do not need to take any action. However, it is sensible to review your pension savings from time to time and the **Trustee** would encourage you to do this.

Data Protection Act

The Information Commissioner's Office has recently clarified that the Scheme Actuary is a "data controller" of your personal data for the purposes of the UK Data Protection Act 2018, jointly with the **Trustee**.

The Scheme Actuary will use the personal information about you and your dependents to provide professional services to the **Trustee**. The **Trustee** will continue to be a “data controller” and may use personal information about you and your dependents for reasons connected to the administration of the **Scheme** (including, for example, the calculation and payment of benefits) and the putting in place of appropriate insurance to provide long term protection and income to the **Scheme**.

The **Trustee** may disclose personal information about you and your dependents to professional advisors, service providers, administrators, Cullum (as the sponsoring employer of the pension scheme) and insurance companies, as may be necessary or desirable to administer the **Scheme** and/or comply with contractual obligations relating to it.

Details for the Scheme Actuary are:

Mike Dick
Royal London Consulting Actuaries
57 Henderson Row
Edinburgh EH3 5DL

IMPORTANT

If you are thinking about leaving the Scheme for any reason, you should consult a professional advisor, before taking any action.