

Pensions Newsletter 2024

The Midcounties Co-operative Pension Scheme



your
coop

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Note from the Chair

Dear Scheme Members,

It's a pleasure to catch up with you again after a year which has seen real progress and a significant reduction in the deficit.

The effect of ongoing higher interest rates has depressed both the value of assets and liabilities in the scheme, keeping the difference between them (in our case a deficit) much smaller than it has been in recent years. As the Society's agreed contribution of £7 million per year has remained constant, it is much larger in relation to the deficit than it was before, meaning its effect in paying down the deficit is much more significant in relative terms than it was when the deficit was larger. Add to this the positive impact of the Scheme's return-seeking investments and it is looking likely the deficit may be eliminated completely a few years from now, which is a very pleasing position for Scheme members, the Trustees and the Society.

The Pensions Regulator is now looking to require schemes to have a plan that goes beyond eliminating deficits. This can take a variety of forms, including building enough assets to fund a buyout with an insurance company or getting to a position where even some financial stress wouldn't push a scheme back into deficit. In the year ahead we will be working in partnership with the Society on our own plan to meet these requirements. In addition, the Regulator has published a new General Code, with the aim of improving the governance and performance of pension schemes. We also

look forward to learning more about the new government's plans for pensions.

Last year I wrote about the introduction of the new Pensions Dashboard, which will require all pensions providers to make data available about people's different pension arrangements through a single portal. Frustratingly, various industry delays have meant this isn't yet fully ready but we are continuing to work with our service provider Isio (formerly Premier) to check and share our member data with the Pensions Dashboard Programme who will be bringing this service to you.

The Trustee board remains the same as last year, Stephen Ridler was up for re-election this year and was the only nominee. I would like to place on record my thanks to my Trustee colleagues and to Helen Flint-Hill, our Secretary and Head of Pensions, for all their hard work in the last year.

We hope you find this newsletter informative and interesting. As always, we welcome any feedback and suggestions you may have on future content.

Vivian Woodell
Chair of Trustees



Meet the Trustees

There are seven Trustees, three appointed from the Society Board and three elected by members and pensioners of the pension scheme. An independent Trustee was appointed by the Society on 1 November 2020, Alison Bostock of Zedra Governance Ltd.

The Trustees are:

Appointed	Elected
Vivian Woodell (Chair)	Stephen Ridler
Fiona Ravenscroft	Dennis Young
Irene Kirkman	James English
Alison Bostock	

In the picture from left to right, Damian McClure, Irene Kirkman, Fiona Ravenscroft, Alex McTavish, Alison Bostock, Vivian Woodell, James English, Helen Flint-Hill, Dennis Young, Steve Ridler



The Trustees meet at least quarterly to review the investment performance of the fund, get a funding update, see if the administrator is meeting its service standards, and a number of other matters involved in managing the scheme.

The Trustees aren't experts in pensions or investment so they have appointed professional advisers who can help deal with numerous other matters and ensure that the scheme is properly managed.

The current advisers to the trustees are:

Advisors	What they do
The scheme actuary – Mercer	Check on the financial health of the scheme
Investment consultants - Willis Towers Watson	Ensure that the Scheme's assets are properly invested and advise the trustees on investments
The auditors – RSM	Check that the year end accounts are correct
The administrators – Isio Pensions	Calculate benefits and maintain records
The legal advisers – Eversheds	Provide legal advice on pension issues
Independent financial advisers – Workplace Solutions	Advised members on their options at retirement
Employer Covenant Advisor – RSM	Advise the Trustees on the strength of the Society Covenant

Although we have appointed various firms to do things on our behalf and give advice it remains the case that the Trustees retain overall responsibility for the pension scheme.

Facts & Figures

Every year the Trustees have to produce a set of audited accounts as at 31 December. Below are some of the key highlights from the latest accounts.

How much money is in the pension scheme?

The value of the fund goes up and down depending on the return on investments but as at 31 December 2023 the fund was worth

£172m



How much does the scheme pay out in pensions and other expenses?

The scheme pays about

£7m each year in pensions

and another **£1m a year in other benefits and expenses.**

How many people are in the scheme?

The scheme closed in June 2014 so there are no longer any active members.

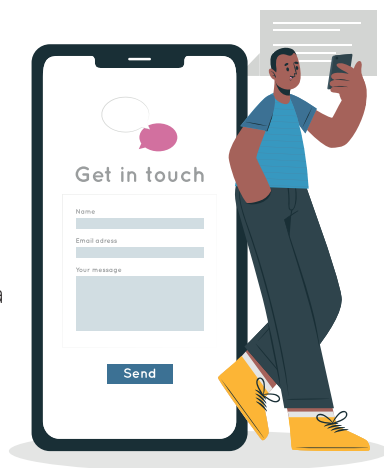
The Society currently contributes £7m per year to the Scheme to ensure there are sufficient funds to pay future pensions.

Category	Number
Deferred members	2,017
Pensioners	1,285
Total Members	3,302

Get in touch

Scheme Administration

If you would like further information about the Scheme or have a query about your benefits, please contact the Scheme Administrators Isio Pensions, who administer the scheme including notifying them of any change of address. There is a dedicated Help Line for Midcounties Members on **0800 122 3200** and a dedicated email address at midcounties.co-operativePensionScheme@lsio.co.uk



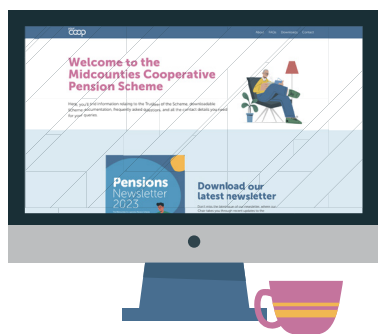
Tax Queries

If you have any questions about your tax code for your pension you should contact the tax office.

PAYE, HMRC BX9 1AS. Telephone number 0300 200 3300.
Tax reference 475/ZB18672

Scheme Secretary

If you have any comments for the Trustees, please contact **Helen Flint-Hill, Secretary** to the Trustees who is based at the Society's Head Office in Warwick. Helen can be contacted on **01926 516009** or email Helen.Flint-Hill@midcounties.coop



Midcounties Co-operative Pension Scheme – Website

We have been working on creating a website for our members.

The website will contain all of the latest scheme and Trustee information for your reference.

The Trustees will publish important scheme information.

Details of the website will be forwarded to you early in 2025.

Looking after your loved ones

The total membership of the scheme is 3,302, as at 30 June 2024, 986 members have a completed Expression of Wish Forms on file.



The Trustees are concerned that many members have not completed an Expression of Wish Form. This form provides guidance to the Trustee about whom to consider as recipients of any lump sum death benefits. The persons nominated do not have to be the same as the beneficiaries named in your Will, as the lump sum is not part of your Estate. For example, you can nominate a partner, your children or other family members or a charity, and the sum can be divided between a number of people or organisations.

Once you have completed an Expression of Wish Form it is important to keep it up to date, particularly if your circumstances change, so that the Trustee can take into account your wishes. If there is no form recorded, or it appears to be very out of date, the Trustee has to make its own judgment on who to pay to, based on our investigations of your personal circumstances, and this may not be in line with what you would have wanted and will take more time.

Please help the Trustees by ensuring that you have completed an up-to-date Expression of Wish Form. If your pension has been in payment for more than five years, there is no requirement to complete an expression of wish form.

There are many life events that may prompt you to review your current nomination including:

a marriage or
civil partnership

separation or
a divorce

birth of a
child

death of a
nominee

There is a form enclosed.

The Midcounties Co-operative Society Pension Scheme

Internal Dispute Resolution Procedure

This is a policy which deals with disputes between beneficiaries (or potential beneficiaries) of the scheme and the trustee.

Whose complaints are covered by this procedure

Complaints can be accepted under this procedure from:

- any in service deferred member or deferred pensioner or pensioner of the scheme.
- a former member's widow, widower, civil partner or other dependant.

How to make a complaint

The complainant must put in writing the details of the nature of the complaint, along with details of his or her name, address, date of birth and National Insurance Number.

This should be sent to Helen Flint-Hill, Head of Pensions. The trustees have nominated her to investigate complaints.

**The Midcounties Co-operative,
Co-operative House
Warwick Technology Park
Warwick
CV34 6DA**

Email: helen.flint-hill@midcounties.coop

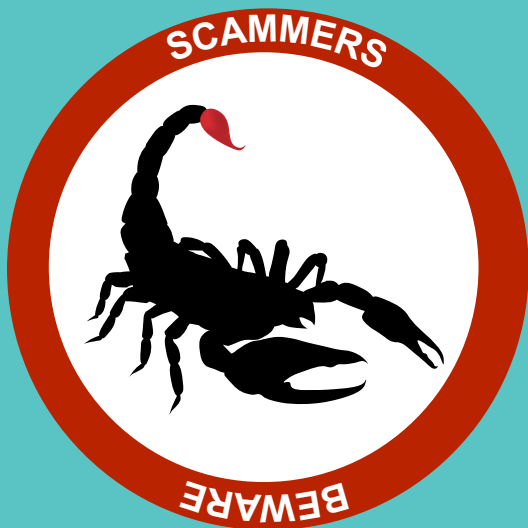
Helen Flint-Hill will respond within two months of the complaint being received with either a decision or an explanation behind any delay and an expected date of issuing a decision.

If the complainant is dissatisfied with the decision, he or she should write within six months of the date of the response to the complaint to Helen Flint-Hill, this will then be referred to the Trustees of the Pension Scheme.

The Pension Scheme Trustees will review and respond to the complaint.

If the complainant is still dissatisfied with this decision the next stage of complaint is to the Pension Ombudsman.

If you would like full details of this procedure please contact Helen Flint-Hill, contact details as above.



Pension Scams Don't get stung

DON'T LET A SCAMMER ENJOY YOUR RETIREMENT

Pension scammers will do whatever it takes to get their hands on your savings and enjoy your retirement.

If you are contacted out of the blue by someone claiming to be able to help you access your pension before the age of 55, it will be a scam so hang up immediately. Such scams are becoming increasingly more sophisticated, so it is essential that you check before succumbing to any sales pitch, as you risk losing a life time of pension savings.

**Please check on the following website
www.pension-scams.com
or phone 0800 138 7777**

Midcounties Co-operative Pension Scheme

April 2023

Dear member

Summary Funding Statement 2023

This is an important document, and it lets you know how the Scheme is doing financially.
We strongly recommend that you read this statement carefully

Why is it important?

The Scheme's financial health could affect the benefits you receive.

As Trustees of the Midcounties Co-operative Pension Scheme ("the Scheme") we must send you a statement following completion of each formal valuation of the Scheme, which takes place every three years, and after each actuarial report in the years in between.

If you have any concerns, please read this statement for more information or contact the Trustees using the contact details provided. The Trustees cannot provide you with financial advice, so we suggest you speak to an independent financial advisor if you need advice regarding your pension benefits.

How is the Scheme doing?



Assets

The money the Scheme has now.



Liabilities

The estimated cost of providing benefits – now and in the future.



Surplus/(shortfall)

The assets minus the liabilities.



Funding level

The assets as a percentage of the liabilities.

The estimated liability figures below assume that the Scheme will continue until all future benefits due are paid. These estimates depend on assumptions about what will happen in the future, such as the investment return that will be earned on the Scheme's assets and how long members will live for.

31 December 2020 update (the figures we provided when we last wrote to you)

£269.9m

£355.8m

(£85.9m)

76%

31 December 2021 valuation

£281.4m

£332.1m

(£50.7m)

85%

31 December 2022 update

£167.5m

£197.1m

(£29.6m)

85%

Since we last provided an update of the funding position of the Scheme to you, the Trustees have carried out a full valuation of the Scheme with an effective date of 31 December 2021. This showed that the funding shortfall in the Scheme fell significantly between 31 December 2020 and 31 December 2021. The main reasons for this improvement was the Trustees reflecting the most recent evidence of life expectancies in their valuation assumptions, higher than expected investment returns over the year and the Society paying deficit contributions to reduce the deficit.

Between 31 December 2021 and 31 December 2022, the shortfall in the Scheme also decreased significantly. The decrease in the shortfall is largely due to the effect of rising government bond yields (which places a lower value on the liabilities, the assets and hence the shortfall) together with the Society paying contributions to reduce the deficit.

It is not unusual for pension schemes to have a shortfall at present. The level of the shortfall will change over time, affected by the Scheme's financial experience and the level of contributions paid by the Society.

Since we last sent you a summary funding statement, no payments have been made to the employer, and the Scheme is not subject to any directions from the Pensions Regulator.

How has recent volatility in investment markets affected my benefits in the Scheme?

As a member of a defined benefit scheme, your pension is not directly affected by changes in the value of the Scheme's investments. Your benefits are based on your salary/revalued earnings on leaving the Scheme and the length of time you were an active member of the Scheme. As investments rise and fall, your benefits are unaffected.

How will the shortfall be addressed?

As part of the last formal valuation, as at 31 December 2021, the Trustees worked with the Society to agree the funding position, strategy and contributions for the future. To correct the shortfall, the Society agreed to pay additional contributions of £7 million p.a. until 31 January 2027.

If the assumptions do not turn out to be right, it may be necessary for further contributions to be paid for the shortfall to be eliminated by 2027. Although there is a shortfall in the Scheme as at 31 December 2022, all members who have retired are still receiving their full pension amounts.

Is there enough money in the Scheme to provide my full benefits if the Scheme is wound-up?

If the Scheme were to be wound-up, we would have to buy benefits in the insurance market, which would be much more expensive than providing members' benefits from the Scheme as shown below.

			
Assets	Liabilities	Surplus/(shortfall)	Funding level
31 December 2022 wind-up position			
£281.4m	£402.2m	(£120.8m)	70%
The fact that we show this position does not mean that the Society is planning to wind up the Scheme. It is just another piece of information, which we hope will help you understand the financial security of your benefits.			

So how secure is my pension?

We aim to have enough money to pay pensions now and, in the future, but this is dependent on contributions continuing to be paid and the investment returns on the Scheme's assets. In the event the Scheme was wound-up without enough money to buy all the benefits with an insurer, then it is unlikely you would receive the full pension benefits you were expecting. To help members in this situation, the Government set up the **Pension Protection Fund (PPF)** in 2005.

The benefits you would receive from the PPF depend on your age and your period of Scheme service. Further information and guidance is available at www.ppf.co.uk, or can be contacted by various options below:

By telephone: 0345 600 2541

By email: information@ppf.co.uk

Can I leave the Scheme before I am due to retire?

You can, if you wish, transfer your deferred benefits in the Scheme to another pension arrangement before you retire. If you are thinking of transferring out of the Scheme for any reason, you must consult an independent financial advisor before taking any action. **Legally, we cannot provide you with financial advice.**

Where can I ask questions, or get more information?

Please use the contact details below if you have questions about the content of this statement or need information.

Helen Flint-Hill, Head of Pensions:

helen.flint-hill@midcounties.coop

If you have any queries about your individual benefits, need to change your address or provide details of a spouse or dependent for your pension, please contact the Plan's administrator, Premier, using the contact details below.

Premier, the Plan's administrator:

Midcounties.co-operativepensionscheme@premiercompanies.co.uk

Additional documents available on request

The Statement of Funding Principles

This explains how we (the Trustees) plan to manage the Scheme with the aim of being able to continue to provide the benefits that members have built up.

The Statement of Investment Principles

This explains how we (the Trustees) invest the money paid into the Scheme.

The Schedule of Contributions

This shows how much money is being paid into the Scheme by the Society and includes a certificate from the actuary showing that it is sufficient.

The Annual Report and Accounts of the Midcounties Co-operative Pension Scheme

The Scheme's income and expenditure. The latest report is for the year to 31 December 2021.

The Formal Actuarial Valuation Report as at 31 December 2021

The details of the actuary's check of the Scheme's financial situation as at 31 December 2021.

The Actuarial Report as at 31 December 2022

The details of the actuary's checks of the Scheme's financial situation in non-valuation years, the most recent being at 31 December 2022.

From the Trustees of the Midcounties Co-operative Pension Scheme

Midcounties Co-operative Society

- the year at a glance

In 2023/24 we welcomed almost

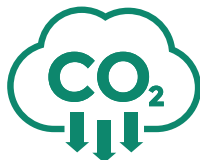
109,000
new members



We donated

£211k

to good causes



Greenhouse gas
emissions are down
32% since 2019

Member trade
is now

37%

(2022/23: 27%)

Food
revenue
is up by
£10.1m



We source
energy from

250

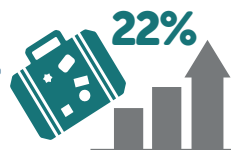
community
generators



1 new nursery
opened and **3**
refurbished



Travel
has had a
record year
for gross
sales





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We are happy to provide publications in alternative formats.