



Value for Members' Report

December 2019



SAVE



INVEST



ENJOY



Contents

1 How we run the Scheme (governance) 7

2 How we meet members' needs (design) 10

3 How we grow and protect your money (investments) 12

4 How we operate (administration) 16

5 How we keep in touch with members (communication) 19

6 How we keep running costs low (charges) 24

7 We welcome your views 26



Members' Summary

Dear Member

Welcome

This document is important to you because it confirms how your scheme, Workers Pension Trust ('WPT' or 'the Scheme' for short), provides value for its members in return for the charges they pay to the Scheme.

The Trustee Board, the people who look after the Scheme, is responsible for putting together this document.

What do we mean by Value for Members?

In providing evidence that WPT provides value for members, the Trustee Board appreciates that low costs do not in themselves mean better value and therefore has also considered other aspects such as:

- the quality of customer service
- member communications and support
- scheme design
- the efficiency of administrative services
- the robustness of scheme governance
- fund management and performance of the funds in the context of the investment objectives

WPT operates on a not-for-profit basis which means that any income or reserves of the company may only be used for the benefit of members. The Scheme, therefore, only takes the costs needed to manage your retirement savings. The charges paid by members are as follows:

1. Contribution Charge

A monthly contribution charge of 1.8% is deducted on each contribution going into a member's retirement savings.

For example: if £80 is added to your savings each month, the contribution charge would be £1.44 per month or a total of £17.28 per year.

2. Annual Management Charge (AMC)

An AMC of 0.3% is deducted from the value of your retirement savings each year.

For example: if your retirement savings are worth £5,000 this means that the AMC for that year would be £15.00.

The combined total of the above charges is equal to approximately 0.496%, well below the annual charges cap determined by legislation which is currently 0.75%.

This report outlines the value members receive for paying these charges.



A summary of how WPT delivers value for members, in return for the charges they pay, is as follows:

1. How we run the Scheme (governance)

- ✓ The Scheme is set up under Trust law to ensure that members' retirement savings are protected
- ✓ WPT is run by a Trustee Board which is accountable for all Scheme functions
- ✓ The Trustee Board maintains quality standards through Master Trust Assurance and Master Trust Authorisation
- ✓ The Trustee Board is supported by the expertise and experience of several advisers and service providers
- ✓ Advisers and service providers are monitored and reviewed to ensure they deliver to high standards

Further details can be found in section 1.

2. How we meet members' needs (design)

- ✓ Open to all
- ✓ Flexible contributions
- ✓ Optional group life assurance

Further details can be found in section 2.

3. How we grow and protect your money (investments)

- ✓ The Trustee Board considers professional investment advice from its Investment Consultant
- ✓ The investment strategy / plan is reviewed each year
- ✓ A 'default lifestyle strategy / plan' is in place for members who do not wish to make their own investment decisions
- ✓ Investment performance is reviewed to ensure it has been in line with targets set. The Investment Manager has met or exceeded the targets set

Further details can be found in section 3.

4. How we operate (administration)

- ✓ The Trustee Board monitors the administrators against targets to maintain service standards
- ✓ High standards of record keeping are maintained
- ✓ Member data is held securely
- ✓ Member complaints are handled effectively

Further details can be found in section 4.



5. How we keep in touch with members (communication)

- ✓ A key strength of WPT is its on-site customer service team as demonstrated by the high levels of member satisfaction
- ✓ The average satisfaction rate of retiring members was 9 out of 10
- ✓ The Trustee Board uses surveys to learn members' views
- ✓ The Benpal online portal allows members quick and easy access to details of their retirement savings
- ✓ The Trustee Board has a communications plan which it reviews and updates each year

Further details can be found in section 5.

6. How we keep running costs low (charges)

- ✓ Combined charges of 0.496% are less than two thirds of the limit set by the Government
- ✓ WPT's costs are comparable with similar schemes
- ✓ The funds that WPT offer help to keep costs low
- ✓ Following negotiations with Legal & General, WPT gained a reduction in the fee charged for the WPT Growth fund in December 2019. This helps to keep charges to members at a competitive level.

Further details can be found in section 6.



Highlights since our last report

Since the last report in 2018 the Trustee Board has been extremely busy.

Key highlights are as follows:

- ✓ Membership has increased from 75,574 to 101,879 as at the end of December 2019.
This is good news because the growth in the Scheme provides evidence that employers believe WPT to be a reputable scheme.
- ✓ The total value of funds invested increased from £130m to £218m.
This is good news because it puts the Trustee Board in a better position to negotiate fees paid to the Investment Manager.
- ✓ Workers Pension Trust transferred in 16,800 members from Enhance, a scheme owned by the same parent company. The total value of these funds was £75 million.
This is good news because it allows the former members of Enhance to be looked after by the same Trustee Board rather than having to find another Scheme. The negotiating powers of the Trustee Board in dealing with advisers and service providers tends to increase when the Scheme grows significantly.
- ✓ In June 2019 we launched Benpal, our secure online member portal which allows members quick and easy access to their retirement savings account.
This is good news because it gives members access to their retirement savings account 24 hours a day, 7 days a week, 365 days of the year.
- ✓ In August 2019, Workers Pension Trust became the first Northern Ireland based pension provider to be awarded Master Trust Authorisation from the Pensions Regulator.
This is good news because it provides evidence that WPT has high standards of governance and efficient administration.
- ✓ In November 2019, WPT was shortlisted for 'Master Trust offering of the Year' by the UK Pension Age awards.
This is good news because it acknowledges our skills in growing a pension scheme and means that we are well respected in the UK pensions market.
- ✓ In December 2019, Legal & General reduced the fee for the WPT growth fund from 0.145% to 0.075%. Thanks to our review and negotiations with Legal & General the fee was almost halved.
This is good news because it helps to keep costs as competitive as possible.



1. How we run the Scheme (governance)

The Trustee Board

The Scheme is set up under Trust law to ensure that members' retirement savings are protected.

The body responsible for running the Scheme is the Trustee Board, Workers Pension Trust Limited.

The Trustee Board is responsible for ensuring that:

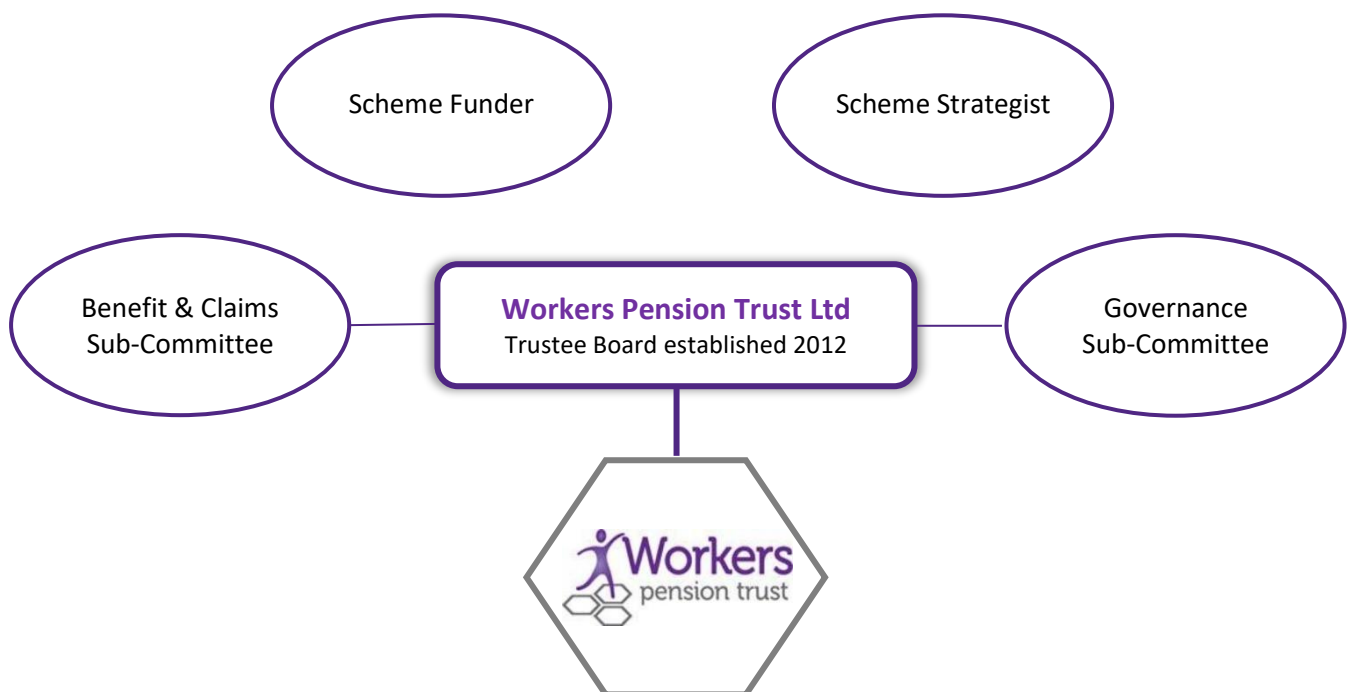
- the right contributions are paid on time
- contributions are invested accurately and within an agreed appropriate timeframe
- benefits are paid to the right people without unnecessary delay

The Trustee Board must ensure that all legislative and regulatory requirements are met.

The Trustee Board benefits from the support of the following to assist in the efficient day-to-day running of WPT:

- the Scheme Funder - provides funds to enable WPT to continue to run in the event that it cannot meet its running costs
- the Scheme Strategist - is responsible for making business and strategic decisions about how the master trust is run

The Trustee Board remains accountable for all Scheme functions but can delegate certain work to the internal team and specific Board sub committees.





The Trustee Board aims to ensure that its Trustees, as a whole, are skilled in all the areas that are required to successfully govern a Master Trust.

- A Professional Trustee (Capital Cranfield) was added last year to help broaden the skills and experience of the Board. Capital Cranfield are a leading professional firm who provide independent trusteeship and governance.
- There are also two Member Nominated Trustees. These Trustees, in addition to bringing their own skills and expertise, can also represent the views of the wider membership.

Both the Trustee Board and the Scheme Funder have reserve funding in place to help to protect members' savings in the unlikely event of the Scheme having to close.

Quality Standards

The Trustee Board has pursued and maintained quality standards through the following accreditations:

1. Master Trust Assurance

In February 2017 WPT achieved the Master Trust Assurance Framework quality standard developed by the Pensions Regulator. This is a voluntary standard, valued by the Board. It provides documented evidence of internal controls as to how the Scheme is run. The Scheme is subject to annual external audit against the standard.

2. Master Trust Authorisation

WPT was granted Master Trust Authorisation by the Pensions Regulator in 2019. Master Trust Authorisation is granted only to those Master Trusts who obtain the highest levels of governance. Master Trusts who failed the standard have been forced to close.

John Armstrong, Managing Director and Trustee of WPT commented,

“Authorisation creates safeguards by ensuring Master Trusts are run by fit and proper people and have the right systems, processes, plans and finances in place. We believe it will not only further improve the outcomes for our members and employers, but will also serve to reassure them that Workers Pension Trust is the right provider.”

The Pensions Regulator

The Trustee Board maintains a good relationship with the Pensions Regulator and is regularly invited to participate in working groups organised by The Pensions Regulator and the Department of Work & Pensions. The Pensions Regulator has visited the Belfast office on numerous occasions.



Service Providers and Advisers

The Trustee Board benefits from the help and support of various advisers and service providers to enable it to run the Scheme properly and comply with legislative requirements. These include the following:

Service provider / Adviser	Role
Arthur Cox	Assists the Trustee Board in meeting its legal duties
Assure UK	Audits the Scheme for evidence of quality standards
Capital Cranfield	Provides Trustee oversight on governance and risk management
Construction First Limited	Provides administration services such as collecting contributions, monitoring contributions, handling all correspondence with members, employers and advisers
Legal & General	Invests member contributions
Mercer Administration	Provides administration services such as maintaining member records and paying benefits on retirement
Mercer Pensions Consulting	Provides professional pensions advice
Mercer Investment Consulting	Provides professional investment advice
PricewaterhouseCoopers	Conducts the annual audit and compiles the Scheme accounts

The Trustee Board takes great care when appointing, managing and monitoring service providers to ensure they deliver the best possible service to the Scheme. Service providers are set targets when appointed which are monitored on an ongoing basis. Service providers are held accountable by attending Trustee Board meetings and their views are challenged as required.

Scheme Documentation

The Trustee Board maintains a risk register. The risk register is monitored to ensure risks are being managed and mitigated.

Documentation on policies and procedures exist to ensure WPT complies with its regulatory requirements.

What's happening in 2020?

During 2020 the Trustee Board will appoint a new Member Nominated Trustee who will replace one of the Member Nominated Trustees who retired in December 2019.

A formal review of both pension and investment consultancy services will be conducted during 2020 to ensure that high quality professional advice to the Trustee Board is maintained.

Summary

- ✓ The Scheme is set up under Trust law to ensure that members' retirement savings are protected
- ✓ WPT is run by a Trustee Board which is accountable for all Scheme functions
- ✓ The Trustee Board maintains quality standards through Master Trust Assurance and Master Trust Authorisation
- ✓ The Trustee Board is supported by the expertise and experience of several advisers and service providers
- ✓ Advisers and service providers are monitored and reviewed to ensure they deliver to high standards



2. How we meet members' needs (design)

Overview

WPT is a Master Trust pension scheme based in Belfast.

We have 38 years' experience in operating a trust-based pension scheme.

Open to all

WPT is available to all employers and is suitable for all employees.

The Scheme can accept contributions from employees from all business sectors.

WPT provides the same service to all members regardless of whether their employer is small or large and whatever their level of contributions.

The following is an extract from an article on WPT in the Master Trust and Group Pension Scheme Report, published by Corporate Adviser Intelligence, June 2019. This highlights our availability to accommodate members from all sectors.

“While its master trust is now available UK-wide and to employers working across all sectors it has particular experience and expertise providing pensions to sectors where there has traditionally been a high turnover of staff, such as transport, manufacturing, construction and the services industry.”

“..... and specialises in providing pensions to those on low pay rates, including those who are paid hourly or on the minimum wage, all of whom are able to join its scheme.”

Flexible contributions

In line with auto-enrolment, minimum employer and employee contributions are required. Both employers and employees are encouraged to contribute more than the minimum including by making one-off contributions.

The Scheme can accept contributions based on basic pay, band earnings or gross earnings.

Customer service

WPT is proud to provide local NI customer-friendly service.

Based in Belfast, we do not use external call centres. All calls are handled by our staff in the Belfast office.

Group Life Assurance

The main benefit of the Scheme is saving for retirement.

Employers also have the option to provide a lump sum benefit in the unfortunate event of an employee's death before retirement.



Options at retirement

There are a number of options available to members depending on the size of their retirement savings account:

1	Leave your savings invested	You may decide to leave your savings invested and take them at a later date.
2	Take your whole savings as cash	25% of this will be tax free, the remaining 75% will be subject to income tax.
3	Choose a guaranteed income (known as an annual income)	Use the full amount to buy an annual income with an insurance company payable until death.
4	Choose a guaranteed income and a tax free lump sum	25% can be taken as a tax-free lump sum and the rest used to buy an annual income.
5	Transfer to another arrangement	Transfer to another arrangement such as flexible access drawdown as this is not currently available from WPT.
6	Transfer to add to other savings arrangements	You may wish to add to other regulated retirement savings you have elsewhere.

What's happening in 2020?

As part of the Trustee Board's ongoing review of the Scheme the Board will review options at retirement.

Summary

- ✓ Open to all
- ✓ Flexible contributions
- ✓ Optional group life assurance



3. How we grow and protect your money (investments)

For the charges paid by members, the Trustee Board looks after where members' contributions are invested known as the investment strategy / plan. The flowchart below provides an overview of the activity involved in putting together and monitoring the investment strategy / plan.





Investment Strategy / Plan

A member can invest in a maximum of 5 savings funds at any one time. All funds are currently invested with Legal & General Investment Management.

Further details on the current investment strategy / plan can be found in the Scheme Booklet in the member resources section the WPT website <http://workerspensiontrust.co.uk/members/resources>

As a member you can control which savings funds you would like to be invested in, known as the 'self-select' or 'freestyle' option.

For those members who are not comfortable taking these decisions, the Trustee Board provides what is known as a 'default lifestyle strategy' which is based on professional investment advice.

The default lifestyle strategy is designed to meet the changing investment / savings needs of a typical member as they progress through life towards age 65.

Investments are switched at different points between joining and age 65 to allow for the levels of risk and reward considered suitable for the average member. This works as follows:

Phase 1	<p>Foundation Phase</p> <p>This phase aims to provide stability and growth</p> <p>Members are placed in the Foundation Phase up to the age of 31</p>
Phase 2	<p>Growth Phase</p> <p>This phase aims to maximise growth</p> <p>Members are switched to the Growth Phase at age 32</p>
Phase 3	<p>Protection Phase</p> <p>This phase aims to provide increased protection as the member approaches age 65</p> <p>Members are switched to the Protection Phase between age 50 and 51</p>

You can switch your investments at any time. The investment strategy / plan is kept under review.

Fund performance

As at 31 December 2019 total funds invested were valued at £218m.

All funds within the default lifestyle strategy are pooled, passively managed funds.

What are pooled funds?

Pooled funds mean that many people 'pool' their money together into a large fund spread across many investments such as shares, bonds, property, cash or a combination of these. The funds are managed by professional fund managers. Investing this way can be easier and less risky than buying shares in individual companies directly.



What are passively managed funds?

Passively managed funds, also known as ‘tracker funds’ are set up to track the performance of a particular market index.

An example of this is the ‘FTSE 100 Index’. This is like a league table of the largest 100 companies in the UK which are quoted on the London Stock Exchange.

A passively managed fund invests in all the companies that make up that index or invests in a selected sample of them.

The main input from the Investment Manager is when the fund is first set up. The fund is then left to track the index, with no expensive research used to identify and switch to the potential best performers. Fund charges are, therefore, lower than charges for actively managed funds.

The passively managed funds provided by Legal & General are set up to track the performance of particular market indexes. The market index tracked by a fund, or used to measure its performance, is also known as a ‘benchmark’.

Passively managed funds aim to perform in line with or mirror the market index / benchmark as closely as possible.

The Trustee Board reviews the performance of the savings funds used by WPT within the default lifestyle strategy where over 98% of members are invested.

For example, for the 3 years ending in December 2017, 2018 and 2019 the performance of the three funds in the default strategy largely mirrors the benchmark return figures. This indicates that the three funds are performing as expected. Where there are differences from the benchmark figures (ranging from 0.03% to 0.25%), the funds have performed above their benchmarks. This means they outperformed their benchmarks.

Fund performance as at 31 December each year

	Growth in retirement savings	Target Growth (benchmark)	Target beaten by %
2017 Default Funds			
WPT Growth Fund	14.33%	14.09%	0.24%
WPT Volatility Reduction Fund	2.43%	2.33%	0.10%
WPT Capital Protection Fund	0.35%	0.16%	0.19%
2018 Default Funds			
WPT Growth Fund	-7.22%	-7.25%	0.03%
WPT Volatility Reduction Fund	0.62%	0.55%	0.07%
WPT Capital Protection Fund	0.65%	0.46%	0.19%
2019 Default Funds			
WPT Growth Fund	20.06%	19.99%	0.07%
WPT Volatility Reduction Fund	5.14%	5.08%	0.06%
WPT Capital Protection Fund	0.82%	0.57%	0.25%



The value of investments can go down as well as up. For example, in 2018 there was a downturn in the economy. Overall, the decrease in the WPT Growth Fund, however, was slightly less than the benchmark. The growth fund lost value in line with other similar funds.

Some years the fund might lose money. The market tends to go up again after a bad year or a 'downturn'. It is important to note that, historically, investment gains have offset losses over the long term.

Legal & General

The Trustee Board asked Legal & General to comment on how it, as Investment Manager, provides value for members.

Legal & General comments as follows:

“Legal & General is one of the world’s leading providers of index fund management allowing for global equity market exposure at a highly competitive charge.

We play an active role in the companies we invest in, from exercising shareholder voting rights to directly engaging with companies at a board level. By engaging with businesses, we aim to unlock value for investors and shape the future and sustainability of financial markets.”

What this means is that because Legal & General are one of the world’s leading providers of passively managed funds, they have increased buying power which helps keep costs low for members.

Legal & General’s active role in engaging with companies in which they invest means they can help influence the performance of these companies which in turn helps grow the value of members’ savings.

What’s happening in 2020?

During 2020 the Trustee Board will review the investment strategy to understand if it is still appropriate for the membership of WPT and will explore the benefits of responsible investing as part of the review.

Summary

- ✓ The Trustee Board considers professional investment advice from its Investment Consultant
- ✓ The investment strategy / plan is reviewed each year
- ✓ A 'default lifestyle strategy / plan' is in place for members who do not wish to make their own investment decisions
- ✓ Investment performance is reviewed to ensure it has been in line with targets set. The Investment Manager has either met or exceeded the targets set



4. How we operate (administration)

Who looks after the day-to-day administration of the Scheme?

The Scheme has two administrators. Construction First Limited (CFL) and Mercer provide administration services on behalf of the Trustee Board. Both companies maintain quality administration standards.

- **CFL**

CFL administers the pension requirements of thousands of companies and tens of thousands of members. The core services provided include:

- Handling all communications and correspondence received from members, employers and advisers
- Ensuring there are processes in place to collect contributions monthly and transfer contributions to ensure prompt investment
- Monitoring late contributions and following up with employers as required. Reporting late or non-payment to the Trustee Board and the Pensions Regulator

The Trustee Board asked CFL to comment on how it, as administrator, provides value for members.

CFL comments as follows:

“CFL works to the target service standards set out in its agreement with the Trustee.

All tasks are completed in accordance with the timescales stated in the agreement and within legal time limits. A report is made to the Trustee Board each quarter which includes measurement against service standards.

If CFL fails to operate within the agreed timescales, the annual management charge is reduced as a penalty fee.”

- **Mercer**

Mercer is one of the UK’s leading employee benefits providers. Mercer maintains member records, invests contributions received from CFL and makes benefit payments to members.

The Trustee Board asked Mercer to comment on how it, as administrator, provides value for members.

Mercer comments as follows:

“In order to assess whether Mercer provides WPT with good value for members, we have drawn upon the management information made available from our stewardship reports. This includes:

- *Low levels of complaints from members and other parties*
- *Delivery towards service level targets*
- *Accurate and timely information to members*
- *Good audit report outcomes*
- *Clear retirement letters*
- *Prompt investment of contributions*

In respect of costs, there are no member borne charges for the service we provide and no costs are incurred for the guidance members receive from the Pensions Decision Service (PDS) provided by Mercer. We believe, based on our review, that the service we provide to the membership of the Scheme offers good value for members.”

The Trustee Board monitors CFL and Mercer against agreed targets to maintain service standards.



Prompt and accurate administration

The Trustee Board has agreed standards of accuracy and turnaround times with the administrators. CFL and Mercer are required to report on the:

- prompt and accurate collection of contributions
- investment of contributions
- allocation of member investments
- payment of benefits from the Scheme to members

Accurate record keeping

All data for new members is verified when they join the Scheme and is checked for accuracy monthly. A formal data validation exercise is carried out every year and the Trustee Board assesses the results. The validation exercise for 2019 resulted in a 97% accuracy rate for 'common' data items such as name, address, date of birth, national insurance number etc.

How we make sure your records are secure

The Trustee Board takes the protection of member data very seriously. There are security controls and back up processes in place to protect member data. Data is held in accordance with WPT's General Data Protection Policy and Procedures.

What happens if you have a complaint?

A process is in place to deal with any complaints from members, should they arise. The Trustee Board aim to resolve any complaints members may have informally but effectively. To date any complaints have been satisfactorily resolved this way.

Preparation of financial statements

The Trustee Board is required to prepare an Annual Report and Accounts which are audited.

This report includes a Chair's Statement which describes the actions the Trustee Board has taken over the year to meet regulatory governance standards such as:

- ✓ The default investment strategy / plan
- ✓ How core financial transactions are processed
- ✓ The assessment of how charges and transaction costs represented good value for members, and the impact of these charges on member savings
- ✓ How the Trustee Board ensures that it maintains the necessary knowledge and understanding to run WPT
- ✓ How the Trustee Board remains independent
- ✓ The arrangements to encourage member feedback

A copy of the statement is available to view on the WPT website. A summary of the Chair's Statement is available on request.



What's happening in 2020?

During 2020 the Trustee Board will implement an improved IT system for checking the accuracy of contributions. The Trustee Board has kept the Pensions Regulator informed of this development and has provided a demonstration of the new system to the Regulator.

Summary

- ✓ The Trustee Board monitors the administrators against targets to maintain service standards
- ✓ High standards of record keeping are maintained
- ✓ Member data is held securely
- ✓ Member complaints are handled effectively



5. How we keep in touch with members (communication)

Quality customer service

A key strength of WPT is its on-site customer service team based in Belfast; there are no external call centres or automated messages. Members can speak on the phone or arrange an appointment to meet a team member if they require assistance.

A few comments on customer service are as follows:

“I find it a very good, professional service who provide quick and efficient help when required.”

“It is first class with excellent staff who are very patient and kind.”

“The people I have dealt with in WPT are the most helpful and pleasant with no enquiry being of any bother to them. I wish all companies could be more like them.”

The Trustee Board communicates with members when they join the Scheme, throughout their period of membership and when they decide to claim their retirement savings. The following are the main ways we communicate with members:

Welcome pack	Letters
Email	Newsletters
Website updates	Annual statements
Members Annual Report	Chair's Statement
Value for Members' Report	Surveys and feedback forms
Focus groups	Benpal Online portal

The Trustee Board has a communications plan which it reviews and updates each year to ensure it meets the needs of members.



Communications to members are easy to understand

The Trustee Board is committed to ensuring member communications are clear, easy to understand, written in plain English and free from jargon.

For example, the Scheme Booklet is reviewed each year to ensure that it provides accurate, clear, current, factual and effective information to members.

Newsletters issued to members avoid jargon and have become chattier in style.

Members can communicate in a number of ways

Members are welcome to contact the Scheme by phone, email, via the website and by arranging a meeting with someone from the customer service team.

There are a number of forms on the WPT website which members can complete and return, for example, Change of Details Form, Contribution Change Form and Expression of Wish Form.

Various surveys allow members to make their views known. This helps the Trustee Board understand the needs of members and therefore make improvements. The following surveys are issued to members:

- **Member survey**

A survey is issued annually by email to members to gain feedback on:

- the service provided by the customer service team
- the ease of use of the website and online portal

Of those who responded, 86% found Benpal easy to navigate and the main reason for visiting the portal was to see the value of their retirement savings.

- **Retirement survey**

A survey is issued to members who have claimed retirement savings. Members provide feedback on:

- our written and telephone communication
- the accuracy and timeliness of our work

During 2019, 783 surveys were issued and 154 were returned, a response rate of almost 20%. The average satisfaction rate was 9 out of 10.

“When I called your operator was efficient in letting me know what the procedures were..... All handled very well”

“Keep doing what you are doing as it works perfectly”

“Service is excellent. Cannot fault it”

“You’re reliable and willing to help”



- **Responsible Investing survey**

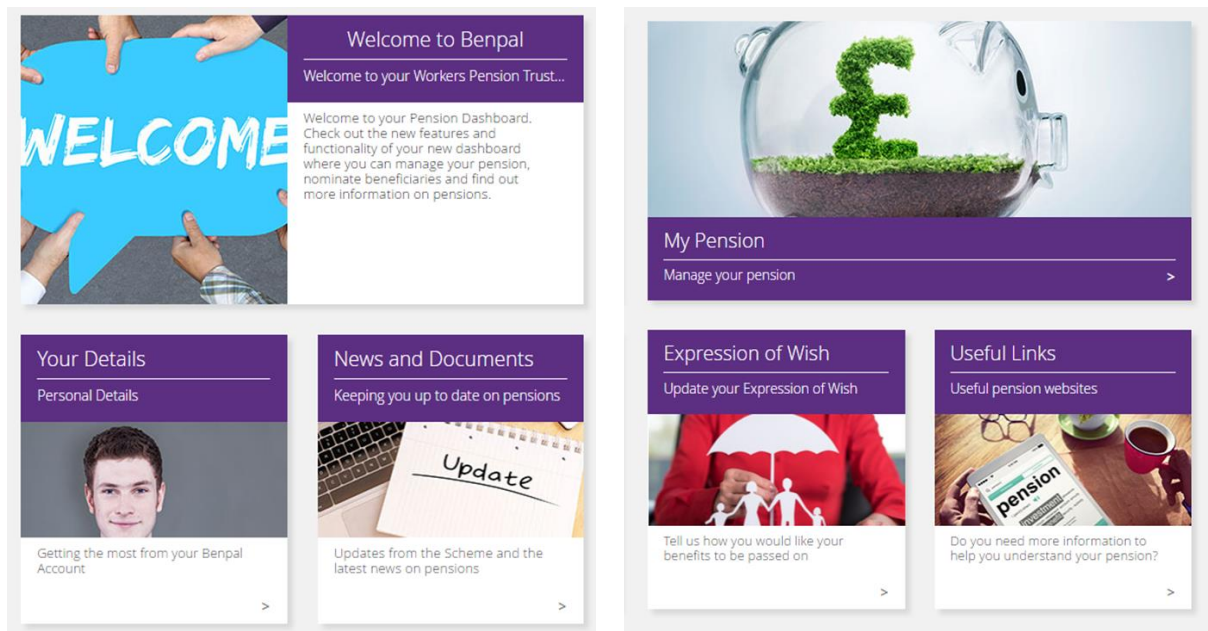
In August 2019 a survey was issued to members to seek their views on responsible investing which aims to include environmental, social and governance (ESG) factors in investment decisions.

The results highlighted that 46% of respondents would be very interested in investing their retirement savings in a responsible way and 27% agreed that knowing their savings were being invested in a responsible way would make them want to pay more into their savings.

The Trustee Board has taken these views into consideration and will explore ways to include responsible investing during 2020.

Benpal

Benpal is a secure online member portal which allows quick and easy access to their WPT Member's Account. The member survey in 2019 confirmed that over 85% of members who accessed the portal found it easy to use.



Members can use Benpal to:

- ✓ Access information about their retirement savings online 24 hours a day, 7 days a week
- ✓ Nominate their beneficiaries online
- ✓ Request retirement savings illustrations
- ✓ View and manage their investment choices online
- ✓ View their annual benefit statement online
- ✓ Keep up to date with how their savings are growing

Benpal includes a 'modeller tool' to allow members to:

- ✓ See the impact on their projected cash lump sum and annual income at age 65 based on
 - the amount they contribute and
 - the age they plan to retire
- ✓ Show the effects of contributing more to their retirement savings
- ✓ Add the value of an existing retirement plan to see what their total cash lump sum and annual income might be



WPT website

The WPT website is available at www.workerspensiontrust.co.uk.

In our most recent member survey during 2019, 90% of members who used the WPT website found it easy to use.

How do we help members plan for retirement?

Members age 50	Members aged 50 or over are reminded of the default lifestyle strategy/plan, how it works and the advantages and disadvantages of the strategy/plan.
Members age 65	<p>Members receive a letter six months before their 65th birthday (or on request) which outlines how they can access their retirement benefits.</p> <p>Members are provided with details of organisations offering free and impartial guidance. These include:</p> <p>Pension Wise https://www.pensionwise.gov.uk/ or call 0800 138 3944</p> <p>Community Advice (formerly Citizens Advice Bureau) http://www.citizensadvice.co.uk/ or call 028 9026 2532</p> <p>Pensions Advisory Service (TPAS) http://www.pensionsadvisoryservice.org.uk/</p> <p>They will provide telephone guidance on 0300 123 1047</p> <p>All members receive a copy of the 'Money Advice Service - <i>Your pension: it's time to choose</i>' booklet which provides a useful guide to decisions and outlines important considerations.</p> <p>All members receive a Risk Warnings leaflet, which includes general warnings for members to consider and alerts members to scams.</p> <p>Members with pots of £30,000 or more may use the 'Pension Decision Service' where they can avail of 30 to 40 minutes telephone support, free of charge. This allows the member to talk through all the options available and the individual's circumstances to help them choose the best option.</p> <p>If the member requires further support, there is an optional 'non-advised' and 'advised' service which is chargeable and this is disclosed to the member. The fee quoted depends on the option selected.</p>
Members age 70	<p>A letter is enclosed with annual statements to members aged 70 or over who have not yet claimed their retirement savings from the Scheme.</p> <p>The letter reminds the member what happens if their savings remain unclaimed on or after their 75th birthday. Any claim after their death will result in tax of 45% before it can be paid to the next of kin/beneficiaries.</p>



What's happening in 2020?

More of us are saving for retirement with a workplace plan than ever before. We now have more information, more choices, and more responsibility for our retirement savings. But will the future we want be the future we are able to achieve?

The Pensions and Lifetime Savings Association (PLSA) has developed the Retirement Living Standards 'Picture Your Future', based on independent research by Loughborough University. Further details can be found at <https://www.retirementlivingstandards.org.uk>

The initiative has been developed to help individuals and couples picture what kind of lifestyle they could have in retirement based on minimum, moderate and comfortable levels of income.

During 2020 the Trustee Board will explore how these findings may be included in its communications with members.

The Trustee Board will consider more tailored communications to encourage members to take a greater interest in and more control of their retirement savings.

The Trustee Board welcomes any suggestions you may have to improve how we stay in touch with members. Feel free to contact us by any of the following means:

- via our website at <https://workerspensiontrust.co.uk/contact>
- by e-mail info@workerspensiontrust.co.uk
- by telephone on 028 9087 7142 or
- write to us at 143 Malone Road, Belfast, BT9 6SX

Summary

- ✓ A key strength of WPT is its on-site customer service team as demonstrated by the high levels of member satisfaction
- ✓ The average satisfaction rate of retiring members was 9 out of 10
- ✓ The Trustee Board uses surveys to learn members' views
- ✓ The Benpal online portal allows members quick and easy access to details of their retirement savings
- ✓ The Trustee Board has a communications plan which it reviews and updates each year



6. How we keep running costs low (charges)

WPT is run on a not-for-profit basis which means that any income or reserves of the company may only be used for the benefit of members. Therefore, the Scheme only takes costs needed to manage your retirement savings

Charges are applied as follows:

1. Contribution Charge

A monthly contribution charge of 1.8% is deducted on each contribution going into a member's retirement savings.

For example: if £80 is added to your savings each month, the contribution charge would be £1.44 per month or a total of £17.28 per year.

2. Annual Management Charge (AMC)

An AMC of 0.3% is deducted from the value of your retirement savings each year.

For example: if your retirement savings are worth £5,000 this means that the AMC for that year would be £15.00.

Charges cap

The combined total of the above charges is equal to approximately 0.496% which is well below the annual charges cap determined by legislation which is currently 0.75%.

The charges cap applies to particular deductions from members' retirement savings. These may include deductions relating to:

- ✓ payments to providers of professional services like administrators and legal advisers
- ✓ costs of member communication services like producing statements, website development, and printing and posting scheme documentation
- ✓ investment management fees for default strategies / plans
- ✓ ongoing costs for things like IT, office, staff and record-keeping

Investment management charges, costs and expenses

The Investment Manager, Legal & General, applies the following for the operation of the savings funds.

• Investment management charges

The Investment Manager applies these charges for managing a particular fund on behalf of the people who invest in it.

The Trustee Board pays these charges out of the member charges detailed in 1 and 2 on above. They are not paid by the member in addition to 1 and 2 above. The funds are pooled with other investors and are passively managed which help keep costs low.



An explanation of 'pooled funds' can be found on page 13.

An explanation of 'passively managed funds' can be found on page 14.

- **Transaction costs**

Transaction costs are minimal within the funds offered by WPT and occur when

- your contributions are used to buy units in a savings fund or
- units are taken out of your savings fund, for example, when you retire or transfer to another scheme

- **Additional expenses**

Additional expenses are minimal costs and are incurred in the day-to-day running of the savings fund.

Further details on charges can be found in the Chair's Statement on the WPT website at <http://workerspensiontrust.co.uk/members/resources>

The Trustee Board reviews investment management charges, costs and expenses on behalf of the members each quarter.

What's happening in 2020?

In 2020 the Trustee Board will work with the Investment Consultant and Investment Manager to achieve better transparency and clearer communication of investment costs.

The Trustee Board will review the investment strategy / plan during 2020. The aim of the review is to ascertain the appropriateness of the current funds and look for alternatives where necessary.

Summary

- ✓ Combined charges of 0.496% is less than two thirds of the maximum charges allowed
- ✓ WPT's costs are comparable with similar schemes
- ✓ The funds that WPT offer help to keep costs low
- ✓ Following negotiations with Legal & General, WPT gained a reduction in the fee charged for the WPT Growth fund in December 2019. This helps to keep charges to members at a competitive level.



7. We welcome your views

As an authorised Master Trust, the Trustee Board strives to maintain and enhance the standard of Workers Pension Trust.

With this 2019 Value for Members' Report and the 2019 Chair's Statement we have aimed to communicate to members in a user-friendly way. We have avoided jargon where possible and aim to write in plain English.

We value your feedback on these reports and any other communications you receive from WPT.

The Trustee Board is interested to hear any views you, the members, may have on how value for members could be improved.

Feel free to contact us by any of the following means:

- ✓ via our website at <https://workerspensiontrust.co.uk/contact>
- ✓ by e-mail info@workerspensiontrust.co.uk
- ✓ by telephone on 028 9087 7142 or
- ✓ write to us at 143 Malone Road, Belfast, BT9 6SX