

Member newsletter

**LONDON STOCK EXCHANGE
GROUP PENSION SCHEME (LSEGPS)**

For members of the LCH Section

October 2023

Please note: If you require this newsletter in a different format for ease of reading, do get in touch with our administrators so this can be considered.

Message from the Chair



Welcome to the latest edition of your annual newsletter from the Trustee of the London Stock Exchange Group Pension Scheme (LSEGPS) (the “Scheme”). This newsletter is intended to help keep you up to date with what’s going on in the Scheme, as well as the wider world of pensions. As usual, we have also provided you with details of other resources to assist you if you would like more information about your pension benefits.

Please remember it is important to keep us up-to-date on any changes to your personal details. Please go to page 5 for more information.

Funding Position of the Scheme

The last Actuarial Report providing an update on the Scheme’s finances was completed as at 31 December 2022. The Scheme’s funding position improved over 2022, despite continuing market volatility and global economic and political pressures. The latest Summary Funding Statement for your Section of the Scheme is enclosed.

2023 Developments: Buy-in update

The Trustee and the Company have been working closely together to reduce the risks to which the Scheme is exposed and therefore improve the security of members’ benefits. A long-term funding framework was put in place as part of the 31 December 2017 actuarial valuation, the aim of which was to ensure the Scheme was fully-funded on a prudent long-term funding basis by 31 December 2022. The basis agreed was set broadly in line with the cost of securing pensioner benefits with an insurance company and full Scheme funding on this basis was achieved ahead of schedule and by 31 December 2022.

Given the strong funding position, the Trustee and Company agreed to take the Scheme to the insurance market in late 2022 and I am very pleased to confirm that in May 2023 a bulk annuity policy was secured with Standard Life. This policy broadly insures all Scheme benefits that were not already insured with Pension Insurance Corporation

(PIC) (who insure the benefits of LSE Section pensioners who retired around 2016 and before).

This is a positive development for members which reduces the Scheme’s exposure to risks. It does not affect your pension entitlement or the service that you currently receive from the LCH Section’s administrator, Premier Pensions Management Ltd (now Isio).

Other news

Regrettably, pension fraud and cyber-crime continue to be an issue and we have included an article on page 8 with some useful tips to help you avoid being scammed – in particular being wary of online scammers!

As usual, under the ‘Topical pensions news’ section we have included a few items that might be of interest, such as; an update on Pensions Dashboards, references to the Government’s ‘MidLife MOT’ launch, and within the retirement article, you can find updates on; the State Pension and Minimum Pension Ages, pensions tax changes and a few things to consider when planning for your retirement. Go to page 9 to find out more.

We hope that you continue to find this newsletter useful and interesting. We welcome your feedback and if there are any topics that you would like to see in future issues, please get in touch using the details on page 5.

Regards,
Catherine Redmond
Trustee Chair – BESTrustees Ltd

For independent financial advice

Neither the Trustee nor the Company can advise you on how you should take your benefits.

Whether you're considering transferring your benefits out of the Scheme, or looking to retire, we recommend you seek independent financial advice.

You can use your own adviser if you have one, or it may be possible to use the independent financial adviser currently paid for by the Company. If you are interested in this option, please contact Isio to provide permission to share your data with WPS Advisory (WPSA) and kick off the process.

More details can be found on the Scheme website at **<https://www.yourisio.com/thinking-about-retirement>**.

For further information on the impact of transferring your benefits out of the Scheme, you can visit the FCA's website on consumer information on DB transfers.

Please visit **www.fca.org.uk/consumers/pension-transfer-defined-benefit**.

Go to either **www.fca.org.uk/register** OR **www.moneyhelper.org.uk** for help finding an independent financial adviser near you.

Please note that the option to continue to offer WPS Advisory's services is at the discretion of the Company.

Members with Additional Voluntary Contributions (AVCs)

Regulations recommend that members seek guidance through Pension Wise (now part of MoneyHelper) if looking to access or transfer any additional voluntary contribution (AVCs) pension benefits.

MoneyHelper has a number of sections dedicated to different financial topics. Go to **www.moneyhelper.org.uk/** and search under 'Pensions and retirement', then go to the Pension Wise section, where you can find out more and book an appointment.

If you decide to proceed with your retirement, there may be a delay, which is outside of our control, in settling any benefits arising from your AVC funds.

Please Note – you need to contact Isio rather than the AVC provider at all times.

Isio can give more guidance about how this could affect you individually.

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Your Trustee Board

LSEG Pension Trustees Limited is made up of member-nominated and Company-appointed Directors, including two independent Trustee Directors.

Dalriada Trustees Ltd were appointed in May 2023 and will be represented by Paul Brine (incumbent Trustee Director) and Tiziana Perrella.

The current Trustee Board of the Scheme consists of:

Company-appointed Directors

BESTrustees Ltd (represented by Catherine Redmond)*
Nick Bayley
Diane Bouwmeester
Dalriada Trustees Ltd (represented by Tiziana Perrella or Paul Brine)*

Member-nominated Directors

Susan Griffin**
Mark Harries**

*Independent Trustee

**Pensioners

Susan Griffin's term as a Member-nominated Director (MND) was extended for another twelve months to 31 March 2024. The next MND election process will therefore be in Q1 2024.

During the Scheme year, the Trustee Board met at least four times. Additional sub-committee and Working Group meetings were also held on a regular basis.

The advisers to the Scheme

Scheme Actuary

Stuart Hailwood, Mercer Ltd

Investment Adviser

Redington Ltd

Legal Adviser

Eversheds Sutherland

Covenant adviser¹

Cardano Advisory

Auditor

PricewaterhouseCoopers (PwC) LLP

LCH Section Administrator

Isio Group Limited

¹ Employer covenant is the measure of the employer's ability to fund a pension scheme. This depends on the financial strength of the employer and the ability to pay contributions into the Scheme.

Keep us updated

It is vitally important that we have your most up-to-date information, particularly your nominated beneficiaries and wishes to help us honour these when needed.

It's easy to keep your personal details up to date. You can update your contact details (including your email address) and Expression of Wish (EoW) form by logging on to the member website or contacting Isio directly (see opposite for website and contact details).

If you haven't yet completed an EoW form, or you need to make a change, please take a few minutes to visit the relevant website, or contact the administrators directly as shown below. It's important to resubmit your EoW periodically to ensure the Trustee has up to date beneficiary details in the event of your death.

If you wish to contact us

Please contact Isio if you have any queries about your benefits; see contact details opposite.

If you have a complaint about your pension which cannot be resolved by the administrator, the first step is to put your complaint in writing and address it to the DB Pensions Manager (contact details shown below). They will provide you with further details of the formal procedure, known as the Internal Dispute Resolution Procedure (IDRP).

If you are not satisfied with the outcome of the IDRP, the DB Pensions Manager can supply you with details of The Pensions Ombudsman who will consider any complaints after the IDRP has been followed.

DB Pensions Manager, London Stock Exchange Group Pension Scheme, 10 Paternoster Square, London EC4M 7LS

Email: georgina.wallis@lseg.com

Your pension portal

Don't forget to visit our secure website **www.mypensiontracker.co.uk**. This website enables you to access your personal details, check your benefits and plan for your retirement online.

Please ensure all your personal information held is correct, if not please get in touch with Premier to get this updated.

Isio contact details:

- Phone: 0800 488 0796, or +44 208 663 5850 if calling from overseas
- Email: **LSEGPS@isio.com**
- Write to: Isio Group Limited, PO Box 108, Blyth, NE24 9DY
- Website: **www.lseg.yourisio.com**



Facts and figures from your Section – LCH

Membership as at 31 December 2022



583

Members who left the Company but have not yet retired

230

Pensioners (includes those currently receiving a dependant's pension)

813

Total

Growth Assets: those assets which the Scheme invests in to try and earn an excess return. As at 31 December 2022, the LCH Section invested 31% of its assets in Growth Assets, with the following managers: Royal London Asset Management, Payden & Rygel Investment management, Man Group and Ruffer.

Matching Assets: trustees are legally required to invest assets backing liabilities in a way that is appropriate to the nature, timing and duration of the expected future retirement benefits payable under the Scheme. To help achieve this, the Scheme holds 'matching assets' to manage investment risk relative to the liabilities. As at 31 December 2022, the LCH Section invested 69% of its assets in Matching Assets with Schroders.

Asset allocation as at 31 December 2022

As at 31 December 2022, prior to the full buy-in with Standard Life, the allocation of the LCH Section's invested assets was as follows:



69% Matching Assets*
31% Growth Assets

The total invested asset value as at 31 December 2022 was **£180.8m.**

* The bulk of Matching Assets comprises government bonds and further exposure is obtained through the carefully considered use of derivatives to fully match the liabilities and protect the Scheme against market-related liability risks.

Investment performance and strategy

The performance of the LCH Section's invested assets over the 12-month and three-year periods to 31 December 2022 is shown below:

	One year returns % p.a.	Three year returns % p.a.
Growth asset performance	–11.3	0.7
Matching asset performance*	–41.5	–12.8
Overall performance	–40.7	–10.3

* The matching performance includes the performance from the Schroders Liability Driven Investment allocation only.

The Matching Assets performed their role as intended over the year and three-year periods, closely matching the movements in the liabilities.

2023 investment update

The strong funding position shown as at 31 December 2022 was retained over the course of early 2023 and in May 2023, the Scheme purchased a bulk annuity policy with Standard Life covering broadly all of the remaining non-insured benefits payable from the Scheme. The vast majority of the LCH Section's assets were sold in order to purchase the policy.



Topical pensions news

Staying safe online

The cost of living crisis could result in more people being taken in by fake promises from scammers.

The Pensions Regulator (TPR) is warning people to be on their guard, as it is concerned that savers struggling to pay their household bills may be attracted by scammers offering help to access their pension savings early, or by fake investments promising high returns that never materialise.

Remember – never accept an investment offer out of the blue, and always talk to a regulated independent financial adviser before making any decisions about your pension savings.

What to watch out for

Here are a few common ways that can be used to hack your personal information:

- **Computer viruses** – also known as malware (malicious software).
- **IT phone scams** – fraudsters claiming to be from your IT provider.
- **Fake websites** (such as a bank).
- **Phishing** – an email scam encouraging you to click on a link to a fake website.
- **SMS scams** – similar to phishing, in form of text messages.

Tips to help you stay safe online:

1. Use strong passwords.
2. Do not write your passwords down.
3. Keep your browsers and devices up to date (with security updates).
4. Keep your antivirus, firewall, and any other security software up to date, too.
5. Check for the padlock to ensure it's a secure website.
6. Never click on links or open attachments within emails.

Data from UK Finance, the collective voice for the banking and finance industry, shows that criminals stole £1.2 billion through scams and fraud in 2022. However, the scale of the problem may be much bigger because people often don't realise they've been scammed until years after it's happened.

For more information on how to avoid scams and useful resources, visit www.fca.org.uk/scamsmart

If you think you have been a victim of fraud, or you have been targeted, report it immediately.

Phone Action Fraud on 0300 123 2040 or visit www.actionfraud.police.uk

You can also dial 159 to speak to your bank's fraud department. This service lets you check quickly and easily if an offer is genuine. You can find out more about this service, including which banks use this service, at <https://stopscamsuk.org.uk/159>

Pensions Dashboards update

The Pensions Dashboards Programme, led by the Money and Pensions Service, will enable you to see all your pensions – including your State Pension – securely online, helping you to plan for your retirement and rediscover any lost pensions.

The Department for Work and Pensions have revised the timeline for the delivery of the programme so that the pensions industry has the time and the technical information needed to ensure the system is safe, secure and user-friendly. It is now expected that all schemes will be connected by 31 October 2026.

To ensure that you can access the dashboards once they're available, it's vitally important that we have current information for you – please check and update your details if necessary. Go to page 5 to find out more.

You can find out more about Pensions Dashboards, including a video gallery, online at www.pensionsdashboardsprogramme.org.uk.

GMP equalisation – an update

The Trustee continues to work on the Guaranteed Minimum Pension project (to adjust an element of your pension, known as GMP, to remove any historic sex inequalities where necessary). This only affects LCH Section members who were employed by the Company before 5 April 1997 and LSE Section members who were employed before 1 April 1991. Some members are expected to see a small increase in their benefits as a result of GMP equalisation.

We are progressing this project with our advisers and will write to affected members with more details in 2024.

Midlife MOT

Last year we mentioned the Pensions and Lifetime Savings Association's (PLSA) campaign to boost the nation's engagement with their pensions. In previous years there has been a lot of focus on midlife financial health checks, and the Government has recently launched a 'Midlife MOT', to help people plan for later life.

The website is aimed at adults between age 45 and 65, although people of any age can use it. The digital Midlife MOT gives you the tools in one place to make informed decisions on your personal finances, your health and your work.

Go to <https://jobhelp.campaign.gov.uk/midlifemot> to find out more.

You can also visit www.plsa.co.uk for useful guidance and tips to help you when planning for your retirement.

Government reforms could boost typical pension by over £1,000 a year

Earlier this year, the Chancellor launched his 'Mansion House Reforms', to boost pensions in the UK by over £1,000 per year in retirement, for average earners who save throughout their career. The reforms outline unlocking up to £75 billion of additional investment from defined contribution and local government pensions.

For members of defined benefit pensions, there is a further proposal to launch a consultation to increase existing investments in private equity, which could unlock up to £25 billion by 2030. Read the full details online at <https://www.gov.uk/government/news/chancellors-mansion-house-reforms-to-boost-typical-pension-by-over-1000-a-year> to find out more.

Topical pensions news continued

Are you thinking ahead for your retirement?

There's plenty to consider when planning for your retirement. Here are some points to bear in mind:

Your State Pension (SP)

To qualify for the full SP (£204 per week, £10,600 per annum) for the 2023/24 tax year, you need to have contributed towards it through National Insurance (NI) for 35 years.

You can top up your SP and check your National Insurance (NI) record to learn more about voluntary NI payments on the government website.

Find out more at www.gov.uk

You can also get more information about your State Pension based on your **State Pension Age (SPA)**:

– If you reached SPA before April 2016 – www.gov.uk/state-pension

– If you reached/will reach your SPA after April 2016 – www.gov.uk/new-state-pension

Or to find out when your SPA is expected to be – www.gov.uk/state-pension-age

Remember, Normal Minimum Pension Age is also due to change (in line with the SPA increase) – find out more at www.gov.uk/government/publications/increasing-normal-minimum-pension-age

The Department for Work and Pensions website outlines Government initiatives and information about retirement and pension benefits, including all you ever wanted to know about the State pension scheme.

Go to www.gov.uk/government/organisations/department-for-work-pensions for more information.

Understand what pensions you have

Different types of savings give you different options. For example, you may hear about “defined contribution” (or Money Purchase) and “defined benefit” (or Final Salary) schemes. The flexibility you have with those funds will vary.

The Scheme is a defined benefit (DB) scheme, however if you have Additional Voluntary Contributions (AVCs) in the Scheme, these are defined contribution (DC) in nature and may be eligible for DC flexibilities.

Trace any occupational pension schemes you may have lost – www.gov.uk/find-pension-contact-details

Pension tax changes

The standard **Annual Allowance** (the total tax-advantaged amount that you, your employer and any third party can pay into your pension savings in a tax year) has increased from £40,000 to £60,000 (effective 6 April 2023).

Changes have also been made in relation to the **Lifetime Allowance** (the limit on how much you can build up in pension benefits over your lifetime while still enjoying the full tax benefits). In particular, the additional tax charge previously applicable when drawing on any pension savings above the Lifetime Allowance, no longer applies from 6 April 2023.

Find out more about pension tax allowances on MoneyHelper, go to www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions

Budgeting for retirement

The better you know and plan your own finances, the more confident you'll feel about the decisions you make now.

To help, the Pensions and Lifetime Savings Association (PLSA) published UK Retirement Living Standards to give people an idea of what retirement could cost, depending on their salaries, households and savings.

Visit www.retirementlivingstandards.org.uk

Seek independent financial advice

This will help you understand your current circumstances and plan for the future.

To find an adviser near you, visit www.moneyhelper.org.uk and search for 'Financial advisers'.

Or for a full list of regulated advisers, go to www.fca.org.uk/register.

Visit www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/pension-pot-options for information about the flexible options available depending on your benefits and retirement goals.

Please note: The information in this Newsletter is meant to be helpful but does not have legal effect. Your benefits are solely governed by the Rules of the Scheme from time to time.

