



The Midcounties Co-operative Pension

# Pensions Newsletter 2022



# Society update

## Phil Ponsonby

Group Chief Executive Officer

Over the course of 2021, the Society continued to face uncertainties and challenges resulting from the coronavirus pandemic, related restrictions and the effects of government interventions. We started the new financial year in a full lockdown which continued throughout the first quarter.

I was extremely proud of the way colleagues from across our operations dealt with these challenges and dedicated themselves to supporting our members, customers, communities and each other throughout the year. I was also pleased that we continued to invest in them through enhanced pay and benefits, and through the provision of development and apprenticeship programmes.

Given the background of disruption, uncertainty and difficulty in forward planning, I was pleased to report gross sales, including sales of our consortium partners, of £912.9m, an increase of 14.6% on last year. This improvement in gross sales of £165.4 million was mainly due to a partial recovery in our Travel operations, which recorded increases in bookings through our agency arrangements over the prior year. Food sales were down on the previous year given the significant benefits derived in 2020 from consumer stockpiling and the greater restrictions placed on hospitality venues, which led to increased consumption at home.

Your Board has maintained a prudent and balanced approach to the management of the Society's finances throughout the year. Debt was reduced over the course of the year from £64.9m to £40.5m and we continued to deliver towards the Society's longer-term objectives by investing in growth, developing new partnerships and supporting our communities. We opened seven new food stores and two 'new generation' Little Pioneers nurseries. We continued to invest in new technologies, providing new equipment to food stores and improving our online operations within Travel, Utilities and Healthcare. And in October, we launched a new app for members which was downloaded by almost 57,000 members by the year end.

Our support for communities and a sustainable future was recognised by Business in the Community, where we were the highest-rated organisation out of 20 similar businesses in their Responsibility Tracker.

I hope members agree that while we continue to face unprecedented and difficult operational challenges, we have kept our values at the heart of what we do in our day-to-day activities.

Looking ahead the economic implications from the pandemic on our lives, our businesses and our communities grows ever more challenging and will shape our approach to how we run our businesses for a considerable time to come. As we start the new financial year in the hope of beginning to put the pandemic behind us, the horrific situation in Ukraine and the economic and humanitarian shock waves being felt across the world, serves to reaffirm how important it is that our Society continues to keep true to its values and that we do all that we can in building a fairer future together.

# Your Co-op at a glance

7 new Food stores opened



90% of Travel customers 'highly satisfied'

£2.2m generated for Healthcare through sale of Covid-19 travel test kits



51,000

51,000 members involved in co-operative activity



25,600

More than 25,600 volunteer hours given by colleagues

33,000 meals saved from being thrown away



Your Co-op Utilities achieved Feefo's Trusted Service Award



2 new purpose-built Childcare sites



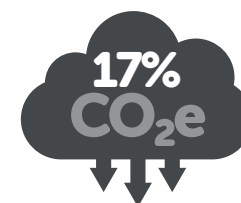
55 Funeral sites transferred to other co-operatives

Almost £200,000 given in grants to local community groups



11% reduction in business waste since 2019

Cut CO<sub>2</sub>e emissions by 17%



# Note from the Chair

Dear scheme members,

First, a few words of introduction. I was reappointed to the Trustee body by the Society's Board in October 2020 and it was pleasing to return after a gap of around a decade since my previous stint as a Trustee, during which time I was also Chair of the Trustee board for 8 years. I've spent almost all my working life in the co-operative movement in a number of different capacities, including as founder and CEO of The Phone Co-op, which is now a proud part of the Midcounties family. I was appointed as Chair of the Trustees in October 2021 following Steve Allsopp's decision not to seek re-election to the Society's board. I would like to place on record our thanks to him for his hard work and dedication as Chair of the Trustee board.

Recent times have been some of the most unpredictable in living memory. The Covid-19 pandemic (which is clearly far from over) has been followed by a major land war in Europe, bringing not only great suffering to the people directly involved, but also steep increases in the cost of energy and food, and the threat of a global recession.

Against this background, it is reassuring to know that our pension scheme has remained broadly on track.

Our investment strategy has been to match the performance of the majority of our investments as closely as possible with the behaviour of our expected liabilities, as calculated using the Pensions Regulator's rules. A quirk of this is that, because of the way liabilities and, with it, the value of the liability are calculated, low interest rates have inflated the liability, and with it the value of the liability-matching assets. As interest rates have risen in recent months, both assets and liabilities have fallen in value, which has had the effect of reducing our estimate of the absolute value of the scheme's deficit. As we work through the triennial valuation of the Scheme, it is reassuring to know that the regular special contributions received from the Society as part of our recovery plan, together with

better-than-expected investment performance from our return-seeking assets, have meant that the estimated deficit has continued to shrink and our funding position is a little ahead of the target level.

Once the current scheme valuation is complete, the Trustees will enter into discussions with the Society regarding the recovery plan and members will be advised of the outcome of these discussions in due course. The Society's trading performance has been impacted by the pandemic and by recent geopolitical events and we expect the discussions to be challenging. We will enter into them in the same collaborative spirit that has characterised our previous negotiations, and are confident the Society will adopt the same approach, since it is in everyone's interest to reach agreement on a satisfactory outcome.

We continue to develop and improve our governance as a Trustee body, with a focus on training and effective oversight. You'll recall that we appointed Alison Bostock in 2020 as Independent Pension Trustee. Her experience and guidance, together with the insights she brings into how other Trustee boards have handled some of the issues we face have proved extremely valuable. One recent development has been the decision to recommend to the Society a change in our Trustee's constitution to provide for the appointment of a Vice Chair, a proposal which the Society's board was happy to agree. Alison has been appointed to this role by the Trustee Board. We believe this will strengthen the Trustee board and support the Chair in an ever more complex and rapidly evolving role. In the recent ballot for Member Nominated Trustees, Dennis Young and James English were both re-elected and we welcome them both back for a further term. It's worth noting that of the 3,258 ballot papers issued, only 370 were returned, a turnout of just over 11%. Your pension is important, and I hope that more members will exercise their democratic rights in future elections.

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	

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 – Premier 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 2021 the fund was worth

**£280m**



## 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 but there is a new category of employed deferred members, there are also pensioners who are receiving their benefits from the scheme and deferred members – former colleagues who left the Society but haven’t started to receive their pension yet.

The Society pays £7m into the Scheme to ensure that the deficit is reduced as well as additional contributions towards the Scheme’s running costs.

Category	Number
Deferred members	2,234
Pensioners	1,172
Total Members	3,406



# Alison Bostock

**Director | ZEDRA Governance Ltd**  
(previously called PTL Governance Ltd)

Alison is a full time professional pension trustee, serving on the boards of around 12 pension schemes of various sizes. She is a director of ZEDRA Governance Ltd, which specialises in acting as a trustee to pension schemes and other similar types of trust. ZEDRA Group bought PTL Governance Ltd in December 2021 and rebranded it in July 2022. Alison has worked in the pensions industry for over 30 years and is a qualified actuary as well as an accredited professional trustee, and she serves on the council of the Association of Professional Pension Trustees. She enjoys the challenges of working with a diverse range of companies and trustees and is able to bring her experience of other schemes to each trustee board. Commenting on working with this board in particular, Alison says “It’s very useful to have fellow trustee directors with such a detailed knowledge and understanding of the history and operations of the Society and its finances, as this is my first experience of a co-operative. Also, the Scheme has a complicated history, so overall there has been a lot to learn and I am very grateful to the secretary and the advisers, as well as the other trustee directors, for helping me get up to speed”.

Outside of work Alison enjoys choral singing and watching football.

# Looking after our Investments

**Alex McTavish | Senior Director**  
Willis Towers Watson



During 2022 Alex took over responsibility for the investment advice given to the Trustees. Working alongside the team at WTW, Alex’s job is to ensure that the Scheme’s portfolio is positioned to deliver the return needed whilst being able to weather any storms financial markets may bring. Most recently this has included a focus on managing the impact on the Scheme of the risks associated with rising inflation and interest rates.

Alex has over 20 years of financial services experience, the last 14 of which have been spent at WTW advising pension scheme trustees on their investment strategies. He has an MA in mathematics from Oxford University and holds the CFA qualification.

Outside of work Alex is a keen (armchair) sports fan and a regular runner, albeit at an increasingly sedate pace.

# Administration of the Scheme

## A note from Michael Valenti

Michael Valenti is the Client Relationship Manager at Premier for your pension scheme.

Michael has been working in company pensions for over 25 years and is a Fellow of the Pensions Management Institute, which gives him a wealth of experience in the pensions industry which he can now bring to the Midcounties Co-operative scheme. Indeed it's a privilege to work with an award winning Co-operative which has recently been recognised by its members as Leading Co-operative of the year three times, as well as its awards for Responsible Business, Sustainability and Community.

Michael's role is primarily to ensure that Premier give you the best service possible. He works closely with his administration colleagues to ensure they have a full understanding of your scheme, and makes sure that you receive a response to your requests in a timely and professional manner, giving you all the information you need to receive your benefits from the scheme.

**Premier always appreciate your feedback on our service, so please don't hesitate to let us know, especially if a particular member of the team has stood out.**

Michael works closely with your board of Trustees, keeping them informed of our service to you, ensuring they are getting the best value from Premier for their members. He also works with them on any changes to pension schemes required by changes to laws and regulations.

Premier's new website [www.yourpremier.co.uk](http://www.yourpremier.co.uk) is free to access, and allows you to contact them online to request a quotation of your



pension benefits or to update your personal details. This site also hosts a variety of articles and FAQs regarding pensions to help you with your retirement planning.

If you are already receiving a pension from the scheme, you can view your payslips and P60s online at [www.mypensiontracker.co.uk](http://www.mypensiontracker.co.uk). If you do not yet have access, visit the website and follow the on-screen instructions to register. Premier will soon be making this website available to all scheme members to view their benefits online and model their retirement options.

Finally, Premier are engaging fully with the Pensions Dashboard Programme, an initiative backed by the UK Government. Pensions dashboards will enable individuals to access their pensions information online, securely, and all in one place. You will start to hear more about this over the next few years.

Premier were awarded Administration Provider of the Year 2022 by Pensions Age, and are accredited by the Institute of Customer Service. The administration team are always happy to help you with any queries you have regarding your Midcounties Pension, and contact details can be found later in this newsletter.

# 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](mailto: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.

# 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 Premier 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.coop@premiercompanies.co.uk](mailto:midcounties.coop@premiercompanies.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](mailto:Helen.Flint-Hill@midcounties.coop)

# Looking after your loved ones

Please help the Trustees by ensuring that you have an up to date Expression of Wish held on your pension file. The Trustees decide how to award any benefits on your death, but will be guided by your Expression of Wish Form.

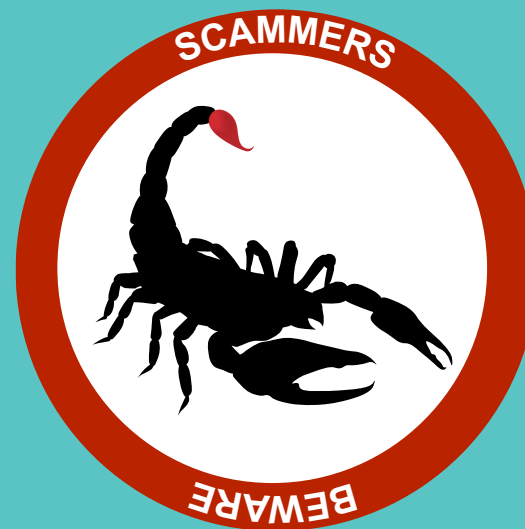
There are many life style events that may prompt you to review your current nomination including:

- A marriage or civil partnership
- The birth or adoption of a child
- Separation, dissolution or a divorce
- The death of a nominee

Please complete the attached form included within the envelope and return separately to:

**Premier PO Box 108 Blyth NE24 9DY**

Please remember to put a stamp on your envelope.



## 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](http://www.pension-scams.com)**  
**or phone 0800 138 7777**



The Midcounties Co-operative

