PensionsTalk

The newsletter for members of the Lafarge UK Pension Plan

Spring 2021

LAFARGE

A member of LafargeHolcim

Inside this issue

Welcome

Welcome to the Spring 2021 edition of Pensions*Talk*, the newsletter from the Trustee of the Lafarge UK Pension Plan, bringing you up to date on the latest news about your retirement benefits and the Plan.

I trust that you and your families have remained well during the pandemic. It has been a difficult time for us all, but one bright spot we can look back on with pleasure was the leadership shown during the darkest of times by our very own Captain Sir Tom Moore. As you know, at the age of nearly 100, Captain Tom set out to raise £1,000 for NHS charities and ended up raising £33 million.

He is best known as the former General Manager of Cawoods Concrete Products, a subsidiary of Cawoods Holdings based in Cambridgeshire, which merged with Redlands in the early 1980s. I know how proud of Sir Tom our members must have been and I wrote on your behalf to wish him a happy 100th birthday. Shortly before publishing this came the sad news that Sir Tom had passed away.

On behalf of the Plan I send his family our condolences.

It may not seem long since we sent you the previous edition of Pensions*Talk*, which you may recall we delayed until June 2020, as we wanted to assess the impact of the Covid-19 pandemic on the Plan and its operations.

At the time I was able to reassure you that there had been no significant impact on the Plan's finances – the funding level had actually increased slightly – or on its operation, as the Administration Team had successfully switched to working from home and the Trustee Board and its committees continued to meet regularly by videoconference.

I am pleased to be able to repeat this reassurance and to confirm that the Plan continues to operate well and that all our staff and Trustee Directors have avoided any serious illness from the pandemic.

Welcome continued

Unfortunately, the pandemic is still with us and the revised processes we had adopted, originally envisaged to be short-term measures, remain in place. We have continued to make further changes to improve our service to members. First, we have upgraded our Administration Team's telephone system, which now enables calls to be directed automatically to a team member at home. This means you should no longer need to leave a message and wait for a call back.

Secondly, we have introduced electronic verification of members' identity, which provides improved security, especially when setting up new benefits for a Plan member or their dependants or when a member decides to transfer benefits to another scheme. Electronic identity verification is more efficient, as an online check is instant and it removes or reduces the need to ask Plan members to send originals of documents such as birth and marriage certificates. This electronic process is also more secure and gives the Plan greater protection from fraudulent benefit claims. The fact that a person's identity has been verified will be added to their credit record but will not adversely affect their credit rating. The privacy statement on the website has been updated to reflect this new process: **www.lafargeukpensions.com/page/privacy-notice**

Projects

The Trustee Board has progressed a number of projects over the course of 2020.

Transfer of the DC section

The Trustee has always endeavoured to ensure that the Defined Contribution (DC) pensions we have offered had represented good value when compared with other similar trust arrangements. However, in 2019 there was a significant change in regulation which is changing the DC marketplace.

In September 2019, the Pensions Regulator authorised the start of the new master trust regime. A master trust is a multi-employer trust-based pension arrangement in which each employer commonly has its own section within a much larger master arrangement. The 38 'Authorised Master Trust' DC arrangements in the UK already serve 16 million members. In comparison, our DC membership had decreased to under 2,500 and would have continued to reduce further. The Pensions Regulator says that trustees of all smaller DC schemes need to consider whether they are able to offer value for members or whether savers are better served in larger schemes (such as master trusts), which typically benefit from economies of scale and can offer members wider choice.

Following a thorough review by the Company and the Trustee, it was decided that the Plan's DC section (including DC Additional Voluntary Contributions) should be moved to a master trust. The economies of scale that can be achieved by a master trust can provide better value to our members and meet the ever-increasing regulatory demands for consistently high standards of governance. Members with DC benefits were informed in August of this proposal and the transfer took place successfully in October 2020. For more information, you may wish to read the Chair's Annual DC Governance Statement on the Plan website: **www.lafargeukpensions.com**

Change in Plan Actuary

Last year, I reported that the Trustee had appointed Lane Clark and Peacock (LCP) to replace Willis Towers Watson as Plan Actuary. The transition has been very smooth and LCP are now fully familiar with the Plan and are advising us on funding issues and other projects. Willis Towers Watson continue to manage the Plan's assets and so the Trustee has the benefit of advice from both firms.

New Trustee responsibilities

You should have received our letter in September, informing you of proposed changes to the Trustee's responsibilities. LafargeHolcim (the parent company of the Plan sponsor) also operates another Defined Benefit pension plan in the UK, the Aggregate Industries Pension Plan (the 'AIPP'), which is a smaller pension plan than the LUPP, with around 5,000 members and £620 million in assets.

Aggregate Industries UK Limited and LafargeHolcim (together, 'the Company') had conducted a review of the governance of the two pension plans and proposed having one combined trustee board, with one set of advisers, governing both plans, as it was felt this would further enhance the governance of both plans and achieve savings in the costs of advice. After detailed discussions with its advisers and with the Company, the Trustee agreed to the

Welcome continued

proposal and assumed responsibility for the trusteeship of the AIPP on 25 September 2020.

As I explained in my letter, this is not a merger of Plans. Each Plan remains completely distinct, the assets are ringfenced, and each Plan is governed by its own Trust Deed and Rules and will have its own separate actuarial valuation. There is no impact on your benefits in the LUPP and no action is required from you.

Both plans are now under the governance of one combined trustee board, comprising the nine existing Directors of the LUPP Trustee with two Directors, Mike Gibbons and Chris Hudson, added from the AIPP Trustee Board, giving a total of 11 Trustee Directors.

Summary Funding Statement

Each year, our Plan Actuary updates the previous formal valuation with an estimate of the funding position. On pages 14-15 of this Pensions*Talk*, you will find a reminder of the results of the valuation on 30 June 2018 and the estimated updates at 30 June 2019 and 30 June 2020, which showed that funding had improved and that the Plan had a surplus on the ongoing basis.

The funding position compares well with many other UK pension schemes. Our investment strategy has played a large part in delivering these excellent results and I would like to thank our investment consultant and fiduciary manager, Willis Towers Watson, for their advice and guidance in what is a very complex area.

Later this year, we will begin the next actuarial valuation, which compares the Plan's assets against its liabilities and is carried out every three years. The Plan Actuary will look at the position as at 30 June 2021 but a valuation is a very complex exercise, so we expect that the results will only be available in 2022 and as usual we will report on the findings in a Valuation*Talk*.

Responsible investment

Members will be aware from the media that institutional investors such as pension scheme trustees are increasingly taking account of the need to invest responsibly. This has been reinforced by recent legislation. Through our investment manager, Willis Towers Watson, we are therefore focusing more on ensuring that the companies in which we invest act responsibly in three areas in particular: the impact of their activities on the environment, the social effects of their business, and how well each business is governed by its board and management. Together these factors have become known as 'ESG' – Environmental, Social and Governance – and all of them can have an effect on the risk and return of our investments. More information on what we have done during 2020 is set out on pages 17-18 of this document.

Member Nominated Directors of the Trustee

The Plan relies on having high-quality, engaged directors of the Trustee. The new combined trustee board includes five Member Nominated Directors (MNDs), four of whom are members of the Plan (two from each section) and one is a member of the AIPP. Vacancies for two of the four MND roles – one from each section – will arise in June this year. Although both have said they are willing to stand again, the Plan Rules require us to approach all our members to ask them to nominate potential candidates.

Serving as an MND is both interesting and satisfying. If you are interested in helping to run the Plan, or know of another member who you think would do the job well, please read the information on pages 20-21, and get in touch with our Plan Secretary in Dorking. We must receive all the nominations by 30 April 2021.

The selection process will also cover the single AIPP MND position and we are writing separately to AIPP members on this.

We hope you enjoy reading this issue of Pensions*Talk* and find it useful. If you have any questions or there are any topics you would like to see covered in a future issue, please get in touch using the contact details on the back page.

All of us at LUPP wish you a happy and healthy 2021.

Yours sincerely,

Roger Mountford
Chairman

Plan highlights

During the year to 30 June 2020, the Plan paid out pensions worth

£122 million

The Plan's assets increased by

£226.4 million

At 30 June 2020, there were over

24,000

members in the Plan

In October 2020, the DC section was transferred to the Aon MasterTrust

In total, the Plan's assets were valued at

£3.78 billion

Membership

As at 30 June 2020, membership of the Plan was as follows:

	Defined Benefit (DB)				Defined Contribution (DC)	
	LRPS Section	Non-LRPS Section	2020 Total	2019 Total	2020 Total	2019 Total
Active members	-	-	-	-	19	21
Deferred members	4,506	3,132	7,638	8,338	1,141	1,166
Pensioners /dependants	6,114	9,436	15,550	15,751	-	-
Total	**10,620**	**12,568**	**23,188**	**24,089**	**1,160**	**1,187**

Members who are entitled to both DB and DC benefits are included in the table as if they were separate individuals, if their entitlements arose in separate periods of service. However, a number of members whose entitlements were accrued in the same period of service, mainly DB members who have DC AVCs, are presented solely as a member of a DB section. As reported on page 19, the DC section was subsequently transferred in October 2020 to the Aon MasterTrust.

Plan finances

The table shows a summary of the Plan's financial transactions taken from the audited accounts for the year to 30 June 2020. It includes contributions paid in and benefits paid out to members. You can find the full set of audited accounts on the Plan website at **www.lafargeukpensions.com**

Value of Plan at start of year (1 July 2019)	**£3,548.5 million**
Income	+ £44.7 million
Expenditure	– £189.3 million
Change in market value of investments	+ £371.0 million
Value of Plan at end of year (30 June 2020)	**£3,774.9 million**

Income in the year to 30 June 2020

	Defined Benefit £'000	Defined Contribution £'000	Total £'000
The Company paid in	207	188	395
DC members paid in	-	78	78
Investment income	44,262	-	44,262
Total income	**44,469**	**266**	**44,735**

Expenditure in the year to 30 June 2020

Pensions paid	(122,424)	-	(122,424)
DC – flexibility payments	-	(23)	(23)
Pension commutation lump sums	(7,951)	(1,374)	(9,325)
Death benefits	(557)	(155)	(712)
Transfers to other schemes	(34,244)	(1,096)	(35,340)
Administration costs	(2,567)	(273)	(2,840)
Investment managers' fees	(18,695)	-	(18,695)
Total expenditure	**(186,438)**	**(2,921)**	**(189,359)**

DB focus

DB investments

The Plan's investment strategy sets out how the money that has built up to pay members' benefits is to be invested across different asset classes. The strategy is set by the Trustee after taking advice and is written down in a formal document called the Statement of Investment Principles (SIP). The SIP is reviewed regularly and the current version, dated September 2020, is available on the Plan website, or you can request a copy from the Pensions team in Dorking (see the back page for their contact details).

The day-to-day decisions about buying and selling individual investments is the responsibility of the Trustee's appointed fiduciary manager, Willis Towers Watson. The arrangement with Willis Towers Watson allows the Trustee to retain ownership of the Plan's investment strategy and focus on important strategic decisions, such as the target proportions of the Plan to be invested in principal market sectors, while the day-to-day tasks are carried out by our expert adviser, Willis Towers Watson.

Split of the assets between Defined Benefit (DB) sections

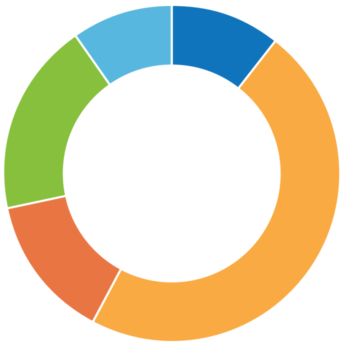
The Plan has two DB sections: the Lafarge Redland Pension Scheme Section (LRPS) and the Non-Lafarge Redland Pension Scheme Section (Non-LRPS).

In accordance with the Trust Deed and Rules, the Trustee uses a unitisation process to split the investment assets and related income and expenditure between these two sections. The total net assets for each section is shown below.

	2020 £'000	2019 £'000
LRPS total net assets	**1,555,976**	1,451,145
Non-LRPS total net assets	**2,159,608**	2,035,143

Investment split

The Plan's assets are invested across five main investment portfolios, as set out below. Within each, Willis Towers Watson selects a range of investment managers chosen for their skill and experience in their particular sector to maximise the investment efficiency (return enhancing or risk mitigating) of the Plan's investments. The chart shows how the assets in the DB sections were allocated to these portfolios as at 30 June 2020.



Beta	10.8%
Bonds/Liability-Driven Investment and Cash	47.1%
Credit	13.8%
Diversification	18.6%
Private markets	9.7%

Beta – this portfolio represents exposure to equity and property markets around the world.

Bonds/Liability-Driven Investment – a portfolio of government bonds and derivatives which move in line with the Plan's liabilities as they change in value with inflation and interest rates.

Credit – lending capital to governments and companies.

Diversification – non-traditional asset classes such as insurance and hedge funds, which are not expected to fluctuate as much as equities.

Private markets – long-term investments in private companies and infrastructure projects.

The Trustee hedged approximately 81% of the Plan's fixed and inflation-linked liabilities to protect the Plan against movements in interest rates and inflation rates. The Trustee has also hedged a large portion of its exposure to potential increases in life expectancy through two longevity swap insurance agreements with a leading international insurance company. While gains in life expectancy are good news, they do increase the cost of providing pensions and the Trustee has identified this as the largest single risk to the Plan – these longevity swaps provide protection to the Plan.

DB focus continued

Investment performance

The table shows the Plan's investment performance over the one, three and five-year periods to 30 June 2020. Performance is measured against a return based on the Plan's liabilities. The Trustee's objective is to outperform the benchmark by 2.3% each year.

Performance to 30 June 2020

	1 year (%)	3 years (% p.a.)	5 years (% p.a.)
Plan return	12.4	8.5	10.3
Benchmark	12.0	7.3	8.5

Over the year to June 2020, performance of the Plan was positive relative to the benchmark. The Plan's investment strategy protected it from the worst of the market volatility caused by the pandemic, over the first quarter of 2020 in particular, when the Plan's return-seeking assets fell by only 5%, compared with global equity markets which fell by around 22% over the period. The protection strategies in place and exposure to a diverse range of return drivers also attributed to positive performance in the second quarter.

Monitoring the strength of the covenant

The Trustee regularly monitors the strength of the LafargeHolcim group, with advice from its covenant adviser, Penfida. In the context of the 2018 actuarial valuation, the covenant available to the Plan was rated as 'strong' and has remained 'strong' since.

Summary Funding Statement

The assets of the Lafarge UK Pension Plan (the Plan) are held separately from the Company. Every three years, the Plan is required to undergo a valuation. The latest valuation was performed as at 30 June 2018 and was completed in May 2019.

The valuation provides a snapshot view of the Plan's funding position. It compares the value of the Plan's liabilities with the value of its assets, assessed at the same date, and identifies any funding shortfall or surplus. Although there are a number of different ways to measure the funding position, this report gives the results of two methods used by the Plan actuary:

- the ongoing basis (which shows what might happen if the Plan continues with business as normal), and
- the solvency basis (which shows what might happen if the Plan were to be wound up or discontinued).

The valuation relates chiefly to deferred and pensioner members with DB benefits. For PensionBuilder*plus* members, liabilities are equal to the accumulated balances held in each individual's investment account.

The Trustee discusses and agrees with the Company how to value the Plan's liabilities and, if there is a shortfall, agrees how this will be met over time. This is known as a Recovery Plan.

The 2018 valuation showed that the overall funding level had improved during the inter-valuation period from 95.2% to 101.1%. The shortfall of £148 million had become a surplus of £36 million.

Summary Funding Statement continued

Latest position

The actuary carries out less detailed annual updates in the years that fall between the full valuations. The results of the 2020 update are included in the table below, along with the 2019 update and the 2018 valuation results, and show that the funding position of the Plan as a whole has improved again. Over the year to 30 June 2020, the Plan's liabilities increased due to falling gilt yields. However, the Plan's investments performed better than expected, so that in total the funding position improved (and the surplus increased).

	2020 update	2019 update	2018 valuation
Value of past service liabilities	£3,547 million	£3,445 million	£3,340 million
Assets at market value	£3,716 million	£3,486 million	£3,376 million
Surplus	£169 million	£41 million	£36 million
Funding level	104.7%	101.2%	101.1%

Latest position on the funding of the two sections

LRPS Section	2020 update	2019 update	2018 valuation
Value of past service liabilities	£1,550 million	£1,485 million	£1,423 million
Assets at market value	£1,556 million	£1,451 million	£1,395 million
Surplus/Shortfall	£6 million	(£34 million)	(£28 million)
Funding level	100.4%	97.7%	98.0%

Non-LRPS Section	2020 update	2019 update	2018 valuation
Value of past service liabilities	£1,997 million	£1,959 million	£1,916 million
Assets at market value	£2,160 million	£2,035 million	£1,981 million
Surplus	£163 million	£76 million	£65 million
Funding level	108.2%	103.9%	103.4%

The funding improvement was greatest in the Non-LRPS Section because the LDI portfolio has performed better than in the LRPS Section, but the latter has nonetheless moved from a shortfall to a surplus and a funding level of just over 100%. As we mentioned in last year's newsletter, the difference in performance stems mainly from the different maturities of the two sections. The membership of the LRPS Section is younger on average than that of the Non-LRPS Section, which means that changes in market conditions have had a greater impact on the value of the liabilities for the LRPS Section. To date, the Trustee has not had a different hedging programme for each section but we are now working on a plan to hedge the pension liabilities of the two sections separately.

Valuation on a solvency basis

Although neither the Trustee nor LafargeHolcim has given any notice or has any intention of winding up the Plan, the Trustee is required by legislation to advise members what their position would be if the Plan had to be wound up.

At 30 June 2018, the estimated amount identified by the Plan actuary, which might be sufficient to secure all members' benefits with an insurance company if the Plan had wound up, was approximately £4,119 million. This would leave a shortfall of £743 million, which compares to a shortfall of £1,256 million at the previous valuation.

The solvency basis is the measure which estimates how much an insurance company would require in order to take over responsibility for the payment of all the Plan's benefits. Due to a number of factors, this is a very high amount and so there is a large shortfall on this measure. The shortfall is, in fact, the amount the Group would be required to pay into the Plan if the Plan were to be wound up.

Summary Funding Statement continued

Pension Protection Fund

The Government set up the Pension Protection Fund (PPF) to pay benefits to members of Defined Benefit pension schemes in circumstances where a scheme is wound up and the scheme and the participating employers do not have enough money to cover the cost of buying all members' benefits with an insurance company. In these circumstances, the pension benefits you would receive from the PPF may be less than the full benefit you have earned in the Plan, depending on your age and when your benefits were earned.

Payments to the Group

We can confirm that there have not been any payments to the Group from the Plan in the previous 12 months.

The Pensions Regulator

The Pensions Regulator is responsible for regulating work-based pension schemes in the UK. Its aims include protecting members' benefits and promoting good scheme administration. You can find more details at **www.thepensionsregulator.gov.uk**. We need to tell you if the Regulator has used its powers in relation to the Plan over the last year, for example, by changing the way future benefits build up, or the way the funding target is worked out, or amending the employer contribution rate. We are pleased to confirm that the Regulator was sent details of the valuation and agreed Recovery Plan and has not used its powers in relation to the Plan over the last year.

Where can I find out more?

You can request more details of the valuation from the Pensions team in Dorking. The following documents are available on the Plan website (**www.lafargeukpensions.com**):

- The Statement of Funding Principles
- The Recovery Plan
- The Schedule of Contributions.

Investing for a better future

In our last Pensions*Talk*, we explained that UK pension trustees have a responsibility to carefully choose where they invest and consider Environmental, Social and Governance (ESG) factors when they select their investments.

We also explained the meaning of those three factors and that the Trustee's objectives must be formally stated in a document known as the Statement of Investment Principles (SIP), which can be found on the Plan website. The SIP was updated in September 2019 and again in September 2020, adding paragraphs on:

- how financially material considerations are taken into account over the appropriate time horizon of the investments, including in the selection, retention and realisation of investments
- the extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments
- policies in relation to stewardship, including engagement with firms and exercise of voting rights, and
- policies in relation to undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters).

Investing for a better future continued

What is stewardship?

Stewardship is how, as shareholders, we encourage companies in which we invest to manage their business in a responsible way while creating long-term value and leading to sustainable benefits for the economy. It consists of two main elements: ‘engagement’ and ‘voting’.

- Engagement is when shareholders hold active discussions with the boards and management of companies they invest in, to discuss what could drive positive change within the company.
- Voting is when shareholders use the votes attached to their shares to support or oppose resolutions at general meetings of all shareholders; it may also involve working with other shareholders to propose their own resolutions.

Both of these elements play a large part in responsible investing.

Recent legislation also requires that the Trustee makes available to the member an ‘Annual Implementation Statement’. The statement is designed to cover the Plan year (‘the year’) to 30 June 2020, and the purpose of this statement is to demonstrate to the member how the Trustee has discharged its investment responsibilities. It:

- details any reviews of the Statement of Investment Principles (SIP) the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review
- sets out the extent to which, in the opinion of the Trustee, the Plan’s SIP has been followed during the year
- describes the voting behaviour by the Trustee, or by our investment manager on our behalf, over the year
- sets out the extent to which, in the opinion of the Trustee, the engagement policy under the SIP has been followed during the year.

For those who want to understand better how the Trustee is implementing its policies on ESG and discharging its investment responsibilities, it is recommended that you read the Annual Implementation Statement, which can be found on our website alongside the SIP.

DC focus

Transfer to Aon MasterTrust

As reported in the previous edition of Pensions*Talk*, the Trustee had been undertaking an extensive review of the governance of the DC section, in particular looking at how to improve the communication materials and range of retirement options available to members, as well as ensuring that the costs of the investment funds available were reasonable. This review resulted in a decision to transfer the DC section to a master trust; after a thorough process to select the right provider, the Trustee selected the Aon MasterTrust. For more details on some of the benefits of moving to the Aon MasterTrust, members can view the Chair's DC Governance Statement on the Plan website.

The transfer was completed in October 2020 and included:

- the main DC section previously managed by Legal & General
- the Additional Voluntary Contributions (AVCs) scheme managed by Zurich Assurance, and
- a small legacy arrangement with Clerical Medical.

If members have any questions on their funds now held in the Aon MasterTrust, they should contact Aon directly:

Customer helpline: 0345 646 0778

Email: admin@theaonmt.co.uk

Chair's DC Governance Statement

Although the DC section has now been transferred to the Aon MasterTrust, we are still required by pension law to produce a Chair's Annual DC Governance Statement this year. This is included on pages 51 to 58 of the Trustee's full Report and Accounts, which you can find on the Plan website.

As in previous years, this includes a table illustrating how the level of charges can impact members' funds over their lifetime. The charges negotiated by the Trustee are generally lower in the Aon MasterTrust, which will benefit members, so these illustrations now slightly overstate the impact of charges but the principle is still relevant.

Could you help run the Plan?

This year, two of our current Member Nominated Directors (MNDs) will come to the end of their current term of office. As a result, we invite members to stand for this important and interesting role.

Steve Taylor (LRPS constituency) and Les Waining (Non-LRPS constituency) have both indicated that they wish to stand for re-appointment. Their terms of office come to an end in June 2021. The Trustee Board wishes to thank both Steve and Les on behalf of the members of the Plan for their significant contribution to date. Under the Rules of the Plan, we must open up the nominations to all eligible members of the Plan.

Who is eligible to stand?

All Plan members (pensioner or deferred) in the former Lafarge Redland and Non-Lafarge Redland constituencies are eligible to stand for selection, provided they are UK resident and have at least two years of pensionable service in the Plan.

Candidates must not have been disqualified (e.g. declared bankrupt) to act as a Trustee (more details are available on application). Applications must be supported by two other Plan members (who also satisfy the same eligibility requirements).

What does it take to be an MND?

A Trustee Director must be prepared to attend at least four Trustee Board meetings each year, as well as participating in one or two committees that may each meet two to four times a year. Other training events may also be organised. Reading and preparation for meetings will also add to the time commitment. Meetings are currently being held by videoconference.

The duties of a Trustee Director include a range of responsibilities to monitor the administration of the Plan and communications to members, the exercise of discretionary powers and to ensure the assets of the Plan are invested and held securely.

Maintaining a high standard of Trustee Knowledge and Understanding is key and, as well as training sessions provided at meetings, Trustee Directors are provided with information and updates and are required to complete the Pensions Regulator's e-learning programme, the Trustee Toolkit: **https://trusteetoolkit.thepensionsregulator.gov.uk**

In addition to knowledge about pensions and awareness of their duties as a Trustee Director, valuable skills are financial and investment experience, identification and management of risks, the ability to absorb a large amount of information, the ability to evaluate advice and to challenge advisers, the ability to make judgments and decisions, and the ability to work and communicate within a board and committee structure.

How long is an MND's term of office?

MNDs generally have a term of office of four years but there is some flexibility to alter the term by six months should any significant events require continuity.

What is the nomination and selection process?

Full details are available on the Lafarge Pensions website and on request, but in short:

- Candidates must apply by completing an application form, which must include supporting statements from two other qualifying members of the Plan;
- The selection panel will consider all candidates' applications and will agree a shortlist of suitable candidates to be interviewed for the role. Progress in completing some of the modules of the Pensions Regulator's e-learning programme, the Trustee Toolkit, will be viewed favourably by the selection panel;
- The selection panel will then interview the shortlisted candidates and decide which candidates are to be appointed as an MND;
- Details of the nomination and selection process, the timetable and the relevant forms are available on the Plan website. The results of the selection will be posted when available.

Plan news

GMP equalisation

In last year's Pensions*Talk*, we told you about a High Court ruling on Guaranteed Minimum Pensions, commonly called GMPs. GMPs were accrued at different rates for men and women and were payable at different ages, reflecting the State Pension age for men and women at the time. It may affect you if you were an active member of the Plan between 17 May 1990 and 5 April 1997.

The Trustee has set up a Joint Working Group (JWG) with the Employer and relevant advisers in order to take forward discussions on the appropriate method and approach to implement GMP equalisation for the Plan.

The guidelines that we have been waiting for on how GMPs should be equalised have now been released, and we are working with our advisers on the complex process of checking and adjusting benefits. This is likely to take at least a further 24 months to complete.

You do not need to take any action as we will contact you if this affects you.

Minimum pension age to increase?

The Government has confirmed that the minimum pension age (the earliest age at which you can draw your pension unless you are in ill health) is set to increase from age 55 to age 57 in 2028. This means pension savers aged 48 and below may now have to rethink their retirement plans – especially those who are due to reach their 55th birthday sometime in 2028. If you ask to retire early from the Plan, your pension will be reduced for early payment.

Overseas pensioners

If you are a Plan pensioner living in the EU/EEA, and you have been advised by your bank that the account which receives your pension has been closed, please contact the Pension team in Dorking with updated details so they can ensure your pension continues to be paid without disruption.

Think of your loved ones

If you recently started taking your Plan benefits (less than five years ago), please make sure your Nomination Form is up to date with your current circumstances. If you die within five years of starting to take your Plan pension, a lump sum may be payable to your beneficiaries. An up-to-date Nomination Form means that the Trustee can identify quickly and easily anyone you would like to receive any benefits that are due.

You can download the relevant form through the Plan website, or contact the Pensions team in Dorking to request a copy.

Members who haven't yet started to draw their benefits are also encouraged to keep their Nomination Forms updated.

Think twice before transferring

If you're thinking about transferring your benefits out of the Plan, you will receive a letter written by The Pensions Regulator (TPR), warning you that it may not be in your best long-term interests.

Since 2015, pensions freedoms have given scheme members more flexibility in how they can access their pension. Many have taken advantage of this flexibility and in 2019 £34 billion was transferred from schemes like ours. However, with Covid-19 causing market volatility and uncertainty for businesses and personal finances, pension members could be at risk of making knee-jerk decisions which hit their pensions.

The Regulator's letter will also point you to towards free, impartial guidance available from The Pensions Advisory Service.

Pension scams warning

For many people, their pension savings are likely to be one their biggest financial assets. That means they are a target for scammers, who have very sophisticated ways of getting you to part with your hard-earned money.

Scams are hard to spot and are often disguised with credible websites, testimonials and materials which make them look like a genuine offer. Remember, the government has banned pensions cold-calling – so if anyone rings you wanting to talk about your pension, it's best just to hang up.

To help you spot the signs and protect yourself from a scam, the Financial Conduct Authority (FCA) and the Pensions Regulator suggest the following four simple steps.

1. **Reject unexpected offers**
   If you're contacted out of the blue about a pension opportunity, the chances are it's a scam. Pension cold-calling is illegal, and you should be very wary. An offer of a free pension review from a firm you've not dealt with before is probably a scam.

2. **Check who you are dealing with**
   Use ScamSmart and check the FCA's register to make sure anyone offering you advice is authorised. If they are, check they're permitted to give advice about pensions. If you don't use an FCA-authorised firm, you risk not having access to compensation schemes.

3. **Don't be rushed or pressured**
   Take your time to make all the checks you need – even if this means turning down what appears to be an amazing deal.

4. **Get impartial information or advice**
   You should seriously consider seeking financial advice before changing your pension arrangements. In some cases, for example if you want to transfer more than £30,000 from a Defined Benefit plan, you must obtain this advice.

For more information about being ScamSmart with your pension, visit the FCA's website at **www.fca.org.uk/scamsmart**

Sir George Earle Benevolent Fund

For almost 100 years, the Sir George Earle Benevolent Fund provided assistance to current and former UK employees of Blue Circle Industries (and after 2008, some companies within Lafarge) and their families, who were suffering financial hardship.

As communicated to potential beneficiaries in September 2018 and mentioned in the 2019 issue of Pensions*Talk*, the administration of this Fund was transferred to the United Kingdom Community Foundations (UKCF).
A copy of the communication giving a full explanation of why the changes were necessary is on the Plan website (**www.lafargeukpensions.com/page/sir-george-earle-fund**).

As the administration of the charity is no longer handled by the Pensions team in Dorking, if you wish to make an application under the hardship scheme, as a former employee or dependant of an employee, you should contact UKCF directly to request an application pack.

Please remember that the purpose of the Fund is not to offer financial and debt relief funding. Any grants given are intended to fund items of equipment or adaptations to the homes of current and former employees of Blue Circle in the UK and Lafarge UK, their relatives, spouse, partner or dependants, in cases of financial hardship. All equipment and adaptations should meet the criteria of ‘improving the applicant’s quality of life or helping maintain their independence in their own home’.

Contacting the Fund administrator

Email: sirgeorgeearle@ukcommunityfoundations.org

Write to:
Sir George Earle Fund
Unit 1.04 Piano House
9 Brighton Terrace
London SW9 8DJ

Completed forms should then be returned to the UKCF, together with the appropriate supporting documents.

Lafarge/Blue Circle pensioner clubs

Why not stay in touch with former colleagues by participating in one of the many regional clubs that have been set up for former Lafarge and Blue Circle employees?

Contact details for some of the clubs are included below and further details can be found on the Plan website. Of course, physical meetings and lunches may not have been possible over recent months, but please contact the relevant person below to ask about any alternative arrangements. If you run a club for former colleagues that you would like advertised, please write and let us know.

Aspdinians Club (Gravesend, Kent)

Founded in 1971, the purpose of the club is to maintain contact with former Blue Circle or Lafarge colleagues. The club normally meets every two weeks and holds three luncheons during the year. For more information, please contact John Jago (President) or Gina Jago (Chairperson) on 01732 823617.

Circle 2001 Club (Central Southern England)

The Club has a membership of around 80 former employees of the Blue Circle Group and Lafarge Cement. It holds four lunches a year in central southern England. For more information, please contact John Drabble on 0118 942 9020 or drabble0@btinternet.com.

Early Retirement Club (Gravesend, Kent)

Originally founded in 1982 for the retirees of Blue Circle Northfleet, the Early Retirement Club celebrated its 37th year in 2019. It meets regularly throughout the year and has an annual membership fee. For more information, please contact either: Jim Pearce on 01474 355816 (jimpearce@blueyonder.co.uk) or Roger Endean on 01474 355084 (rend@btinternet.com).

Portland 82 Club (South East England)

The Club has approximately 69 members comprising former employees of the Blue Circle Group and Lafarge Cement. The club meets for lunch three times each year and new members are always welcome. For more information, please contact Bob Last on 01634 849988 (bobfjlast@gmail.com).

Managing the Plan

The Plan is run by a Trustee company called Lafarge UK Pension Trustees Limited. The directors and pensions executive team of this company are listed below:

Trustee Board

Roger Mountford+
Bob Andrews
Arthur Cunningham*
Mike Gibbons
Chris Hudson
Paul Hunter*
Dyfrig James
Nick Peall
Steve Taylor*
Les Waining*
Kimberley Wood

+ Independent Chairman
* Member Nominated Directors

Pensions Administration Manager

Daryl Paine

Trustee Secretary

Anne Perkins

Assistant Trustee Secretary

Steve Hammer

Contact us

If you have any questions about the Plan or your benefits, please get in touch.

Call us:
01306 872100

Email us:
info@lafargeukpensions.com

Write to us:
Lafarge Pension team
Park Lodge
London Road
Dorking
Surrey RH4 1TH

Go online:
www.lafargeukpensions.com

Keep in touch!

It is essential that you remain in contact with us, notifying us of any change of address or difficulty with delivering post to you. If you are receiving a pension from the Plan, lack of contact from you may result in your pension being suspended. If you are not yet receiving your pension and we do not have your up-to-date address, this is likely to cause delays when your benefits become payable. You may also miss out on receiving important communications from us. If you would like to provide us with your email address, this may help if we are unable to contact you by post.