

BCSSS

pensions news

For members of the British Coal
Staff Superannuation Scheme

Winter 2012/2013



Inside this issue...

January 2013 Pension increase

The 2012 actuarial valuation

RPI Consultation

Summary of the Scheme's Report & Accounts for the year to 31 March 2012

Trustee news

AGM update

2013 Pension Paydates

Pension Payroll Arrangements

Website access to Scheme information

Changes to pension laws and State Pension provision

January 2013 Pension increase

BCSSS pensions have been increased with effect from 1 January 2013, providing members with a significant degree of inflation protection:

- **Guaranteed pensions increased in accordance with the terms of the Scheme's Guarantee by 3% (the increase in the Retail Prices Index (RPI) figure for the year to November 2012).**
- **Total bonuses have been held level.**

Members already receiving their pension have received notification of the increase with their January payslip. Deferred Pensioners will be notified of the increase in their annual benefit statement, to be sent in the summer, although current values are now available online via the website, detailed on page 7.

The 2012 Actuarial valuation

The 2012 actuarial valuation process is continuing.

As explained in the last edition of Pensions News, although the valuation outcome is not yet known, it is unlikely there will be sufficient surplus to repay all of the borrowing made from the Investment Reserve at the last valuation. This being the case, it is unlikely there will be any overall pension increases in 2014, 2015 or 2016.

In such difficult times the Scheme's Guarantee provides members with some important protections.

It ensures that:

- **The cash value of total pensions cannot fall;**
- **Guaranteed pensions will increase in line with RPI.**

RPI Consultation

Under the terms of the Scheme's Guarantee, members' guaranteed pensions rise in line with the Retail Prices Index (RPI).

The Office for National Statistics carried out a consultation in the latter part of 2012 on a number of options for 'improving' the formula used to calculate the RPI.

Whilst the options for 'improving' the calculation formula may have been statistically more accurate, they would most likely have resulted in a reduction in RPI and therefore a reduction in future increases to Guaranteed pensions payable from the Scheme.

The Trustees issued a response to the consultation on behalf of the Scheme's members, explaining the potential adverse impact of any change in members' benefits, and recommending maintenance of the current formula.

Following the consultation, we are delighted to confirm that the National Statistician has recommended that there will be no changes to the formula used to calculate RPI.

Summary of the Scheme's Accounts for the year to 31 March 2012

At the Scheme year-end, 31 March 2012, the Fund stood at £8,754 million. The Consolidated Fund Account is shown below.

The Consolidated Fund Account	2012 £million	2011 £million
Income		
Income from investments	149	152
Total Income	149	152
Expenditure		
Pensions and lump sums	(672)	(667)
Running costs:		
Investment management	(28)	(28)
Other administration costs	(7)	(7)
Payments to Guarantor	(47)	(47)
Total Expenditure	(754)	(749)
Change in market value	126	794
Net Increase/(Decrease) in Fund during year	(479)	197
Net assets at 31 March 2011/2010	9,233	9,036
Net assets at 31 March 2012/2011	8,754	9,233

The total value of the Fund fell by £479m during the year. However this was after making payments of £719 million to members (£672m) and to the Guarantor (£47m).

The Scheme's investments

Over the year to March 2012, the return on the fund was 3.0%. Actual returns exceeded benchmark for both the portfolio as a whole, and for each individual asset class with the exception of Fixed Income.

Annualised Return on Investment Assets to 31 March 2012

	Trailing 1 year		Trailing 3 years	
	Scheme %	Benchmark %	Scheme %	Benchmark %
Cash	2.9	0.7	3.8	0.6
Fixed Income	6.0	7.5	9.4	7.7
Equities	0.1	(0.1)	18.7	17.8
Property	6.6	6.6	13.0	8.7
Infrastructure	6.2	3.6	(0.8)	4.5
Uncorrelated	20.3	(0.1)	18.8	7.3
Total Scheme	3.0	2.0	14.3	13.6

Asset Allocation

At the end of the year to 31 March 2012, the actual proportion of investment assets held at market value in comparison to the target asset allocation was as follows:

		Actual %	Target Asset Allocation %
Cash & Fixed Income	Cash	1.8	2.0
	Fixed Income	17.3	18.0
Equities	Passive Equity	30.4	32.5
	Active Equity (including long/short equity)	22.6	22.5
	Private Equity	10.8	10.0
Property	UK Property	8.5	8.0
	Infrastructure	2.1	2.0
Uncorrelated Investments		6.5	5.0
Total		100.0	100.0

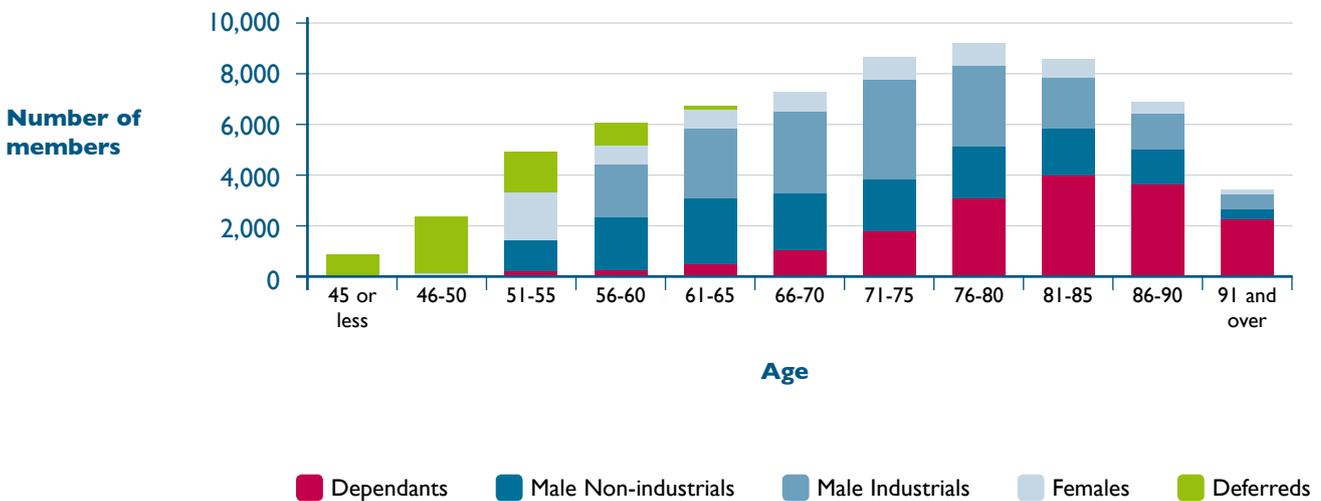
Scheme Membership Details

Details of the Scheme's Membership as at 31 March 2012 and 31 March 2011 are set out below.

	As at 31 March 2012	As at 31 March 2011
Deferred pensioners	5,881	6,609
Pensions in payment		
Former contributors	42,067	42,795
Widows/widowers	16,826	17,129
Children	195	202
Total pensions in payment	59,088	60,126



The graph below shows details of the number of members at the 2012 valuation date.



Trustee News – re-appointments and re-election

Committee of Management Re-appointments

The current term of office of Mr Read as an Appointed Trustee and Chairman of the Committee of Management is due to come to an end in March 2013. The Committee of Management has agreed that his appointment will be extended by 18 months to 20 September 2014, at which time he will have served as a Trustee of the Scheme for nine years.

Pensioner Representative Election

Pensioner Representatives on the Scheme's Committee of Management are elected from each BCSSS constituency for a period of four years. Bleddyn Hancock's term of office as Pensioner Representative for the North West England, West Midlands, Wales and Northern Ireland constituency came to an end on 30 September 2012. The constituency held an election during 2012 and Bleddyn was re-elected. He will now serve for a further four year period, to the end of September 2016.

Result in detail

- Three candidates stood for election
- 5,570 members voted, just over 39% of the 14,244 who were eligible to vote
- Bleddyn Hancock, the successful candidate, received over 73% of the votes cast.

Bleddyn Hancock	4,110
Malcolm David North	991
Alan Boaler	469

Our congratulations go to Bleddyn. Thanks to all those who voted and those who stood for election.

Forthcoming election

A ballot will be held during August/September 2013 for the election of a Pensioner Representative Trustee in the Scotland and North East England Constituency. The current Pensioner Representative Trustee for this constituency, Allen Clarke, is eligible to stand for re-election if he wishes. Further details of the arrangements for that election will appear in the summer edition of BCSSS Pensions News.

Annual General Meetings – 2012 and 2013

The 2012 Annual General Meeting (AGM) was held in Durham on Wednesday 10 October 2012. The AGM was attended by 73 Scheme members (up from 57 the previous year) who joined the Committee of Management, Scheme officials and guests to hear presentations from the Scheme Chairman, Philip Read, the Chairman of the Investment Sub-committee, Dick Barfield and the Chief Executive of Coal Pension Trustees Services Limited, Geoff Mellor.

The presentations included a summary of the Scheme's Report and Accounts, updated the meeting with details of Trustee appointments, investment strategy and performance, and provided answers to the questions that had been put to the meeting. The presentations were followed by the usual 'open forum' session where those attending could ask further questions. As with previous years this was a lively, wide ranging discussion. Copies of the presentations made to the AGM and a transcript of the open forum session can be requested from the Scheme Secretary at the address given on the back page of this newsletter. A copy of pre-submitted questions and answers is also available on the Scheme Publications section of the BCSSS website.

The 2013 AGM will take place on Tuesday 24 September 2013 at the Angel Hotel, Castle Street, Cardiff CF10 1SZ. Notice of the meeting and information about obtaining tickets will be included in the summer edition of Pensions News.

Pension Paydays for 2013

31 January 2013	31 July 2013
28 February 2013	30 August 2013
28 March 2013	30 September 2013
30 April 2013	31 October 2013
31 May 2013	29 November 2013
28 June 2013	20 December 2013

News in Brief

Pension Payroll Arrangements

The Scheme has nearly 60,000 pensioners in payment. To ensure that pensions are paid into bank accounts on time, the payroll has to be processed up to two weeks before the actual payday.

If you are changing your bank account it is very important to let us know as early as possible so that the next payment due can be paid to your new account. It will help to prevent any delay if you include your Scheme reference number as shown on your payslip (it begins with A and has six digits) on any correspondence.

Website access to Scheme information

Last year, the Trustees extended the options for viewing Scheme information on the website.

To complement the information already available on the Scheme's existing website, www.bcsss-pension.org.uk, the Trustees introduced a new option for members. The new Scheme website, mypensiononline, went live in November 2012. Letters providing login IDs were sent to all members at the end of 2012 to confirm how to access the website.

The new site allows members to:

- Check the personal details we hold for you
- Access commonly asked questions and answers about the Scheme and links to Scheme documentation
- Contact the Administration Team online
- Access useful links to other pension related websites.

Additionally, deferred members can view a statement of current benefits (including the January 2013 Pension Increase) and pensioners can view online payslips and tax information.

The new website address is:

<https://www.mypensionline.com/BCSSS>

All members can of course continue to contact the Scheme by phone or by letter.

Changes to pension laws and State Pension provision

In his autumn statement, the Chancellor announced further restrictions on tax allowances for contributions to pension arrangements, cutting both the annual and lifetime allowances with effect from 6 April 2014. The vast majority of BCSSS members will be unaffected as the restrictions do not apply to pensions already built up or in payment, but if you are paying into a pension arrangement that you joined since leaving BCSSS you may wish to take advice on your tax position.

In January, the Government published its White Paper into State Pension reform. The Government intends to replace the existing two-tier State Retirement Pension with a single flat rate pension from 2017. Anyone already receiving a State Retirement Pension by that time will be unaffected.

Members wishing to learn more can find further information on the DWP's website, www.gov.uk/state-pension/what-youll-get

or from the Pensions Advisory Service website, www.pensionsadvisoryservice.org.uk/state-pensions

or by calling them on **0845 601 2923**



Get in touch – we're here to help

For more information about the Scheme, visit the Scheme website at:

www.bcsss-pension.org.uk



What is your question about?

Payment of your pension or entitlement to benefits

The deduction of tax from your pension

Telephone:

Surname A-J
0845 609 0012
(UK local no.)

(+44) 114 203 4613
(Abroad standard charge no.)

OR

Write: The Administration Office, BCSSS, 5th Floor,
The Fountain Precinct, Balm Green, Sheffield S1 2JA

OR

E-mail: bcsss.enquiries@aonconsulting.co.uk

Remember to quote your National Insurance/Scheme Number

Surname K-Z
0845 609 0013
(UK local no.)

(+44) 114 203 4629
(Abroad standard charge no.)

Telephone:
0845 300 0627

OR

Write:

**HM Revenue and
Customs Enquiry Centre
Merseyside Tax District
Regian House
James Street
Liverpool L75 1AA**

Remember to quote your
National Insurance Number
and Reference 428/NCBP

A question on Trustee policy or the level of service provided by the Scheme.

Write:

BCSSS Scheme Secretary, Coal Pension Trustees Services Limited,
Ventana House, Concourse Way, Sheaf Street, Sheffield S1 2BJ

OR

E-mail: bcsss.enquiries@coal-pension.org.uk

Have we got the right address for you?

It is important that we know how to contact you. Remember to notify the administration office if you move house. If you know of any former colleagues who have moved recently, why not remind them to give the administration office their new address.

BCSSS Pensions News is also available on CD, please contact the Scheme Secretary if you wish to receive a copy on CD.

