

NEU Pension Scheme: Newsletter

Issued April 2025



Introduction

Welcome to the NEU Pension Scheme (the Scheme) 2025 newsletter.

In this newsletter, we explain the important pension developments and provide an update about the funding health of the Scheme.

Even if you don't read anything else...

Pensioner Member Nominated Trustee (MNT) elections

The term for the current Pensioner MNT is coming to an end in 2025. The process for electing the next MNT has now begun. The deadline to submit nominations for the MNT position is **Monday 28th April**. If you are eligible to be involved in this process, you will have been provided with more information under separate cover.

Change in Normal Minimum Pension Age (NMPA)

From 6 April 2028, the government will increase the NMPA from 55 to 57. This is an important change to be aware of. See "Pensions News" on page 3 for more information.

Pension scheme website

Register for the NEU Pension Scheme member website to view your details online and receive updates on pensions news: www.neupensions.co.uk.

Annual pension increases

Certain elements of pension are increased with effect from 1 April each year. If your pension is currently in payment and is due to increase in April, you will receive the usual letter to explain this. You can find a breakdown of your pension on the member website (see link above).

Changing address?

Please let the Scheme Administrator know of any change of address, email or change of name. Failure to do so may delay setting up your pension when you reach retirement age. The Scheme Administrator's contact details are on the back page of this report.

Interested in joining an alumni group?

The NEU can inform you of certain alumni groups available for ex-staff to join. For more information, please contact NEUalumni@neu.org.uk.

Pensions news

Normal Minimum Pension Age

The Normal Minimum Pension Age (NMPA) is the earliest age at which you are permitted to start receiving a pension in the UK, unless you are retiring due to ill-health.



At present, the NMPA is 55. However, the government is increasing it to 57 with effect from 6 April 2028.

This means that, if you are retiring from the Scheme on or after 6 April 2028, you will not be able to do so until you reach age 57 (except if you are in ill-health). This is an important change to be aware of.

If you are currently over 55 (the current NMPA) and would like to receive some figures on your pension, please contact the Scheme Administrators using the details on the back page.

Member website



The NEU Pension Scheme member website continues to be a valuable tool for keeping you updated. Pension news and documents are posted on the website, and you can log in through the website to see details of your benefits.

If you are a pensioner, you can elect to receive your monthly payslips online. All new pensioners are automatically set up for online payslips.

The member website address is: www.neupensions.co.uk.

State Pension Age

To obtain an estimate of your State pension, and check your State Pension Age, go to www.gov.uk/check-state-pension.

Finding lost pensions



If you have lost track of any pension savings built up elsewhere, there is a free Government backed tracing service available: www.gov.uk/find-pension-contact-details.

Management of the NEU Pension Scheme

Your Scheme is looked after by:

Employer nominated Trustees	Member nominated Trustees
Heather McKenzie; Chair of Trustees	Andrew Morris; Deputy Chair
Jerry Glazier	Amy Hunt
Robin Bevan	Barry Fawcett
Julie Huckstep	Mark Wright
Hazel Danson	Philip Dixon

You can find a profile about each of your Scheme's Trustees on the member website.

Role of a Trustee

Being a Trustee of a pension scheme is an extremely important role. Scheme members look to the Trustees to make sure that their scheme is well run and that their benefits are secure. Trustees are responsible for the proper running of the scheme, from ensuring that contributions are being paid on time, to decisions about the investment of assets and the payment of benefits.

Have you ever considered being a Trustee? The Member Nominated Trustees (MNTs) serve terms of up to 4 years. When terms expire, re-elections are scheduled and invitations for nominations are issued to eligible members.

If you think you might be interested in this important and rewarding role, or you just want to learn more, read about the role of trustees on the Pension Regulator's website: www.thepensionsregulator.gov.uk (under "Trustees").

Advisers to the Trustees

Running a pension scheme is a complicated business. By law, the Trustees are required to appoint various professional advisers to assist them in running the Scheme. The key advisers are:

Scheme administrator

First Actuarial
First Actuarial LLP, Trafford House, Chester Road, Manchester, M32 0RS
✉ Manchester.admin@firstactuarial.co.uk
☎ 0161 348 7498

Scheme Actuary

Natalie Ogden FIA, First Actuarial LLP

Scheme Auditor

Azets

Legal advisers

Julian Richards, JMW Solicitors LLP

Investment managers

Mobius Life, Partners Group Limited

Summary Funding Statement for 30 September 2024

How the Scheme operates

The Scheme is a defined benefit pension scheme. This means that it provides you with a predictable income for life in retirement.

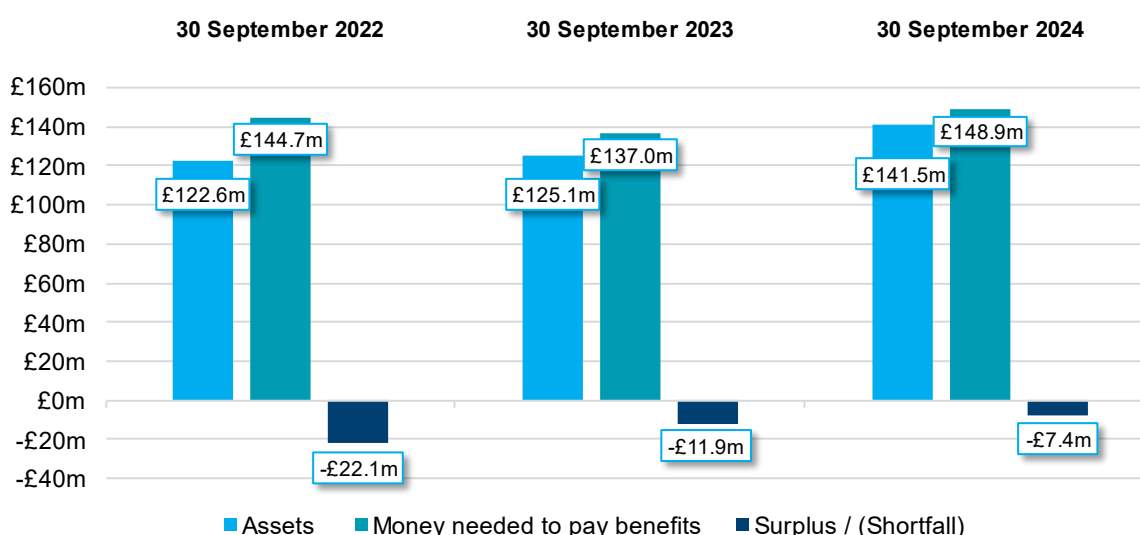
The Trustees, who are responsible for managing the Scheme, use the assets to pay benefits to Scheme members, including holding assets to pay future benefits to members who have not yet retired. The assets are held separately from the NEU (the Employer).

Your Scheme's finances

Working out how much money is needed today to pay all the promised pensions is not an exact science. It depends on several things, including future inflation, future investment returns and how long members will live.

A full actuarial valuation of the Scheme is carried out every three years to make an assessment of how much is needed. As part of the valuation, the Scheme Actuary calculates whether the assets are sufficient to meet the benefit payments the Scheme expects to make to members. If that is not the case, then the Trustees and the NEU will agree what action needs to be taken.

The last actuarial valuation of the Scheme was carried out as at 30 September 2022. Further funding updates have since been carried out as at 30 September 2023 and 30 September 2024. The results of these funding assessments are shown in the table below, side by side for comparison.



Following the completion of the actuarial valuation as at 30 September 2022, the NEU agreed to make significant contributions into the Scheme to increase the level of funding. There were no proposed changes to members' contributions or future benefits following the valuation.

The funding position materially improved between 30 September 2022 and 30 September 2024. This was mainly due to changes in market conditions, which have driven down the cost of providing pensions. However, these savings were partially offset by higher than expected levels of inflation, which increase the benefits paid out of the Scheme, and therefore also increase the cost.

The buy-out position

There are no plans to wind up the Scheme, however legislation requires that we provide you with the following information. If the NEU wanted to let go of its responsibility for the Scheme, or were unable to support the Scheme, the Scheme would be “wound up”.

This means that the NEU would be liable to pay a one-off contribution to the Scheme to cover the extra cost of getting an insurance company to take on the responsibility for paying all Scheme benefits. If this had happened at 30 September 2022, the contribution required from the NEU would have been an estimated £44.3m.

Additional protection

Contingent asset

To provide significant additional security to the Scheme’s members, the NEU has provided the head office property in London, Hamilton House, as a contingent asset for the Scheme. A contingent asset is an arrangement that provides additional financial support to a pension scheme, particularly in the event of the sponsoring employer's insolvency.

The Pension Protection Fund

If an employer becomes insolvent, the Pension Protection Fund (PPF) can pay compensation to its pension scheme members in certain circumstances. Further details are available at www.pensionprotectionfund.co.uk.

The Pensions Regulator

The Pensions Regulator looks after work-based pension schemes and has certain powers it can use if it has concerns about a scheme. It has not used any of these powers in relation to this scheme.

Other protections

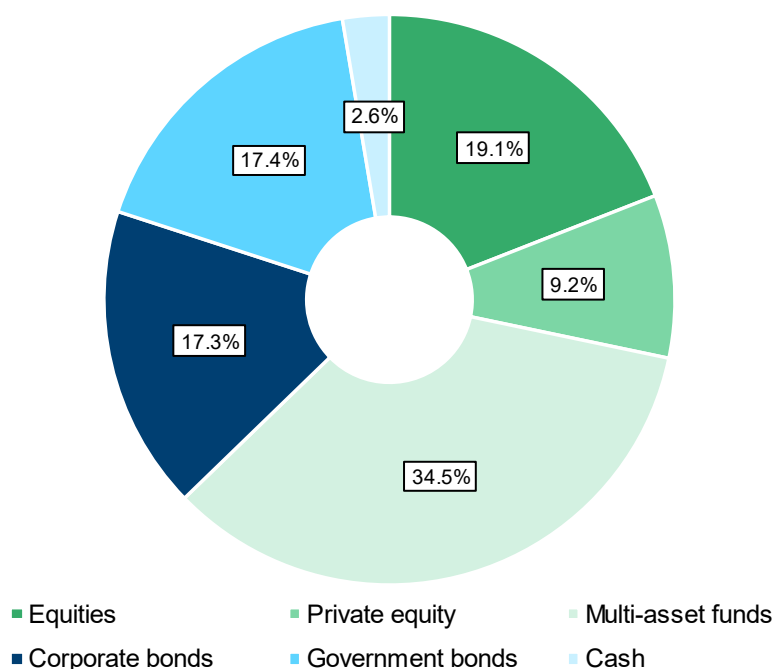
By law, assets can only be returned to the NEU if the value of the Scheme’s assets were more than needed to arrange for an insurance company to take over the payment of all Scheme benefits. No such return to the NEU has been made since the date of the last summary funding statement, or previously.

If you are thinking of leaving the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking action.

Investment update

Summary of investments

The chart below shows the split of the Scheme's investments as at 30 September 2024.



Trustees' investment strategy

When deciding on the how to invest the funds of the Scheme, the Trustees' main aim is to make sure the Scheme has enough money to pay the benefits owed to members when they are due. The Trustees also seek to reflect the NEU's own investment policy when making investment decisions.

The Trustees are currently implementing some refinements to their investment strategy. Following the refinements, the split of the Scheme's investments will not change materially from that shown in the chart above.

When selecting funds to be used by the Scheme, the Trustees will, wherever possible, favour funds which promote sustainability and operate in a way to minimise adverse impact on the environment.

You can read full details about the way the Trustees invest, how they consider issues such as carbon reduction and other Environmental, Social and Governance (ESG) factors, and the behaviour of the Scheme's investment managers in reports on the member website: <https://www.neupensions.co.uk/Documents>.

Beware of pension scams!

Unfortunately, pension scams continue to be a problem. Scams often start by persuading you to transfer your funds to another pension arrangement, sometimes with the prospect that all or part of it can be released to you as cash. Remember that, if you are under 55, it's illegal for you to access your fund unless you are retiring due to serious ill-health.

Some of the tell-tale signs of pension scams are:

- Unsolicited contact, or 'cold calling' (which is now illegal);
- An offer of a free pension review;
- The promise of guaranteed returns on your investment;
- Low tax/tax-free rates, including tax-free lump sums;
- Exotic sounding and/or overseas investments;
- Pressure to sign up quickly.

The Government has introduced a ban on 'cold calling' in relation to pensions. If you receive a call about pensions from someone you haven't asked to call you, and with whom you have no existing relationship, then that caller is acting illegally. We urge you to ignore it.

In all cases, you should think very carefully about the guaranteed benefits you will be giving up if you choose to transfer, and seek independent financial advice from an authorised pensions adviser. You should also ensure that you are familiar with the pension arrangement to which the transfer payment is to be made and that you understand why you wish the transfer to proceed.

You can help to protect yourself by staying informed:

www.fca.org.uk/scamsmart/how-avoid-pension-scams

Contacts and enquiries

Contacts

If you have any questions about your individual benefit entitlement, please contact the **Scheme Administrator**:

By post: First Actuarial LLP, Trafford House, Chester Road, Manchester, M32 0RS
(please state that your enquiry is about the NEU Pension Scheme)
By phone: 0161 348 7498
By email: manchester.admin@firstactuarial.co.uk

Further information

The following documents are available on request:

- Statement of Funding Principles;
- Statement of Investment Principles (also on member website);
- Recovery Plan and Schedule of Contributions;
- Trustees' latest Report and Financial Statements;
- Full actuarial valuation report as at 30 September 2022;
- Shorter actuarial reports as at 30 September 2023 or 30 September 2024;
- The Scheme booklet (also on member website).