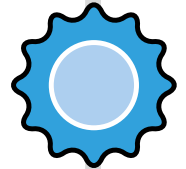


# Pension news

for defined contribution members  
October 2022



Cummins UK  
Pension Plan



# Welcome

Welcome to the autumn issue of *Pension news*, the newsletter for defined contribution (DC) members of the Cummins UK Pension Plan.

As a result of recent global and economic events, the rising cost of living is adding pressure to household incomes. This, along with volatility in the financial markets, has brought pension saving into the spotlight, and we urge you to consider your options carefully before making decisions based on recent events. There is an overview on page 4 about the current challenges and a reminder about the benefits of being in the Plan.

This year's nomination day on 1 July was once again a great success. Thank you to everyone who has recently reviewed or updated their nominated beneficiaries on the Plan website via **Manage my pension**. You're all good for the next two years (unless your circumstances change).

An up-to-date nomination really does make all the difference to the Trustee when dealing with the benefits of members who have died. It allows us to pay any benefits that are due to your loved ones without unnecessary delays.

I'm delighted to report that the Plan has achieved ratings of excellent across all areas in the latest value-for-members assessment. You can read more about this in the report on page 6.

I hope you enjoy reading this issue of *Pension news* and find it useful. If you would like to know more about a particular topic in a future issue, please get in touch.

**Nichola Moore**  
Chair of the Trustee

This autumn, we're inviting active members to take part in a survey about the Plan and our communications. Keep an eye out for your questionnaire, which we hope you'll complete – you could be in with a chance to **win £50 of Cummins Rewards vouchers!**



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### Improving security online

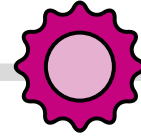
Premier, the Plan administrator, is introducing two-factor authentication to improve security when logging in to your online account via **Manage my pension**. Please read the enclosed leaflet for full details about how to log in and keep your account secure.

# Market volatility and your pension

Major recent events including the Covid-19 pandemic and the Russian invasion of Ukraine continue to have an impact on the global financial markets. As the world's economies work to recover from the pandemic, rising inflation and concerns over energy prices, along with political sanctions on Russian businesses all contribute to increased market volatility.

## Keep calm and carry on saving!

As you may have seen, the ups and downs of the financial markets can have an impact on the value of your pension account at any given time. We know this can be alarming for pension savers, but it's important to bear in mind that saving for retirement is a long-term investment. Over the course of your Plan membership, which could be many years, your savings will experience both market highs as well as lows, and we urge you to consider the long-term picture before making hasty decisions about your investments in response to current market conditions.



You can check your fund balance at any time by logging into your account via **Manage my pension**.

## Helping the money you save today to last a lifetime

We understand that the cost-of-living pressures all add to the challenge of balancing household income and saving for retirement might currently be a low priority. However, it's good to remember that although your membership of the Plan isn't compulsory, it is one of your most valuable Company benefits and includes:

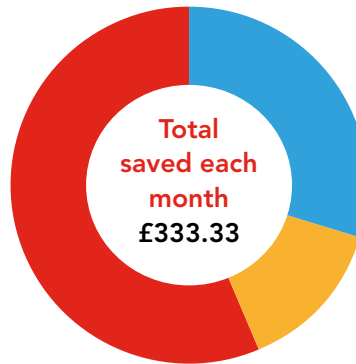
- valuable pension contributions from Cummins worth up to 9% of your salary
- tax-free pension contributions: you save the income tax on your contributions
- a higher level of life assurance: Plan members are covered for five times their annual salary, while non-members are only covered for one year's salary.



## Take a closer look

Alex, for example, earns £25,000 and contributes 7%, which is £145.83 a month. However, with tax relief and National Insurance savings, the amount Alex actually pays is just £99.16.

By getting the maximum contributions from Cummins, Alex saves a total of £333.33 but only pays £99.16 each month. Over a year, this is £4,000 saved at a cost to Alex of just £1,190.



### Alex's contributions (7%)

- Alex pays **£99.16**
- Tax and NI savings **£46.67**

### Company contributions (9%)

- Cummins pays **£187.50**

## Help and advice

Neither Cummins nor the Trustee can give you advice about your investments, but if you're in any doubt about what to do, you should get independent financial advice. If you're worried about money, you can also find information and help at MoneyHelper, the government's free financial guidance service at: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

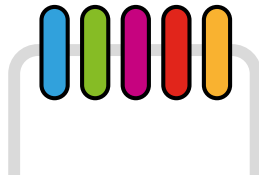
# Plan noticeboard

## Value-for-members assessment

The Plan has achieved a rating of excellent for all categories in the latest value-for-members assessment.

The Trustee is committed to ensuring that members receive value from their Plan membership. It aims to make sure that the charges paid by members to invest their contributions provide good value compared with the benefits and services provided by the Plan. It also considers more generally the range and quality of services and benefits associated with Plan membership, including the Plan's management and governance, administration, investment governance and communications and the general characteristics of the Plan's membership.

This year's assessment was carried out on 31 March with the support of WTW. The results are shown in the table opposite.



Category	Paid for by	Value for members	Broader value
Charges – the competitiveness of the charges compared with pension rules, the current market and research	Members	●	●
Scheme governance and management	the Trustee / Company	●	●
Investment – range and suitability of investment options, fund objectives and related performance	Members	●	●
Administration	the Trustee / Company	●	●
Communications and support services available to members	the Trustee / Company	●	●

### Key

- Excellent value
- Good value
- Sufficient value
- Poor value
- Not relevant

The rating for administration was increased compared with last year, due to the significant improvement of performance against service level agreements (SLA), where 99% of cases were completed within SLA.

The assessment concluded that overall, the Plan provides excellent value for its members because:

- the charges paid by members are competitive, when compared to typical charges in the pensions market
- membership of the Plan also includes a range and quality of services and benefits which members don't have to pay for.

# Plan noticeboard (continued)

## Did you hear about Bob?

If you heard about Bob's story this summer and still haven't reviewed your nominated beneficiaries, please make sure you log in to your account via **Manage my pension** at: [www.cumminsukpensions.co.uk](http://www.cumminsukpensions.co.uk). If you've forgotten or mislaid your login details, please get in touch with Premier.



## Gateway2Retirement

If you're thinking about your choices at retirement, remember that Premier's Gateway2Retirement service is available to you. It offers guidance and financial advice about all your options, you can find out about:

- buying an annuity
- moving into pension drawdown
- taking cash.

For more information, go to the 'Gateway2Retirement' section of the Plan website: [www.cumminsukpensions.co.uk/planning-for-retirement/g2r/](http://www.cumminsukpensions.co.uk/planning-for-retirement/g2r/)

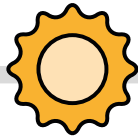
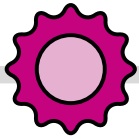
## Looking after your personal data

Making sure that your personal data is secure is of utmost importance to us. We've recently updated the Plan's privacy notice, and you can find it on the Plan website at: [www.cumminsukpensions.co.uk/privacy](http://www.cumminsukpensions.co.uk/privacy)

## New branding for Premier **isio.**

Premier, the Plan administrator, is now part of Isio. You'll usually receive communications from the Plan rather than directly from Premier. However, please note that from time to time, you may get communications from Premier which will carry the new Isio branding from 1 October 2022.





## In the pipeline

In last October's *Pension news*, we told you about a new requirement for larger pension schemes like ours to report on climate change and their investments. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world. Driven by the task force on climate-related financial disclosures (TCFD), there are detailed guidelines on the information that needs to be covered. We'll be starting work on our climate change report for the Plan very soon and look to publish this next year on the Plan website.

## Updating our Plan website

Next year, we'll be making some changes to the Plan website to bring you new functionality, better navigation and generally make it even easier to learn about your pension and how to make the most of your Plan membership.



# Running the Plan



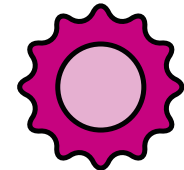
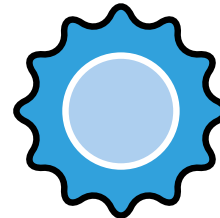
The Plan is looked after by a **Trustee board which has 14 directors (listed below): seven appointed by the Company and seven who are nominated by the Plan's members.**

Anthony Waller  
Bernadette Daley  
Emily Chapman\*  
Gloria Griesinger  
Ian Smith\*  
James Guilfoyle  
James Guyett\*  
Lisa Thornton  
Martin Bruniges\*  
Natalie Morton\*  
Nichola Moore, Chair  
Paul Bennett  
Stephen Coughlan\*  
Stuart Stubbings\*

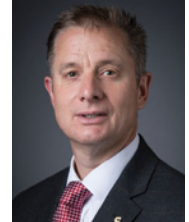
\*member-nominated  
directors (MNDs)

The Plan has three sub-committees which focus on communications, governance and investment.

- Communications sub-committee (CSC): provides clear, engaging pensions information to members.
- Governance sub-committee (GSC): ensures that the Trustees' processes comply with the Pensions Regulator's expectations, legal requirements and good business practice.
- Investment sub-committee (ISC): advises the Trustees on strategic investment, risk management and covenant issues. It reviews the providers we use to help us.



# Meet our new MND



In March 2022, following a selection process, we welcomed a new MND, **Stuart Stubbings**, to the Trustee board. Stuart is IT Director in DBU for Europe & Latin America and has worked at Cummins for over 35 years.

## Why did you want to become a Trustee?

It's been on my mind for the last five years or so, however my previous role involved a lot of travel, and I wouldn't have been able to commit to the Trustee meeting schedule. Now I have a role with less travel, so I applied. I'm interested in financial planning, and this is an opportunity to develop that into something tangible for myself and others in Cummins.

## What interests you about pensions?

Pensions are crucial to prosperity in our later years but seem quite complex to navigate. I'm keen to learn more about how pensions work and operate.

## What do you think is the greatest challenge for workplace pension schemes?

Helping members understand the importance of pension planning at an early age – care and attention on a few basic

decisions could have a big impact on your benefits when you're ready to take them.

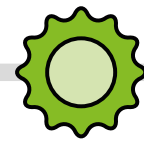
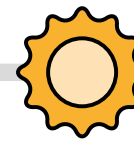
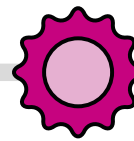
## What was your dream job as a child?

I wanted to be a fighter pilot, but I recall being put off by the recruiting officer at the RAF careers office in Peterborough so didn't pursue it. Since then, I've been lucky enough to work at Cummins in many varied roles and travel the world, so I've still been able to fly – the only difference is that I've been sat in the back of the plane rather than flying it!

## What do you like to do in your spare time?

Outside work, I play football for fun in a group of 'lads & dads'; I have an interest in music, including a reasonable collection of electric guitars; and I'm in the process of restoring and maintaining an old Land Rover Defender 90 with my son.

# Pension matters



## Pensions dashboards are on the way

This new government-backed initiative aims to enable individuals to access their pension information online, securely and all in one place. The dashboards will support better planning for retirement and improve financial wellbeing. There'll be a staged onboarding process for pension schemes beginning in spring/summer 2023.

Pension savers can use the dashboards to search the records of all pension schemes to confirm whether or not they're a member. The dashboards will help people plan for retirement by:

- finding their various pensions
- reconnecting them with any lost pension pots
- including information about the State pension
- understanding the total value of their pensions in terms of an estimated retirement income.

## Increase to minimum retirement age

The government is raising the minimum age at which you can access your pension benefits from 55 to 57 in April 2028. If you're planning to retire early and are currently aged 48 or under, you may need to adjust your plans.



## Beware of pension scams

Pension savers continue to be targeted by scammers. Financial pressures caused by the pandemic and the rising cost of living mean savers may be more vulnerable to scammers offering early access to pension savings.

It's important that you're aware of the danger of pension scams. This not only applies to your benefits in the Plan but also to any other pension benefits you may have. As a basic guide, the key warning signs to watch out for include:

- Cold calls – unexpected pension offers whether made online, on social media or over the phone are nearly always scams. These types of calls have now been banned, so if you do get one, hang up, don't reply to emails or texts, and don't follow links.
- Unregulated advisers – make sure you know who you're dealing with before changing your pension arrangements. Check the ScamSmart website (details on the right) or call 0800 111 6768 to see if the firm you're dealing with is authorised by the FCA to give advice on pension transfers.
- Limited time offers – you should never be rushed or feel pressured into making any decision about your pension.

Recent changes to the rules about pension transfers mean that additional checks need to be carried out by pension administrators, and this may take more time, so please make sure that you factor this into your retirement plans. Similarly, the new rules allow pension scheme trustees to block a transfer if the checks raise any red flags, and members will be referred to the government's MoneyHelper service for a Pension Wise appointment.

Even with these new requirements around pension transfers, combatting pension scams remains a team effort. If you're in any doubt, please double check before making a final decision. Don't let a scammer ruin your retirement. Go to the FCA's website for more information about pension scams and how to avoid them at: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



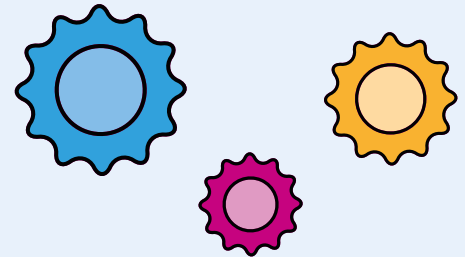
# Accounts and amounts

## At a glance

As at 31 December 2021, the Plan was worth **£316 million**

During the year, the Plan increased in value by **£58 million**

The Plan paid benefits to members worth **£2 million**



## Financial highlights

	2021 £'000	2020 £'000
Plan value at the start of the year	257,966	232,030
Money in less money out	17,341	11,831
Change in market value	40,616	14,105
Plan value at the end of the year	315,923	257,966

Money in	2021 £'000	2020 £'000
Contributions	22,777	21,035
Transfers and other income	1,056	554
Investment income	324	-
Transfers from the DB Section	66	141
<b>TOTAL</b>	<b>24,223</b>	<b>21,730</b>

Money out	2021 £'000	2020 £'000
Benefits paid to members	(2,071)	(3,018)
Transfers out	(4,668)	(6,735)
Administration expenses	(143)	(146)
<b>TOTAL</b>	<b>(6,882)</b>	<b>(9,899)</b>

## Who's in the Plan?

Active members 2021: 4,210  
2020: 3,654



Deferred members 2021: 4,076  
2020: 3,826



**Total members** **2021: 8,286**  
**2020: 7,480**

# Get in touch

If you have a question about the Plan or your benefits, please get in touch with Premier, the Plan administrator.

**Call us:**

0800 122 3266

+44 (0)203 3722 113 (from overseas)

**Email us:**

[cummins.helpdesk@premiercompanies.co.uk](mailto:cummins.helpdesk@premiercompanies.co.uk)

**Write to us:**

Premier

PO Box 108

Blyth NE24 9DY

**Plan website:**

[www.cumminsupensions.co.uk](http://www.cumminsupensions.co.uk)

## Updating your details

Please remember to update your personal details online if you move house or if any other details change (active members should use OneSource).

**FSC Logo  
to go here**

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