



GKN Group Pension Scheme No. 3 Newsletter

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Message from the Trustee

Welcome to your latest edition of the newsletter for members of the GKN Group Pension Scheme (No.3) ('the Scheme').

We continue to monitor the Scheme's investments regularly, and the latest Scheme financials are included in pages 7 to 9.

The Summary Funding Statement (SFS) for the year to 5 April 2023 is also enclosed. Please read through this for an update on the financial position of the Scheme.

Change of Trustee

Vidett Trustee Services Limited led by Mark Cliff and Tom Stockley has been appointed as the sole trustee to the Scheme in replacement of the previous trustee directors. More information regarding this change can be found in the Your Trustee section at page 10 of this Newsletter.

Mercer administration service

On 1 January 2024, Aptia purchased Mercer's UK pension administration services, including the administration services Mercer previously provided for the Scheme.

You will have seen changes in branding since July 2024, including changes to regular and ad-hoc communications and the online portals used currently to contact Mercer. Please be assured that the rebranding will not change the service you receive, or your pension benefits.

Last year, we raised concerns with the quality of service being provided by the Scheme's administrators. The Trustee is working through an improvement plan with Aptia to improve that service, however, it remains clear that the current service continues to fall below expectations. With that in mind, the Trustee is currently considering its options.

OneView

Since we issued our last newsletter to members, Aptia have changed their online platform from Benpal to OneView. Find out more on page 5.

Pension fraud awareness

Regrettably, pension fraud continues to be an issue and we have included an article on page 4 with some useful tips and resources to help you stay safe from cyber-crime.

Climate change

Trustees of all UK pension schemes are required to consider climate change as part of their overall strategy. You can find out more information about this on page 14.

GMP equalisation

We are happy to report that this project has now been completed and all affected members have been communicated with.

I hope you find this newsletter interesting and informative. We welcome any feedback, or suggestions for topics to include in future editions.

If you have any comments or are interested in obtaining general information about the Scheme, please contact the Scheme Administrator – details are on page 3.

Mark Cliff,
Vidett Trustee Services
GKN Group Pension Scheme (No.3)

Keep us updated

Please remember, it is vitally important that you let us know any about changes to your circumstances, such as a change of email, home address or marital status.

If we don't have your updated personal information, you could miss out on important updates about the Scheme, or there could be delays with paying your pension.

If you would like to check and/or change the personal details we hold for you, or have any other queries, please contact your Scheme Administrator using the details below.



Online:

The best way to contact Aptia is via the web-based platform. This platform is secure, provides an online form, and allows all member enquiries to be appropriately allocated and promptly processed. You can access it on the link below:
www.pensionuk.aptia-group.com



By post:

GKN Pension Scheme No. 3
c/o Aptia Limited
Maclaren House
Talbot Road
Stretford
Manchester M32 0FP

Alternatively you can call on **0345 337 2456**

DC members

If you have Defined Contribution (DC) benefits only, your Scheme Administrator is Legal & General (L&G).

Please contact them via **www.legalandgeneral.com/gkn-scheme3**

When contacting Aptia, it would be useful for you to be ready to confirm your date of birth and NI number to enable them to locate your details quickly.

You can also find lots of information about your benefits on your new online OneView account – go to page 5 for more details.

Nomination form

In the event of your death, your nomination form guides the Trustee in distributing death benefits (your expression of wish), at the Trustee's discretion. It's crucial to have an updated form, especially if your circumstances have recently changed. You can complete a nomination form online at the following sites:

DB section members –
www.aptiaoneview.co.uk/gkn

DC section members (with no DB membership) –
www.legalandgeneral.com/gkn-scheme3

*Please note that if you have been receiving a pension from the Scheme for more than five years, you do not need to complete this form as no death lump sum benefit will be paid.

To help you find out more about the ongoing management of, and support for the Scheme you can request the following Scheme documents using the contact details above:

- > Schedule of Contributions
- > Statement of Investment Principles
- > Trust Deed and Rules
- > Internal Dispute Resolution Procedure
- > Trustee Report & Accounts

Don't forget you can access some of these documents online via the Scheme website www.GKNpensions.co.uk

Protect yourself from cyber-crime

The internet has become part of our daily lives, with millions of people across the UK using it for shopping, banking, social media and much more. But this increase in online activity also means cyber-crime is on the rise.

The Pensions Regulator (TPR) 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.

TPR is warning people to be on their guard, below are a few pointers:

What to watch out for



> Computer viruses

Also known as malware (malicious software), these programs can steal your information and spread from one device to another (PCs, tablets and smartphones) via messages or emails.

> IT phone scams

A fraudster claiming to be from your IT provider will phone you and try to get your passwords or other information, or install malware on your devices.

> Fake websites

By creating a website that looks genuine, such as a bank, scammers can steal passwords and codes.

> Phishing

This is an email scam where a message looks genuine but encourages you to click on a link to a fake website, which collects your information.

> SMS scams

Similar to phishing, text messages claiming to be from a legitimate firm will try to persuade you to follow a link to a fake website.

Follow the tips below to stay safe online

1. Use strong passwords.
2. Do not write your passwords down.
3. Keep your browsers and devices up to date to aid online security.
4. Keep your antivirus, firewall, and any other security software up to date, too.
5. Check for the secure padlock icon next to the web address.
6. Never click on links or open attachments from emails, unless it is from a trusted source.

You can find more information on how to stay safe online at www.fca.org.uk/scamsmart

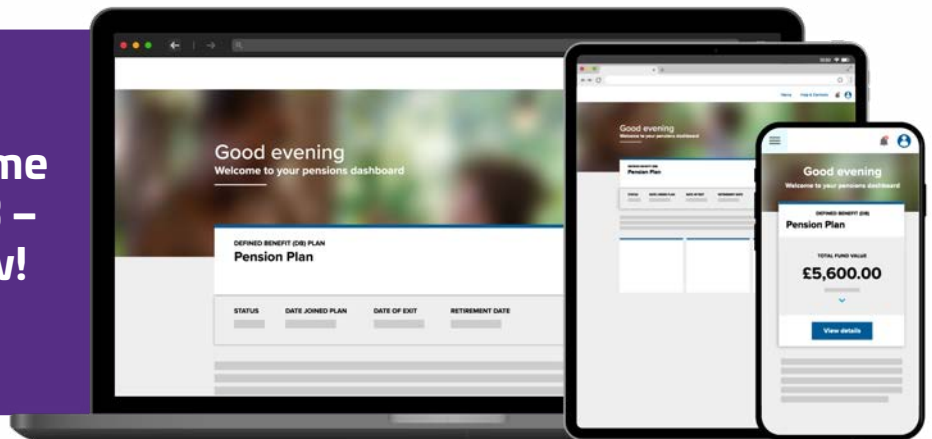
If you think you have been a victim of fraud, or you have been targeted, report it immediately. Phone Action Fraud on **0300 123 2040** or visit www.actionfraud.police.uk

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 are involved, at stopscamsuk.org.uk/159

OneView – take control

For members with benefits in the Scheme before 24 April 2013 – welcome to OneView!



You should have now received an activation letter, or email to transition from Benpal to our new and improved platform, OneView.

OneView is a secure online portal where you can take control of your account in the Scheme. You can access OneView 24 hours a day, seven days a week on any internet-ready device such as a mobile, tablet or laptop.

There's a wealth of interesting content, tools and features designed to provide you with lots of information to help you plan for your future.

Using OneView, you can:

- > Access information about the Scheme and the benefits provided
- > See an overview of your pension benefits in real time
- > Update your personal details and expression of wish (deferred and retired members)

Have you activated your OneView account?

If you haven't visited OneView yet, you will need to follow these steps the first time you log in.

- > Go to www.aptiaoneview.co.uk/gkn
- > Click "Register"
- > Enter your Registration code found on your registration letter/email
- > Follow the on-screen instructions to activate your account

If you have forgotten your username and/or your passcode, or you are having problems logging in, you can complete an online form via www.pensionuk.aptia-group.com/oneview

You can view the video about what can be done on OneView by clicking on the QR code opposite, or visit



<https://vimeo.com/932885132/8f04feae89?share=copy>

Still need help?

If you're having difficulty getting into OneView or finding the information you need, please contact the OneView team via www.pensionuk.aptia-group.com/oneview

Changes to your benefit statements



If you have Defined Contribution (DC) benefits in the Scheme, you'll receive an annual benefit statement, which summarises your DC pension savings in the Scheme. It tells you about the savings you have now and what they could be worth in the future.

The rules about how DC pension savings are projected in annual benefit statements have changed, to make it easier for you to compare one pension with another. This means the projected benefits shown in this year's annual benefit statement may look quite different to previous years.

In particular, the assumptions made about how your savings will grow between now and your retirement are determined differently. As a result, any changes you see aren't solely due to changes in the expected future performance of the assets you're invested in.

In addition, the assumptions used about the annuity you may buy at retirement have changed. They no longer allow for pension increases each year or for a dependant's pension.

Please remember too that your annual benefit statement is only an estimate of what you may receive when you retire. Your actual pension pot from the Scheme may be different and your statement doesn't include pensions that you may have from other employers. You may wish to discuss your individual circumstances with an independent financial adviser.

If you are thinking about taking early retirement from the age of 55 – the earliest age you are currently permitted to retire from the Scheme – please contact our administrators and they will arrange for a quotation.

If you are a DB member, please contact Aptia (details on page 3).

If you have DC benefits only, please contact L&G (details below).

Don't forget, you can check all your current pension information online:

- > Active membership since before 24 April 2013 go to www.aptiaoneview.co.uk/gkn
- > Members with DC benefits who joined after 24 April 2013, go to www.legalandgeneral.com/gkn-scheme3

The L&G App is being updated!

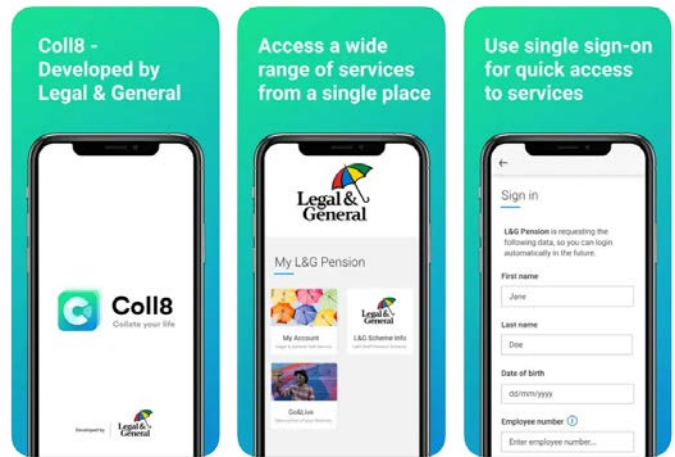
For member with DC benefits

Legal & General are currently hard at work developing a brand new App, designed to help you access your pension savings at your fingertips.

Stay tuned for updates, you'll be notified when the new improved App is ready to download!

The digital platform from Legal & General gives you quick access to your pension and other useful services. Allowing you to access your pension on the go, no need for passwords, and access your pension easily even if you leave the Company.

Until further notice you can still use the current App on <https://link.col8.co/launch>



The financial health of your Scheme

**Income and Expenditure for the period ending 5 April 2024
(compared to the period ending 5 April 2023)**

Year to:	DB Section April 2023 £000s	DB Section April 2024 £000s	DC Section April 2023 £000s	DC Section April 2024 £000s
Funds at the Beginning of the Year	668,689	472,858	49,647	50,065
Contributions and Other Income	843	1,165	6,112	3,279
Less Benefits and Expenses	(28,829)	(25,849)	(3,646)	(2,459)
Net return on Investment Performance	(168,345)	(18,789)	(1,548)	7,723
Net (Decrease)/Increase in Funds During the Year	(196,331)	(43,473)	918	8,543
Transfer between Scheme Sections	500	1,628	(500)	(1,628)
Funds at the End of the Year	472,858	431,013*	50,065	56,980*

*The current financials as at 5 April 2024 are based on the draft report and accounts.

The financial health of your Scheme

Investment performance DB Section

For the year to 31 March 2024, the overall return for the assets of the Scheme was -2.90%*. Performance against benchmark portfolio returns per asset class shown below:

Asset Class	12-month return	Benchmark
Liability hedging	-3.3%	-3.3%
Multi-strategy	5.6%	7.4%
Cash flow	7.0%	6.1%
Property	11.8%	-0.3%
Private Markets	18.1%	N/A

**Please note that total asset performance excludes Walnut and Annuities.

How the DB Section was invested

The distribution of the Scheme's assets as at 31 March 2024 are shown below.

Asset Class	Value as at 31 March 2024 (£m)	Percentage
Liability hedging	257.4	59.7
Multi-strategy	88.7	20.6
Cashflow	16.4	3.8
Property	1.9	0.4
Private Markets	13.5	3.1
Other*	53.1	12.3
TOTAL**	430.9	100.0%

*Figures may not sum due to rounding.

**Please note:

- > The asset values exclude investments in AVCs
- > We have included the net asset balance within cash
- > Other refers to investments in Partnerships and Annuities which have been taken from the 5th April 2024 Scheme accounts

Investment performance DC Section

Details of the return for individual L&G funds can be found in the Trustee Report and Accounts or from L&G directly.

How the default funds performed

Shown below is the performance of the three default funds in the Scheme. If you would like to view performance for individual funds available under self-select, you can visit Legal and General's (L&G's) website to obtain this information.

Return to 5 April 2024	1 year	
	Fund %	Index %
Investment Sector Fund		
GKN Growth Fund	23.9	(2.12)
GKN Diversified Fund	10.5	14.5
GKN Cash Fund	5.1	5.0

If you're in the default fund you'll be:

- > Invested in GKN Growth Fund until 10 years before your selected retirement date
- > Moved to the GKN Diversified Fund between 10 to 5 years before your selected retirement
- > Entitled to a cash allocation in the last 5 years, depending on your fund's use for the lump sum. If it's DC only, default is 25% cash at retirement.

The remaining funds are available under the L&G self-select option. We suggest that you review your investments regularly and seek independent financial advice if appropriate. You can make changes to your investments via the L&G app – (<https://link.col8.co/launch>), or via the L&G website.

Membership numbers as at 5 April 2024

	DB Section	DC Section
Current Employees	56	387
Deferred members	1,153	1,133
Pensioners	2,781	–
Total	3,990	1,520

Pensioners include 380 dependent beneficiaries as at 5 April 2024.

Your Trustee

Your trustee is appointed to ensure the proper running of the Scheme. Trusteeship could involve multiple Directors appointed by both the Company and members (as we had previously), or it could be a Sole Trusteeship – where a firm of professional trustees is appointed to provide external skill and expertise to help govern the scheme.

Moving to a Sole Trustee

The demerger from Melrose to Dowlais was completed on 20 April 2023. As part of its review of the pension arrangements, the Company made the decision to appoint a sole professional Trustee to oversee the governance of the Scheme with effect from 5 July 2024.



Mark Cliff
Client Director

Vidett are a team of professional trustee and governance experts and are the UK's largest professional trustee and pension governance firm by clients, with an unrivalled knowledge bank to support client needs.

You can find more information about Vidett on their website at: <https://vidett.com/>.

The Company and Vidett would like to thank the previous Trustee Directors for their service and commitment to the Scheme and wish them all the best in the future.

Vidett Trustee Services Limited was chosen to provide those sole Trustee services and have been appointed in replacement of the previous Trustee Directors.

Mark Cliff, a Client Director at Vidett, will act as the lead Trustee. Mark will be supported by Tom Stockley, who is also a Client Director at Vidett.



Tom Stockley
Client Director

You do not need to do anything

This is purely a change in the Scheme's management and will not affect your underlying benefits. No action is required on your part. If you have any questions about this change, please contact Vidett using the details below.

Your benefits will not be affected

As a member of the Scheme, it's important to note that your benefits will not be affected as a result of the change to the Trustee. Vidett is an independent Trustee and will always act in the best interests of Scheme members.

Getting in touch:

Vidett Trustee Serviced Limited, 3rd Floor Forbury Works, 37-43 Blagrove Street, Reading RG1 1PZ

dowlais@vidett.com

Take a midlife MOT to plan for later life

The nature of work and retirement is changing. People are living longer and working across multiple jobs over the course of their lives.

To help people in their 40s, 50s and 60s take stock of their work, health and finances, the Government has created a free Midlife MOT website signposting to trusted services.

The main aim is to support people who are interested in changing careers or returning to the workplace, as well as helping everyone to improve their wellbeing and prepare for later life and retirement.

Once on the site, you will find links to a range of organisations, including the NHS, Mind, MoneyHelper, Citizens Advice and the Department for Work and Pensions (DWP), who you can approach for advice and support.

The site includes a free financial tool from the impartial, Government-backed resource MoneyHelper, which provides a full analysis of your financial situation including your savings, pension and any debt.

To take your Midlife MOT, visit jobhelp.campaign.gov.uk/midlifemot

Pensions dashboards

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 programme is particularly complicated, as it requires the development of new technology to connect thousands of pension schemes, which collectively hold millions of records.

As a result, the Department for Work and Pensions has revised the timeline for delivery of the programme. It is now expected that all schemes within the scope of the regulations will be connected by 31 October 2026.

You can find out more about pensions dashboards at www.pensionsdashboardsprogramme.org.uk.

Your retirement savings checklist

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



Your State Pension

To qualify for the full State Pension, which is £221 per week (£11,502 per annum) for the 2024/25 tax year, you need to have contributed towards it through National Insurance (NI) for 35 years.

You can top up your State Pension and if you haven't already done so, you should check your NI record or find out more about voluntary NI payments on the government's website. Go to www.gov.uk to find out more. You can search under 'check National Insurance record', or 'voluntary National Insurance'.

You can also get more information about the State Pension available to you by visiting: www.gov.uk/state-pension – for people who reached their State Pension Age (SPA) before April 2016

www.gov.uk/new-state-pension – for people who reach their SPA after 2016



Changes to the State Pension Age and Normal Minimum Pension Age

If you were born between 6 October 1954 and 5 April 1960, you will reach your State Pension Age (SPA) on your 66th birthday.

If you were born on or after 6 April 1960, it's important to note that the Government is increasing the SPA to 67 between 2026 and 2028, depending on your date of birth, and plans to increase it to 68 in the future.

At present, the earliest age that you can retire from a registered pension scheme in the UK without tax penalties is usually 55. This is known as the Normal Minimum Pension Age (NMPA). However, if you are in ill health, you may be able to access your pension before you reach this age.

If you're planning to take early retirement, please bear in mind that from 6 April 2028, the NMPA will rise from 55 to 57 so that it remains 10 years below the SPA.

Check your State Pension Age at www.gov.uk/state-pension-age



Understand what pensions you have

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

You can trace any occupational pension schemes you may have lost using this website:

www.gov.uk/find-pension-contact-details



Consider topping up your retirement savings

Pension plans are a tax-efficient way to save for your future and now might be a good time to make the most of the tax benefits they offer. So, if you're within your allowance (see below) and your budget permits, why not think about increasing your monthly pension contribution.

The **Annual Allowance** (the total amount that you, your employer and any third party can pay into all your pension savings in a tax year) is £60,000 (lower limits apply if you earn over £200,000). If you pay any more than this, you may have to pay a tax charge.

The Government abolished the **Lifetime Allowance** with effect from April 2024 and so you will be able to build up an unlimited amount of money over your lifetime from all UK pension arrangements, excluding State Pensions, without incurring a tax charge. The Lifetime Allowance had previously been set at £1,073,100.

However, the maximum amount you can take out of your pension pot as a tax-free lump sum has been frozen at £268,275, unless you have existing cash protections.

Find out more about pension tax allowances at

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 you consider the lifestyle you want in retirement, the Pensions and Lifetime Savings Association (PLSA) publishes UK Retirement Living Standards each year to give people an idea of what retirement could cost, based on the standard of living they would like to achieve.

Visit www.retirementlivingstandards.org.uk



Seek independent financial advice or guidance

You should always talk to an independent financial adviser (IFA) before making important decisions about your pension funds. Always check that an IFA is regulated by the Financial Conduct Authority (FCA). You can find a full list of regulated advisers at www.fca.org.uk/register

You would need to pay for any advice you choose to receive from an independent financial adviser, and you should always find out their costs and check that they have the relevant specialist experience before appointing them.

If you're aged 50 or over and have a UK-based DC pension pot, you're entitled to a free appointment with Pension Wise, which is part of the impartial, Government-backed resource MoneyHelper, to discuss your options. Go to www.moneyhelper.org.uk/pensionwise to book your appointment.

Living up to our investment responsibilities

The importance of responsible investment and sustainable finance has increased significantly over the past decade.

The Government now requires trustees of all UK pension schemes to assess how the companies they invest in manage Environmental, Social and Governance (ESG) factors.



Environmental factors consider how a company performs as a steward of the natural environment.



Social factors examine how a company manages relationships with employees, suppliers and the wider community.



Governance assesses a company's leadership and how the business is run.

Details of our Scheme investment policy – including details about our ESG responsibilities – and the extent to which the objectives have been achieved over the reporting year are available online. You can read our Statement of Investment Principles and Implementation Statement on the GKN pensions website. Go to www.GKNpensions.co.uk

DC members

If you have a Defined Contribution (DC) pension pot, you can decide where your money is invested. You can use the default fund, or you can choose from the range of self-select funds available.

You can check and select where your pension pot is invested by visiting www.legalandgeneral.com/gkn-scheme3

Please remember that making changes to your pension and its investments is a big decision and you may want to talk to a financial adviser.

Independent financial advisers are regulated by the Financial Conduct Authority (FCA), and you can find a full list at www.fca.org.uk/register. You should always check their costs and areas of expertise before appointing them.

New climate reporting

Climate change is causing more extreme weather events. As trustees of a pension scheme, we need to understand the risks and opportunities this presents to our investments.

We are required to produce a report on our approach to managing climate risks and opportunities and we follow the best practices of the Task Force on Climate-Related Financial Disclosures (TCFD). The report aims to provide better financial information to help companies and investors understand the financial implications of climate changes.

We were required to provide our first TCFD report in 2023 and you can read it on the GKN pensions website. The next report is due by 5 November 2024 and will also be uploaded to the website.

Go to www.GKNpensions.co.uk or scan the QR code.



Useful resources

There are lots of resources available for you to find out more about pensions, and where to go to get retirement guidance and advice. We have listed some below.

The Pensions Ombudsman

If a member is dissatisfied with the outcome of a dispute dealt with through the Scheme, it is possible to access pension dispute resolution with the Pensions Ombudsman. Their service is free, fair and impartial.

The Pensions Ombudsman can be contacted by email at enquiries@pensions-ombudsman.org.uk

Members can also submit a complaint form online at www.pensions-ombudsman.org.uk/making-complaint

Gov.uk

The Government's website where you can find information about everything relating to tax, pensions and the State Pension. Go to www.gov.uk

MoneyHelper

This is a Government-backed resource that offers free, impartial help on all aspects of money, including pensions and retirement, managing everyday money, benefits, tax and redundancy. It includes Pension Wise, which offers free, impartial guidance on retirement options for people aged 50 and over.

Visit www.moneyhelper.org.uk

Unite Union

0844 870 5605 is the Unite helpline number.

There are plenty of places to get ideas from when thinking about your retirement, but if you need a starting point or inspiration, here are a few websites that you might find useful:

> Age UK

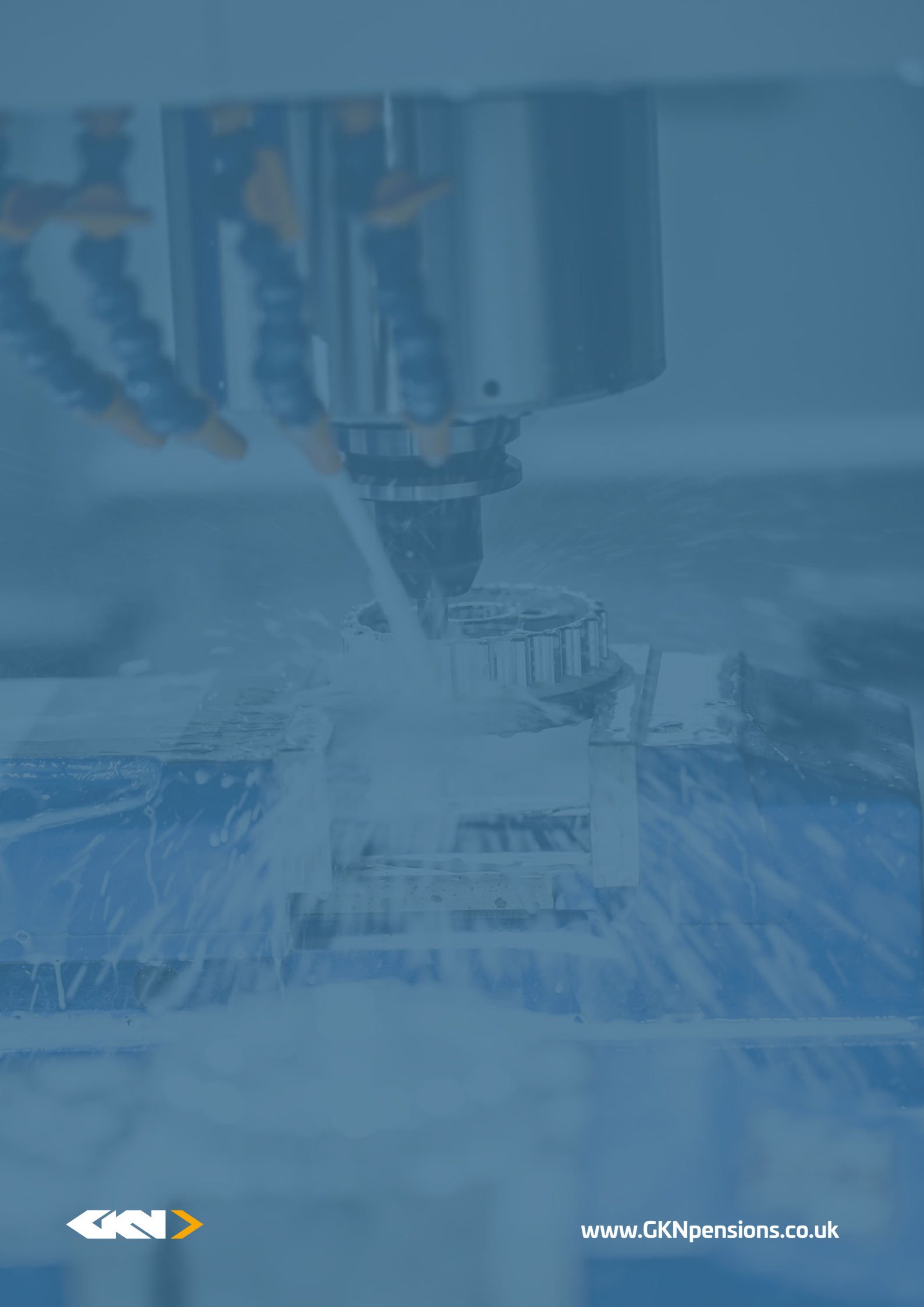
www.ageuk.org.uk/information-advice – go to 'Work and learning' and search for 'Retirement'. Here you can find useful resources, including a pension calculator, a 'planning for retirement' video, and a variety of links to help you with your finances (to either boost your current retirement income, or plan for the future).

> The British Heart Foundation

www.bhf.org.uk/information-support provides a range of resources, online communities and support groups.

> Volunteering Matters

volunteermatters.org.uk also offer interesting perspectives and useful information, should you wish to consider volunteering during your retirement.



www.GKNpensions.co.uk