

2020/2021



MEMBERS' REPORT AND SUMMARY FUNDING

The University of Edinburgh Staff Benefits Scheme

Chair's Welcome

Welcome to our annual members' report for the year to 31 March 2021, which gives an update on the financial health of the Scheme. We have a spotlight session from one of our Member Nominated Trustees which gives an insight into the role of a Trustee. There is also an item on pension scams and fraud, which unfortunately has become even more of an issue since the start of the pandemic. I hope you find this report interesting and informative and please do get in touch if there is anything you would like us to cover in the future.

Julia Miller
Chair of Trustees

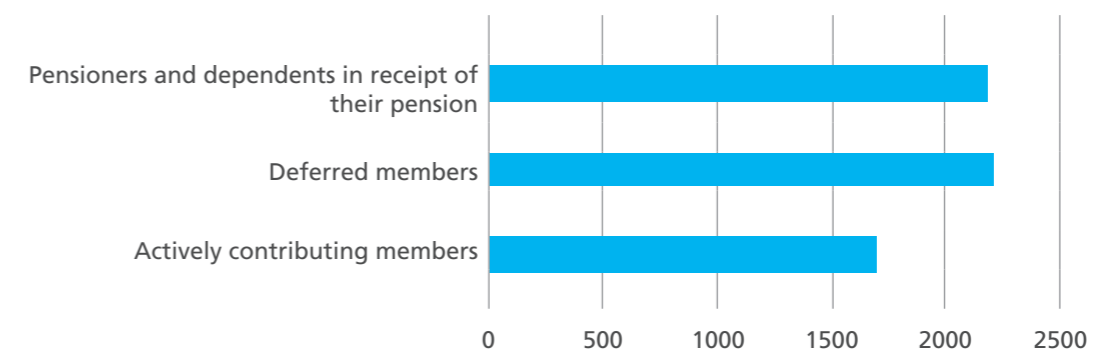
The Trustee Board

The Board of Trustees, who manage the Scheme on members' behalf, is made up of the following members:

<p>Appointed by the University</p> <p>Ms Julia Miller of Scottish Pension Trustees Limited was appointed 1 August 2020. Julia is chair of the Trustee Board.</p> <p>Mr Richard Davidson, appointed 1 January 2015.</p> <p>Ms Doreen Davidson, appointed 1 August 2017.</p> <p>Mrs Ashley Shannon, appointed 1 July 2021 to replace Mr Bruce Nelson who retired on 31 May 2021.</p> <p>Member Nominated Trustees (MNT)</p> <p>Mr Khushaal Joshi, re-appointed on 22 September 2020.</p> <p>Mrs Lauren Reid, appointed on 22 September 2020.</p> <p>MNTs are appointed for 6-year terms.</p>	<p>Trustee Advisers</p> <p>The following external advisers have been appointed by the Trustees to provide professional services to the Scheme:</p> <p>Administrators – Hymans Robertson LLP.</p> <p>Actuary – Mrs Susan McIlvogue, Hymans Robertson LLP.</p> <p>Investment Advisers – Hymans Robertson LLP.</p> <p>External Auditor – RSM LLP.</p> <p>Legal Services – Shepherd & Wedderburn, Edinburgh</p>
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The Trustees carry out a review of the service provided by our advisers at least once a year. We feedback comments and work with the advisers to ensure that the Trustees are well supported in our role and, most importantly, that the members receive the quality of service that you expect and deserve. We also review our own effectiveness (which includes inviting comments from our advisers) with the aim of carrying out our duties as well as possible.

Scheme Membership at 31 March 2021



Actuarial Valuation

The Scheme is carrying out its formal triennial valuation as at 31 March 2021*. We will be able to update you on the outcome of the valuation in next year's newsletter. Meanwhile, the market value of the Scheme's assets has increased over the year to 31 March 2021 as follows:

Date	Assets <i>The money the Scheme has now</i>
31 March 2020	£412.4m
31 March 2021	£508.4m

* An Actuarial Valuation is a financial health check of the Scheme to ensure there are sufficient funds available to pay out the benefits to members.

The assets performed particularly well this year. While we always aim for a strong performance, returns of the level we achieved this year cannot be guaranteed for future years.

How are the Scheme's assets invested?

The Scheme's assets are held in a trust, which is run by the Trustees and is separate from the University and its assets. The Trustees are responsible for investing the Scheme's assets so that, when taken together with the contributions paid into the fund by the University and the members, there is enough money in the Scheme to pay members' benefits now and in the future. Haven taken professional investment advice, and in consultation with the University, the Trustees have prepared a Statement of Investment Principles (SIP) which sets out their investment strategy. A copy of the SIP can be found at <https://www.uoesbspensions.co.uk/uoe/documents-and-links/forms-and-publications>

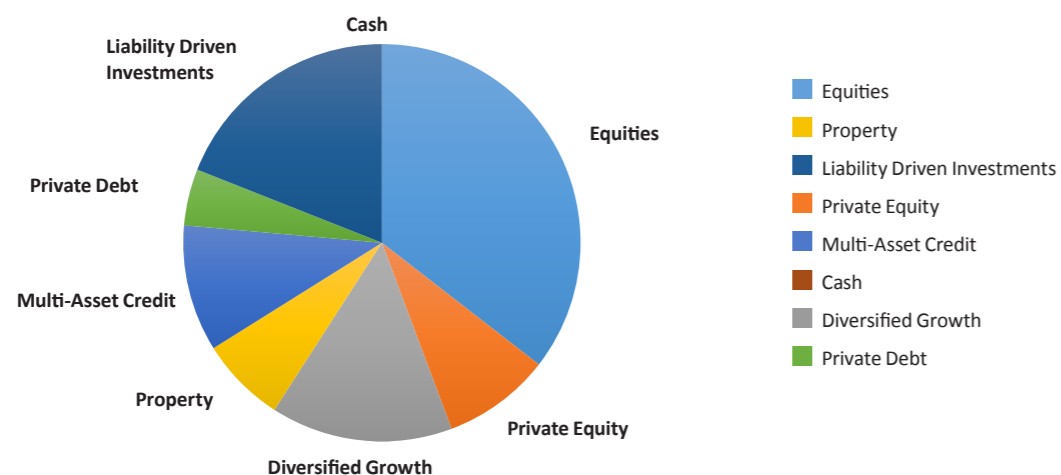
The day to day management of the assets is delegated to the Scheme's investment managers who work in accordance with the SoIP.

Investment Managers

The Scheme's investments are managed by:

- Baillie Gifford & Co
- Barings LLC
- Legal and General Investment Management
- Morgan Stanley Investment Management Ltd
- Columbia Threadneedle

As at 31 March 2021, the Scheme's assets were invested in the following asset classes:



The Trustees review the Scheme's investment managers and their investment performance on a regular basis, focusing on results over three and five year periods. They meet with each manager at least once each year.

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During the year the Scheme's investment advisors have provided training and guidance on regulatory and market developments in the area of Responsible Investment. As a direct result of the training, the Trustee explored their beliefs in relation to a range of aspects and are in the process of documenting a set of Responsible Investment beliefs to support future investment and related decision making as a Board.

Protecting your benefits

The University remains committed to supporting the Scheme so that members' benefits can be paid in full. This includes paying contributions to meet the current deficit. However, if the University was no longer able to support the Scheme, your benefits would be protected in one of a number of ways.

We are legally required to provide the information that follows. We should stress that the Trustees have no reason to believe that the University will find itself in a position where it could no longer support the Scheme.

The Scheme could be wound up

When a Scheme is wound-up its assets are sold and the money is used to buy a policy from an insurance company which will pay members' pensions in the future. Securing members' benefits in this way can be expensive, as insurance companies have to accept a one-off payment to pay pensions for life.

If the Scheme were wound up, the University would have to pay enough money into the Scheme to secure all the benefits built up by members with an insurance company. Had a wind-up occurred on 31 March 2018, the last formal triennial valuation date, the Scheme Actuary estimated that the assets of the Scheme would have secured around 56% of benefits earned to that date, so it would have been necessary to ask the University to fund the shortfall. In such circumstances, if the University could not afford to fund the shortfall the Trustees would apply for entry to the Pension Protection Fund (PPF) – see below for more information.

The Pension Protection Fund (PPF) could take over

The PPF provides compensation to members of eligible defined benefit pension schemes where the employer is insolvent, and the scheme does not have enough assets to cover the cost of paying a minimum level of benefits to its members. If the Scheme were admitted to the PPF it would provide compensation which would be a substantial proportion of the benefits you built up. Full compensation would not be provided.

You can find out more about the PPF on their website at: www.pensionprotectionfund.org.uk Or, you can write to them at: **PPF, Renaissance, 12 Dingwall Road, Croydon, Surrey CR0 2NA**

Payments to the University from the Scheme

There have been no payments made to the University from the Scheme in the last year.

Keeping your personal details up to date

Do you know there is a dedicated online site for members, administered by the Scheme's external administrator, Hymans Robertson, called PensionsWeb? This site allows members to update their personal details and read key Scheme documentation such as the Scheme Guide for Members, the full Annual Report & Accounts, and the Statement of Investment Principles (SIP).

You can updated your Expression of Wishes nomination for death benefits and most active members can use the modelling tool to estimate the amount of pension benefit they will receive from the Scheme at a particular retirement age.

You can find out how to sign up to PensionsWeb by contacting Hymans Robertson on 0141 566 7636.

Spotlight session – Khush Joshi, Member Nominated Trustee

Having joined the University from the private financial sector, I was very excited to have the opportunity to join a Defined Benefit (DB) pension scheme. I had only ever heard about them but as my previous work mainly involved Defined Contribution (DC) pension schemes I didn't really know much about DB Schemes.

When the opportunity to become a Member Nominated Trustee came up, I was excited to have the chance to have an active involvement in how the Staff Benefits Scheme works. Upon starting the role, I completed The Pension Regulator's Trustee Toolkit, which give me a much better understanding of pension schemes' funding, investments, law, governance, risks etc. This, along with the regular training that is provided by the Scheme's advisers, gives a good basis to ensure SBS is managed effectively.

There is a commitment to being a pension trustee, however the skills and knowledge you gain are invaluable. It is a very worthwhile activity to undertake and I would urge colleagues to put their names forward for any forthcoming elections. Don't worry about lack of experience as full training will be given and you will be surrounded by experts who provide excellent advice and support.

Pension Scams – how to be ScamSmart

This April Action Fraud revealed that £1.8m had been lost to pension fraud since the start of the year. That is just the tip of the iceberg, as savers often fail to realise that they have been the victim of a scam until years later. Scammers are constantly finding new ways of parting savers from their pensions and the pandemic has made things even easier for them.

A new ScamSmart campaign was launched earlier this year by the Financial Conduct Authority, the FCA. It aims to help you spot the danger signs and keep your pension safe.

Remember these tips:

Never engage with a cold-caller, unexpected text or email. Cold-calling is now illegal but it may still happen. **Genuine pensions advisers do not cold-call.**

Never be rushed or pressurised into making a commitment. Legitimate companies do not use high-pressure sales techniques.

Always check the background of the person you are dealing with. Check that they are properly authorised by the FCA on the register at www.fca.org.uk.

Always remember **if it sounds too good to be true it probably is.**

You can get more help and information by visiting the ScamSmart website at www.fca.org.uk/scamsmart. You can also get a booklet with more information about how to spot a scam at www.fca.org.uk/publication/documents/pension-scams-leaflet.pdf.

Want to know more?

If you have any questions about this members' annual report, or would like more information, please contact the Pensions Department at: pensionsmanager@ed.ac.uk

Money Helper

If you're looking for a bit of guidance in relation to your pension, you can contact Money Helper. This body combines a number of financial support services including the Pensions Advisory Service (TPAS). It offers free and impartial information about pensions, tax rules and how to avoid pension scams. You can contact Money Helper by:

Phone: 0800 011 3797
Website: www.moneyhelper.org.uk
Post: Money and Pensions Service
120 Holborn
London
EC1N 2TD

Looking for financial advice?

Pensions can be complex and neither the Trustees nor their advisers are legally permitted to give you advice. If you need financial advice you should consult an independent financial adviser. You can find an adviser in your area at www.unbiased.co.uk

The Pensions Regulator

The Pensions Regulator aims to help protect members' benefits by acting as a watchdog, ensuring that employers and trustees are fulfilling their responsibilities and that schemes are being run effectively. The Pensions Regulator has powers to intervene in the running of schemes if necessary, such as intervening to change the way benefits build up, the way valuations are worked out, or the way any funding deficit is being met. Since the last funding statement, the Pensions Regulator has not intervened with the Scheme.

You can find their website at www.thepensionsregulator.gov.uk

GOV.UK

The Government's website has plenty of information about workplace and State pensions. You can work out your State Pension age and see how much State Pension you are likely to receive. Go to www.gov.uk and click on the 'Working, jobs and pensions' link.

The Government's Pensions Tracing Service can also help you track down any pensions from previous workplaces, that you may have lost the details for.

Go to www.gov.uk/find-pension-contact-details or call **0345 600 2357**

