

# The Nuffield Health Pension and Life Assurance Scheme

Newsletter 2022





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This year has been characterised  
by significant events

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# Welcome



This year has been characterised by significant domestic and global events both economically and politically. These events have touched all our lives, and pensions have frequently been highlighted.

While we know the recent volatility may have caused members some concern, we want to reassure you that the Scheme is being competently managed. The Trustee continues to monitor the situation closely, and we conduct regular meetings with our investment advisers, who supply us with detailed reports.

Your newsletter includes an update on both the Defined Benefit (DB) and Defined Contribution (DC) sections, news from the Scheme and some recent changes in the world of pensions. We've also included a reminder of the people that run the Scheme, and where you can get help if you need it.

We hope you find this newsletter helpful, providing you with an update on your pension scheme. If you have any feedback, or there is anything you would like to see in future newsletters, then please do let us know at [nuffielddb@xpsgroup.com](mailto:nuffielddb@xpsgroup.com)

Doug Ross

**Pi Consulting (Trustee Services) Ltd**

## **Company-appointed trustees**

Pi Consulting (Trustee Services) Ltd, represented by Doug Ross (Chair)

David McNair

## **Secretary to the Trustee**

Claire Rowan

## **Advisers to the Trustee**

The Trustee has appointed the following professional advisers to help them run the Scheme.

*Scheme actuary* - Adam Stanley FIA

*Consulting actuary* - XPS Pensions Group Ltd

*Administrator* - XPS Administration Ltd

*Investment advisers* - Schroders Solutions

*Auditors* - Crowe U.K. LLP

*The Scheme is run by a corporate Trustee called Nuffield Health Pension Trustees Limited.*

# Financial update

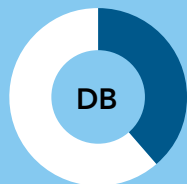


The following summarises the Scheme's income and outgoings over the year to 31 March 2022.

	Defined Benefit section	Defined Contribution section
Total assets at <b>31 March 2021</b>	<b>£469.5m</b>	<b>£44.7m</b>
<b>+ PLUS</b> Contributions and transfers in	£5.7m	£1.7m
<b>- MINUS</b> Benefit and other payments	£16.4m	£3.0m
<b>+ PLUS</b> Net returns on investments	£20.7m	£2.0m
Total assets at <b>31 March 2022</b>	<b>£479.5m</b>	<b>£45.4m</b>

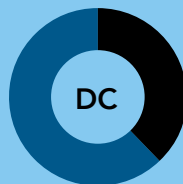
## Membership details

The Scheme's Defined Benefit (DB) section closed to future build up in 2007, so it has only deferred and retired members. Current Nuffield employees can save for retirement through the Defined Contribution (DC) section.



### Defined Benefit section

- 3060 Pensioner
- 1927 Deferred



### Defined Contribution section

- 377 Active
- 615 Deferred



# DB section

Every three years, the DB section conducts a formal Actuarial Valuation. This checks the financial health of the Scheme so we can see how the **assets** the DB section holds compares to the benefits it eventually needs to pay to all the members (the **liabilities**).

*In between the formal Actuarial Valuations, the Scheme actuary will also provide a yearly estimated update.*

The last Actuarial Valuation took place as at 31 March 2021, and we've also recently completed the yearly estimated update as at 31 March 2022. A Summary Funding Statement was sent to DB members at the beginning of October, which provided more detail on these financial health checks, and we've included the figures below as a reminder.

31 March **2022** (£8.6m Surplus)

Assets **£523.6m**

Liabilities **£515.0m**

**102%**  
funded

31 March **2021** (£10.7m Shortfall)

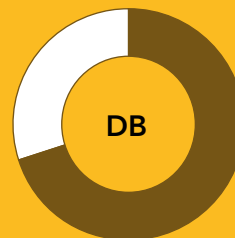
Assets **£513.0m**

Liabilities **£523.7m**

**98%**  
funded

## Investments

The DB section continues to split its investments as follows:



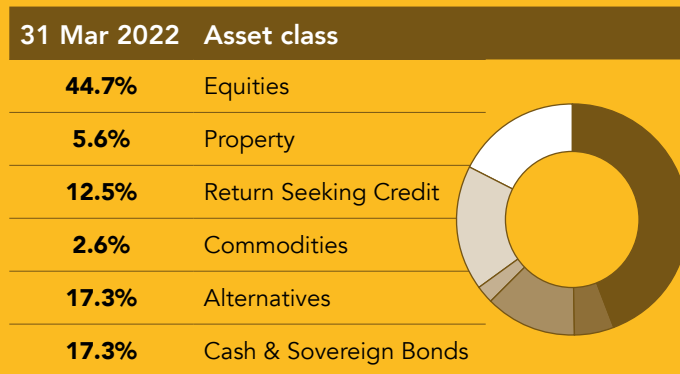
**30%** Matching assets  
**70%** Growth assets

The Scheme maintains a diversified portfolio of investments across all asset classes with the aim of reducing the effect of financial market or sector volatility.

# DB section



## The split of growth asset investments



The Trustee considers environmental, social and governance (ESG) factors and stewardship in the context of long term fund performance, and requires the Scheme investment managers to do the same. Funds are reviewed with a view to how they impact the environment and society, as well as their financial performance, before they are approved for investment in the portfolio. The investment manager then monitors the ESG implementation and ongoing compliance with other factors, such as stewardship, as a part of overall engagement.

## Investment performance up until 31 March 2022

1 year		3 years (per year)		5 years (per year)	
Performance	Target	Performance	Target	Performance	Target
5.5%	5.5%	5.1%	4.8%	4.6%	4.6%

# DC section



## Investment update



In the DC section, you can choose where you want to invest your savings. The Scheme offers a range of funds you can choose from, but if you don't make a choice, your savings in the DC section will automatically be invested in the default fund.

It's important to think carefully about where your savings are invested, as this is one of the main ways you can influence how much money you have available at retirement. You have two options to choose from.

### Lifestyle strategy

This is the default investment strategy, which automatically selects funds based on your age. When you are a long way from retirement, your savings will be invested in funds that target growth. As you get closer to retirement, your savings will gradually be switched into funds that aim to protect your savings from unexpected dips in the market.

### Self-Select strategy

If you decide to invest your savings in the Self-Select fund range, you can choose to invest everything in one fund, or split your savings across a few different funds. It's important to review your investments regularly, as your aims and attitude to risk may change over time.

# DC section



Below you can see the performance of the available Self-Select funds over the last year, as a yearly average over the last three years and as a yearly average since they were first introduced.

The Trustee regularly reviews the investment options, following guidance from its investment adviser, to ensure they are performing in line with the market.

Fund	1 year %		3 year per year %		Since introduction %	
	Fund (net)	Benchmark	Fund (net)	Benchmark	Fund (net)	Benchmark
Nuffield Cash Fund	0.0	0.3	0.3	0.2	0.4	0.3
Nuffield Corporate Bond Fund	-13.5	-13.1	-2.0	-2.0	0.1	0.0
Nuffield Ethical Global Equity Fund*	0.2	-0.1	10.3	10.3	10.2	10.3
Nuffield Global Equity Fund*	-6.7	-7.1	8.1	8.1	8.4	8.3
Nuffield Index-Linked Gilt Fund*	-23.6	-19.1	-4.7	-4.7	-0.7	-0.8
Nuffield Long Gilt Fund*	-24.4	-22.9	-6.2	-6.3	-1.6	-1.7
Nuffield Retirement Focus (Annuity)	-13.5	-13.5	-3.4	-3.2	-3.5	-3.2
Nuffield Retirement Focus (Invest Into Retirement)	-5.5	9.3	1.9	5.3	1.8	5.3

\* These funds are passively managed and aim to deliver a return in line with the market. They simply replicate the movement of the market they're tracking.



# Protecting your pension from scams



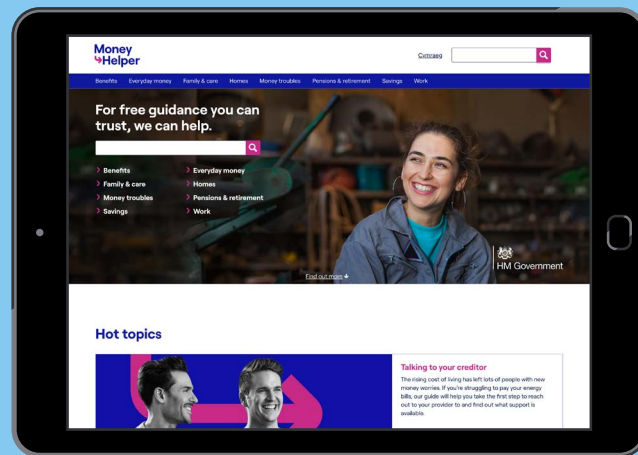
Unfortunately pension scams continue to be a problem for members of all pension schemes.

Criminals continue to find different ways to persuade members to transfer their savings to them, such as guaranteeing high investment returns or promising loopholes that would allow you access to your pension before the current legal minimum retirement age of 55.

The Trustee and the Scheme administrator have a responsibility to help keep your pension safe if you are considering transferring your pension to a different arrangement. There's a series of checks we need to do to make sure the receiving scheme is safe, which can mean your transfer takes a while to process.

You can also help protect your pension by being vigilant. Scams often start with an unsolicited phone call or email, or contact through social media. Scammers may also claim they have a time-limited offer to pressure you into making a decision. If something feels suspicious, trust your instincts! You can also check if what you're being offered shows signs of a scam, at [ScamSmart](#).

If you're thinking of making a big decision about your pension, such as a transfer, we recommend you find your own financial adviser. If you don't have one already, you can find one on [MoneyHelper](#). Remember, if your pension benefits are worth more than £30,000, then legally you must take financial advice before you can transfer.



# Pension news



## Have you considered Additional Voluntary Contributions (AVCs)?

Paying AVCs is a way to make additional flexible contributions to your Scheme pension. The advantages of making AVCs include:

- You don't have to commit to saving a set amount every month. You can choose to save more when you can.
- You'll receive tax relief on contributions, up to your annual allowance.

However, please remember, as you're putting money into an investment pot, the value of your AVC pension fund could go down, as well as up.

You can find helpful free guidance on [MoneyHelper](#) and it's a good idea to take advice before making any changes to your pension. Find a [financial adviser](#) local to you on [MoneyHelper](#).

## Pensions dashboard update

You may be aware that there is an ongoing project, run by the Money and Pensions Service, to establish an online pensions dashboard that will bring all your information about your pension savings into one place.

The Department for Work and Pensions (**DWP**) has recently been consulting on the final regulations, which are expected to be laid before Parliament later this year.

XPS has established a Dashboards Working Group (**DWG**) with representatives from across the administration business. The DWG meet regularly and provide updates for trustees to help schemes through the process of preparing to connect.

Staggered onboarding, based on scheme size, is expected to begin from 2023, and you'll get more information from us when this is due to happen for the Scheme.

The **Statement of Investment Principles** sets out the Trustee's investment policy for the Scheme. You can find it on [www.nuffieldhealth.com/downloads/db-statement-of-investment-principles](http://www.nuffieldhealth.com/downloads/db-statement-of-investment-principles)

The Statement of Investment Principles includes information like the investment strategy of the Scheme, and how the Trustee considers environmental, social and governance (**ESG**) issues when choosing investments. The Trustee reviews the Statement of Investment Principles regularly, to make sure that the investment strategy is still helping the Scheme achieve its objectives.

# Pension news



## Increase in State Pension age

At the moment, the State Pension age is 66, but it is due to rise to age 67 for people born on or after 5 April 1960, and age 68 for people born on or after 5 April 1977, so make sure you know what applies to you.

You can find out more at [www.gov.uk/state-pension-age](https://www.gov.uk/state-pension-age)

## Minimum pension age to increase

The government has also recently announced that the minimum age you can start taking your pension will increase from 55 to 57 from 6 April 2028. This minimum age is then intended to increase in line with the State Pension age, so that the minimum pension age is always ten years below State Pension age.

## Planning for retirement

If you're starting to think about retirement, it's a good idea to start to work out how much money you will have and how much you will need to live on.

You can do this by getting an estimate of all the pensions you are due to receive from all the pension arrangements you've been a member of during your working life. If you think there are some you might have forgotten, or some arrangements you might have lost touch with, the government's [Pension Tracing Service](#) can help.

Don't forget to include your State Pension when you're working out how much you might have to live on in retirement. You can get a forecast of what you could get from your State Pension at <https://www.gov.uk/check-state-pension>

If you're not sure where to start with working out how much you will need to live on, the Pensions and Lifetime Savings Association have created a [Retirement Living Standards website](#) to help give you an idea. There are three possible standards – minimum, moderate and comfortable – and you can see what you might need if you are single or in a couple.

# Getting help



## Your Scheme Administrator

XPS Administration looks after the day-to-day running of the Scheme. If you have any questions about your benefits, or you would like to request a retirement or transfer quotation, you can contact them on:

nuffielddb@xpsgroup.com

0121 752 6610

## MoneyHelper

The [MoneyHelper](#) website includes a wealth of financial information, including details about pensions and retirement. You can also use MoneyHelper to help you find a financial adviser.

## Pension Wise

If you have defined contribution benefits, like those in the DC section, and you're over 50, you can get free guidance from Pension Wise. You can make an appointment through [MoneyHelper](#).

## Managing your pension online

XPS Administration also provides an online [member portal](#) at **[www.mypension.com/nuffield](http://www.mypension.com/nuffield)** where you can manage your benefits.

*With MyPension you can:*

- View your pension information in real time
- Update your personal data

*You can also:*

- Download Scheme documents, such as newsletters and updates
- Update your Expression of Wish details which the Trustees will review for any lump sum payments which might arise
- Contact XPS Administration

If you haven't already registered, or you've forgotten your details, please just email [enquiries@mypension.com](mailto:enquiries@mypension.com)