

Pensions News

**Winter
2017/18**

Inside this issue...

Report and Accounts Summary

Election Report

AGM Report

Scheme News

Coal Community News

2018 Pension Paydays

Contact Us



Christmas Message

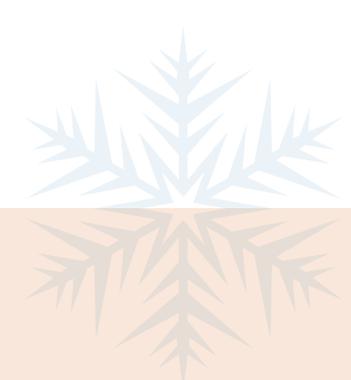
The Trustees believe that the Scheme continues to be well managed as you can see from the Report and Accounts information below.

We have had a very busy year, moving the administration services provider, managing the Scheme's investments and refreshing our communications, including the Scheme's website and Pensions News. We are very pleased with the results in all of these areas, which we will tell you about in more detail in this edition. We hope that you are happy with the way in which we have run the Scheme on your behalf over the year.



The Trustees would like to wish you a very merry Christmas and a happy and healthy New Year.

Dame Kate Barker
(BCSSS Chairman)



Summary of the Scheme's Report and Accounts

This article summarises the Scheme's Report and Accounts for the year to 31 March 2017. As you will see, the Fund had income exceeding expenditure to provide a net increase in the Fund of £709 million over the year.

At £638 million, payment of pensions remains the Scheme's biggest expenditure. Based on actuarial assumptions our best estimate is that the future total pension payments from the Fund will be in the region of £18 billion, nearly twice the current Fund value. We therefore continue to work hard to make sure that the Scheme's assets and cash-flows continue to be able to meet all pension payments, both now and in the future. In addition, the Government Guarantee ensures that pensioners can be confident that their pensions will always be paid.

A copy of the Scheme's full Report and Accounts is available on the publications section of the Scheme's website www.bcsss-pension.org.uk and on request from the Scheme Secretary (contact details are on the back page).

Fund Account as at 31 March 2017

	2017 £ million	2016 £ million
Contributions and benefits		
Benefits	(636)	(646)
Payments to and on account of leavers	(2)	(2)
Payments due to the Guarantor	-	(500)
Administrative expenses	(6)	(4)
Net withdrawals from dealings with members and the Guarantor	(644)	(1,152)
Returns on investments		
Investment income	235	172
Change in market value of investments	1,152	92
Investment management expenses	(34)	(36)
Net returns on investments	1,353	228
Net increase/(decrease) in the Fund during the year	709	(924)
Net assets of the Scheme at the beginning of the year	8,647	9,571
Net assets of the Scheme at the end of the year	9,356	8,647

£9,356m Fund value

£644m Payments out

£638m Pension payments

As at 31 March 2017 the Fund was valued at £9,356 million. Payments from the Scheme amounted to £644 million, which is almost 7% of the value of the Fund. The pensions paid to members and dependants, at £638 million, accounted for just over 99% of this expenditure, with administration costs making up the remainder.

£1,353m Net return

£201m Investment income

£1,162m Market increase

The net return on the Scheme's investments over the year was £1,353 million, made up of investment income (less investment management expenses) of £201 million and an increase in the market value of the investments of £1,152 million.

£709m increase in Fund value

£9,356m

Fund value

The net effect of these movements is an increase in the overall Fund value of £709 million over the year, giving a total closing value of the Scheme's assets at 31 March 2017 of £9,356 million.

Annualised return on investment assets to 31 March 2017

	Trailing 1 Year		Trailing 3 Year		Trailing 5 Year	
	Scheme %	Benchmark %	Scheme %	Benchmark %	Scheme %	Benchmark %
Fixed Income	3.07	3.51	-1.34	-0.31	-2.22	-1.47
Private Debt	9.03	6.10	5.64	7.02	-	-
Special Situations Debt	18.68	10.00	-	-	-	-
Equities	28.21	33.12	16.44	16.44	15.21	14.44
Property	6.64	6.50	9.37	6.81	8.96	6.71
Infrastructure	12.35	3.14	22.70	1.86	17.03	-
Global Macro	14.71	19.23	6.11	12.24	5.51	11.94
Shipping	-12.84	10.00	-	-	-	-
Total Investments	16.15	17.25	11.24	10.97	10.66	10.04

Over the year to March 2017 the Scheme return has underperformed the benchmark, this is primarily due to underperformance in equities and shipping. However, over the three and five years, the relative performance has been strong and is ahead of the benchmark, with returns of 11.24% per annum and 10.66% per annum respectively.

At face value the one year performance of shipping looks very poor against the benchmark. The performance figures reflect valuations of the ships being reduced from when they were first purchased. However, we purchase ships to generate income and we are not looking to sell them. The ships are currently generating income in line with expectations.

This table below shows the actual proportion of investment assets held at market value at the end of the year to 31 March 2017.

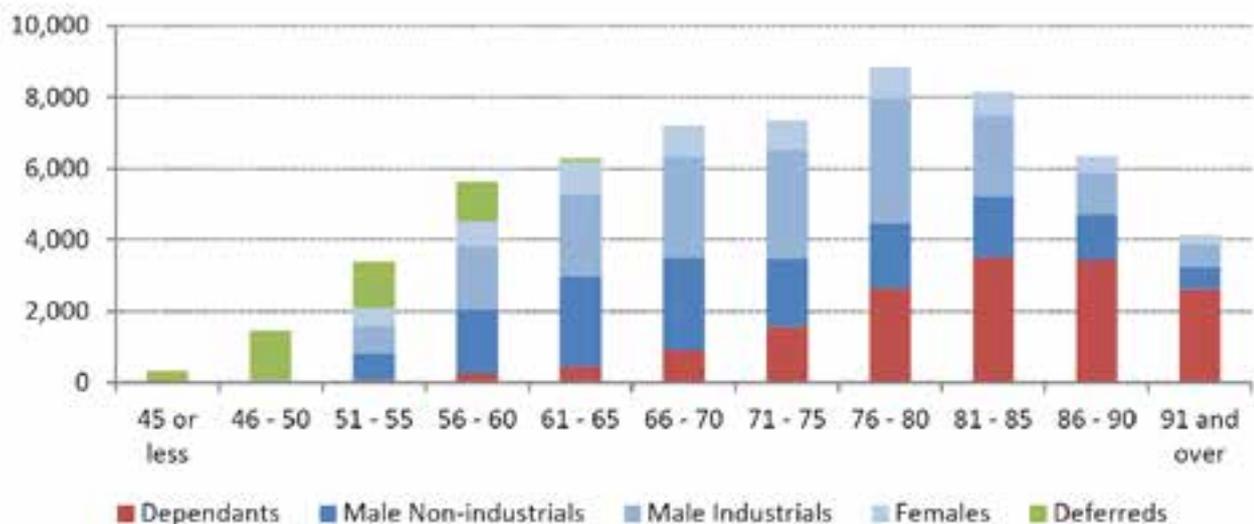
	Actual %	Investment Explanations
Cash	4.8	
Fixed Income	10.9	Global Government Bonds, investment grade securities
Global Multi-Asset Credit	5.0	Range of credit strategies (i.e. high yield bank loans) & emerging market debt
Private Debt	11.1	Secured loans to private companies
Special Situations Debt	4.5	Providing capital to debt and credit markets
Public Equity	31.2	Stocks / shares in companies listed on public markets
Private Equity	14.8	Equity / security in privately operating companies
Property	12.5	UK commercial real estate, student & private rental accommodation
Global Infrastructure	1.9	Renewable energy, social infrastructure, regulated activities
Global Macro	2.3	Multi-strategy investments including derivatives
Shipping	1.0	Tankers, container ships, bulk carriers
Total	100.0	

Scheme Membership

	As at 31 March 2017	As at 31 March 2016
Deferred pensioners	3,240 	3,682 
Former contributors	37,207 	38,300 
Widows/widowers	14,551 	15,114 
Children	148 	154 
Total pensions in payment	51,906	53,568

Age Ranges of Scheme Members

At the last Annual General Meeting a request was made for details of the age ranges of members to be provided in Pensions News. The table below was produced by the Government Actuary's Department as part of the work undertaken by them during the last Scheme actuarial valuation. It shows the age profile and category of membership of the current Scheme pensioners and deferred members as at 31 March 2015.





Trustee News

Pensioner Representative Election Results

Pensioner Representatives on the Scheme's Committee of Management are elected from each BCSSS constituency for a period of four years. Allen Clark's term of office as Pensioner Representative for the Scotland and North East England constituency came to an end on 30 September 2017. Allen decided not to stand for re-election and retired after 14 years as a BCSSS Trustee. Allen was a significant force at Trustee meetings and we shall miss his constructive interventions on behalf of members. We would like to thank Allen for his valuable contribution to the Trustee board over his tenure, we wish him a long and happy retirement.

The constituency held an election during 2017 and James Grant was elected. He will now serve for a four-year period, to the end of September 2021. James was a full-time brigadesman in the Mines Rescue in Scotland. After leaving the industry he became an IT Manager for 15 years and ran his own IT Business for eight years. We welcome James to the Trustee board.

Results in detail

- Four candidates stood for election
- 3,105 members voted, just over 31% of the 10,001 who were eligible to vote
- James Grant, the successful candidate, received over 36% of the votes cast.

James Byrne Grant	1,131
Paul Allen	754
Jeffrey Evans	647
Frederick Hobson	570

We would like to thank all of the members who took part in the election process, both standing for election and voting.

Dick Barfield

It is with deep sadness that we inform you of the death of Dick Barfield on 8 November 2017. Dick had been a Trustee and Chairman of the Investment Sub-committee for eight and a half years and helped guide the Scheme through some very significant changes during his tenure. His expertise and wise counsel will be missed.



2018 Election

A ballot will be held during August/September 2018 for the election of a Pensioner Representative Trustee in the East Midlands, Southern England and Overseas constituency. The current Pensioner Representative Trustee for this constituency, John Sheldon, is also eligible to stand for re-election.

Can I stand for election?

Letters inviting members to request a nomination pack if they are interested in standing for election will be sent to members resident in the constituency in early June.

You are able to stand for election, nominate a candidate and vote in the election if you are:

- a Scheme pensioner resident in the constituency on 1 June 2018 **including those in receipt of a widow's or widower's pension;**
- aged over 18 and in receipt of a child's pension from the Scheme;
- a deferred pensioner resident in the constituency on 1 June 2018 whose address is held by the Administration Office.

How do I cast my vote?

As usual it will be a postal ballot process although you can choose to cast your vote online, should you wish to do so. Details of how to vote online will be included in the ballot pack issued in August.

Please use your vote. If you live in the East Midlands, Southern England and Overseas constituency and receive a ballot pack please use your vote and choose the candidate who you feel will best serve the Scheme.

Key dates

1 June 2018 – your address on this date determines your constituency for the BCSSS election.
.....

7 August 2018 – the closing date for the receipt of completed nominations.
.....

August and September 2018 – ballot period.
.....

19 September 2018 – the ballot closes at noon. The successful candidate will be elected by simple majority.
.....

1 October 2018 – the successful candidate will take office for a period of four years.
.....

The results will be posted on the Scheme's website and in the next edition of Pensions News.



Annual General Meeting (AGM) Report

AGM - 2017

The 2017 Annual General Meeting (AGM) was held in Liverpool on Thursday 5 October 2017. The AGM was attended by 70 Scheme members who joined the Committee of Management, Scheme officials and guests to hear presentations from the Scheme Chairman, Kate Barker, the Scheme Secretary, Jon Heathfield and the Co-Chief Executive Officer at Coal Pension Trustees, Gerry Lane.

The presentations included:

- an update on Scheme funding and changes to the Scheme administration and Scheme communications;
- a summary of investment strategy and performance; and
- an update on the Scheme's key financial information.

The presentations were followed by an open forum session where members were able to raise questions from the floor.

A transcript of the open forum session, together with a copy of the speeches and presentation slides made on the day are available on the publications page of the Scheme website. Paper copies of all of these documents are also available by request to the Scheme Secretary; contact details can be found on the back page of this newsletter.

Notice of the 2018 AGM

Notice of Meeting:

Notice is hereby given that the Seventy-First Annual General Meeting of the Scheme will be held at The Radisson Blu Hotel Durham, Frankland Lane, Durham, DH1 5TA on Thursday 18 October 2018 at 2.00pm.

Business:

To receive the Report and Accounts for the year to 31 March 2018 and to debate and vote on any member resolutions. Resolutions to be received no later than 3 October 2018.

The meeting is open to pensioners and deferred pensioners, the Committee and its guests.

By Order of the Committee of Management.

Further information will be sent to members later in 2018.

Scheme News

Administration Changes

The administration successfully changed from Aon Hewitt to Capita Employee Benefits on 1 August 2017; we hope that you are still experiencing a good level of service.

The decision to move to Capita Employee Benefits was taken after a competitive market tendering exercise of leading administration providers alongside Aon Hewitt and an extensive due diligence exercise on the Capita operation in Sheffield. We are satisfied that they can offer excellent service to our members and represent the best value for money for the Scheme.

Your BCSSS administration team is run from Capita Employee Benefits Sheffield office and consists of 12 dedicated members of staff, half of whom are experienced BCSSS staff who transferred from Aon.



If you telephone, email or write to the administration office your enquiry will be dealt with by one of this team.

BCSSS Pensions Increase January 2018

BCSSS Guaranteed Pensions are increased in January each year. The increase is based on the change in the Retail Prices Index (RPI) over the previous year to November. At the time of writing the RPI increase to November 2017 had not been published.

Please remember that until 2019 the RPI increase in your Guaranteed Pension will be offset by a corresponding reduction to your reducing bonus. However, you will receive an additional 2% bonus, which Trustees awarded as part of the changes made to the Scheme in 2015, so your total pension will increase by the 2% bonus from 1 January 2018. From 1 January 2020 the annual RPI increase will **not** be offset by a reduction in your bonus. This means that your Guaranteed Pension will be increased by the RPI change and your reducing and additional bonuses will be added together to form a flat rate bonus.

If you are a pensioner you will receive a letter in January advising you of your individual pensions increase together with a January 2018 payslip. Your pension increase letter will include a more comprehensive breakdown of your benefits than in previous years in order to provide information previously included on the monthly payslips. As a minimum these letters will contain:

- the gross increase on your pension;
- the amount of your Guaranteed Pension;
- the amount of reducing bonus;
- the amount of replacement bonus; and
- the amount of any levelling option addition or deduction.

A copy of your individual letter will also be available in the Pensions section of the secure member website <https://bcsss.orbitbenefits.com>

If you are a deferred member you will be notified of your increase in the summer in your deferred benefit statement.

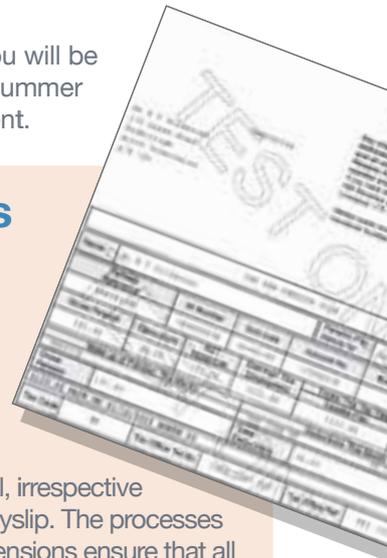
Payslips Changes

From August 2017 we stopped sending monthly payslips to make a considerable saving in postage and other costs.

Your pension will continue to be paid into your account on the last working day of the month as usual, irrespective of whether or not you receive a payslip. The processes around the payment of monthly pensions ensure that all payments are credited to pensioners' bank accounts.

You will still receive three payslips a year, in January with your pension increase letter, in March with your P60, and in April to confirm any tax code change. For most members the information on the payslip only changes at these three times. In addition, if your pay differs by more than £5.00 from the previous month, you will also receive a payslip. You will still be able to access your current and previous monthly payslips online, through the Scheme's secure member website <https://bcsss.orbitbenefits.com>

We have also taken the opportunity to streamline and future-proof the information included in payslips (both online and in the three produced annually). A more detailed breakdown of your pension will be included in your annual pensions increase letter, as outlined in the pensions increase article on the left.



Member Survey

As you will be aware, we send out an annual survey to members to find out your views about the service you receive and your thoughts about the Scheme's communications. Over the last year there have been a number of changes to both of these areas, with the refresh of all of our member communications and the change of Scheme administrator. We would really appreciate receiving your opinions and comments on these changes, whether good or bad.

We will be sending out a paper and email survey in March to a random sample of members. If you receive a survey we would appreciate it if you could take the time to complete and return it to us. Your feedback is extremely important to us. Everything that we do focuses on you, our members, and it is important for us to know what you think works well and where you think improvements can be made.

Scheme Websites

The BCSSS has two websites, a publically open Scheme website and a secure member website; both of these have been updated and improved during the last year.

Scheme website – we have improved the navigation to help you find your way around the site, improved the design to make it easier to read and increased the content about the Scheme and our processes. We have also included more of the Scheme's forms, which you can print off and complete if you need to (all forms can still be sent to you on request from the administration office). The website address remains unchanged: www.bcsss-pension.org.uk

Secure member website – this enables you to access your personal Scheme details. The site differs depending on whether you are a Scheme pensioner or a deferred member not yet in receipt of pension.

If you are a pensioner you can:

- see your current and historic payslip and P60 information;
- see and update your address held by the Scheme;
- see and update your bank details into which your Scheme pension is paid;
- update your Rule 28a nomination form; and
- from 2018, see your annual pension increase letter.

Checks on Pensioners

BCSSS is only able to pay benefits to Scheme members and their dependants. As a result, we carry out monthly checks on our pensioner records to make sure that we are only paying pensions to individuals who are entitled to receive a pension from the Scheme. We do this by checking details against the UK death registers.

The Scheme does have a number of pensioners who live overseas for whom we are unable to carry out these checks. We will be writing to all members living overseas to advise how we will be carrying out the checks in 2018.



If you are a deferred member you can:

- see and update your address held by the Scheme; and
- from 2018, see the value of your pension from your last benefit statement.

If you haven't done so already you can register for the secure member website by contacting the administration team (contact details can be found on the back page), they will then send you your username and password. You can access the secure member website at: <https://bcsss.orbitbenefits.com> or via the member login button on the homepage of the publically open Scheme website.

It is very important that your personal data remains safe and secure – we will **never** ask you for either your username or your password. Please make sure that you keep this information confidential; if your login details fall into the wrong hands someone can easily impersonate you online and try to change the bank details into which your Scheme pension is paid.

Coal Community News

Markham Vale Mining Memorial

Miners who lost their lives at Markham Colliery, Derbyshire are being remembered by a 'Walking Together' memorial which will eventually feature 106 figures stretching between the village of Duckmanton, Chesterfield and the former pithead of Markham Colliery. The walking trail symbolises a miner's journey to the pit and back home again and represents the 106 men who lost their lives in three accidents at the colliery. To date 19 life-size steel figures have been erected, each one carries a tag with the name of one of the miners, along with their age and job role.

Anyone interested in sponsoring a figure can contact Head of Markham Vale, Peter Storey by email: Peter.Storey@derbyshire.gov.uk or by calling tel: 01629 535417 for more information.



2018 Pension Paydays

31 January 2018

28 February 2018

29 March 2018

30 April 2018

31 May 2018

29 June 2018

31 July 2018

31 August 2018

28 September 2018

31 October 2018

30 November 2018

21 December 2018



History of Coal Mining in the Sirhowy Valley



One of the South Wales Coalfield's 'Big Three', is an industrial history book published this year that covers the development and decline of coal mining in the Sirhowy Valley, and a corner of the Rhymney Valley. The book is dedicated to the memory of a Scheme widow, Mrs D. M. Edwards, who died aged 95 in January. Mrs Edwards' late husband was a colliery engineer for 40 years and his papers were the catalyst for the author to research and write this book.

The book was written by Leslie Shore and is available from Black Dwarf Lightmoor at a cost of £25.

Please contact the Scheme Secretary if you have any 'coal news' that you would like to share with the other Scheme members through Pensions News. Unfortunately we are limited on space so articles will only be included subject to space restrictions.

Contact Us

Get in touch - we're here to help

For more information about the Scheme visit the Scheme website at:
www.bcsss-pension.org.uk

Remember you can see your Scheme record at:
<https://bcsss.orbitbenefits.com>

You are also able to use this link to update your address and bank details (the latter only if you are a pensioner) and update your Rule 28a nomination form.

For pension administration enquiries:

Post:

BCSSS
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

Telephone: 0333 222 0074

Email: bcsss@capita.co.uk

When contacting the administration office about your Scheme pension, please be ready to provide information to confirm your identity, for example your National Insurance number and date of birth.

For Trustee policies or service enquiries:

Write:

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

Email: bcsss.enquiries@coal-pension.org.uk

HMRC contact details:

HM Revenue & Customs
Pay As You Earn
PO Box 1970
Liverpool
L75 1WX

Telephone: 0300 200 3300

Please quote reference 428/NCBP

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.

Communication preferences

If you want to receive Pensions News electronically please complete the form on the Scheme's website. This will also enable you to receive periodic updates on the Scheme via email.

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