

# GDBA (Pension Fund Trustee) Limited

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**Dear Member**

## **Guide Dogs for the Blind Association Pension Scheme Newsletter – December 2024**

I am writing to you as a member of the GDBA Pension Scheme (the “Scheme”).

The Trustees of the GDBA Pension Scheme (“Trustees”) would like to take this opportunity to provide you with an update on the funding position of the Scheme.

### **How does the Scheme work?**

There are just over 1,800 members in the Scheme. Any contributions from Guide Dogs (the sponsoring employer) is held in trust separately from the assets of Guide Dogs and cannot be accessed by Guide Dogs. Money is held by the Scheme in a common fund, not in separate funds for each individual member. The fund is invested to produce a return and is used to pay members’ benefits.

### **Who runs the Scheme?**

The Scheme is run by Trustee Directors. They are responsible for ensuring that the Scheme operates in line with the Trust Deed & Rules of the Scheme, legislation, formal guidance and best practices. The current Trustee Directors are:

- Lynda Bowen - Member Nominated Trustee Director
- Roz Gratton – Member Nominated Trustee Director
- Gordon Smith – Member Nominated Trustee Director
- Claire Walters – Member Nominated Trustee Director
- Bruce Gordon – Association Nominated Trustee Director (Chairman)
- John Wriighthouse – Association Nominated Trustee Director
- Helen Farrow – Association Nominated Trustee Director
- Ross Russell – Association Nominated Trustee Director

The term of office of Claire and Gordon is coming to an end. Gordon will take this as an opportunity to retire as a Trustee Director and I would like to thank Gordon for his valued involvement over many years. Claire has indicated that she would like to continue as Member Nominated Trustee and a formal nomination process will be followed in respect of both Claire’s and Gordon’s positions. Further details regarding this process are enclosed.

## How is the Scheme's financial security measured?

The Scheme Actuary, a qualified, independent professional, has to carry out Full Actuarial Valuation at least every three years. This looks at the value of the Scheme's **liabilities** (the amount needed to provide benefits) and compares it with its **assets** (the money and investments in the fund) on an ongoing basis. If the Scheme has fewer assets than liabilities, it is said to have a "shortfall". The "Funding level" is the value of the assets divided by the value of the liabilities. In the intervening years the Scheme Actuary provides an Actuarial Update of the funding position.

## Is the Scheme's financial security good?

The results of the latest Full Actuarial Valuation, as at 31 December 2023, on an ongoing basis are shown in the table below, along with the funding positions over the previous two years:

Table has 4 rows and 5 columns

Date	Money needed to provide benefits (liabilities)	Money invested (assets)	Surplus / (Shortfall)	Funding Level
Full Actuarial Valuation December <b>2021</b>	£340m	£351m	£11m	103%
Actuarial Update December <b>2022</b>	£212m	£213m	£1m	100%
Full Actuarial Valuation December <b>2023</b>	£207m	£215m	£8m	104%

## What has affected the asset and liability values and the funding of the Scheme?

The investment strategy that is currently in place ensures that movements in the value of liabilities is mirrored by a similar movement in the value of the assets. Between December 2021 and December 2022 the expected return on Gilts and Bonds increased, which led to a much lower value being placed on the liabilities. In line with the investment strategy, the value of the assets reduced by a similar amount.

Between December 2022 and December 2023 the funding position of the Scheme remained stable. Whilst higher than expected inflation had a negative impact on the funding position, this was offset by a number of factors including positive returns on the assets held by the Scheme.

## **Is a Recovery Plan required?**

Following each Full Actuarial Valuation, and where necessary, the Scheme Actuary advises us of the level of contributions that should be paid into the Scheme so that we can expect to be able to continue to pay all the benefits due from the Scheme in future. The Trustees then agree a rate of contribution for the Scheme with Guide Dogs and also put in place a plan to deal with any shortfall. As the Scheme was fully funded on an ongoing basis as at 31 December 2023 a Recovery Plan (agreed contributions from the Association) was not required.

## **Will the funding level change?**

There are a number of financial and demographic factors that affect the funding level, so the funding level can go up and down.

In addition to the Full Actuarial Valuations and Actuarial Updates that are conducted at the end of each year, the Trustees regularly monitor the funding position during the year.

## **What about the next funding assessment?**

The next formal funding assessment will be Actuarial Update as at 31 December 2025, although an Actuarial update will be conducted as at 31 December 2024. A statement providing details of the results of each will be sent to you shortly after completion.

## **Solvency Buy-Out Basis**

We are required by legislation to report the amount of assets that would have been needed in the Scheme to achieve “full solvency”. The full solvency position assumes that benefits will be secured by buying insurance policies. These are what are known as “annuities”.

The buying of annuities can be expensive as insurers are obliged to take a very cautious view of the future and need to make a profit. The cost of securing pensions in this way also incorporates the future expenses involved in the insurer's administration of the annuity. By contrast, our funding plan assumes that Guide Dogs will continue in business and support the Scheme and so does not incorporate all of these incidental costs.

The estimated amount of assets in addition to those held by the Scheme that would be needed to ensure that all members' benefits could have been completely secured with an insurance company if the Scheme were to be wound up was approximately £30 million as at 31 December 2023

Please note that inclusion of this information does not imply that the Association or the Trustees are thinking of winding-up the Scheme; it is a regulatory requirement that it is included here.

## **The importance of Guide Dogs' support**

The Trustees' objective is to have enough money in the Scheme to pay pensions now and in the future. However, the success of the Scheme relies on Guide Dogs' continuing support because:

- Guide Dogs will continue to pay the future expenses of running the Scheme;
- The funding level can fluctuate, and when there is an increase in the funding shortfall the Trustees will work with Guide Dogs to ensure appropriate contributions are paid to the Scheme; and
- The target funding level may not be sufficient which will mean Guide Dogs will need to increase its contribution further.

## **What is the Trustees approach to investing Scheme assets?**

The Trustees take advice from an independent investment consultant on their investment strategy and the day-to-day management of the assets is carried out by specialist investment managers.

The Trustees approach to investing Scheme assets is set out in detail in the Scheme's Statement of Investment Principles, which can be found on the Scheme Website: <https://guidedogs.pensions-directory.co.uk/>

A copy of this Newsletter and the Scheme's Privacy Notice (which explains how the Trustees use your data) can also be found on the Scheme Website.

## **Is my pension guaranteed?**

Our objective, and that of Guide Dogs, is for there to be enough money in the Scheme to pay pensions now and in the future. Amongst other things this depends on Guide Dogs continuing to pay ongoing contributions into the Scheme.

Should Guide Dogs stop paying into the Scheme on an ongoing basis it is required by law to pay enough into the Scheme as a single payment to ensure comparable benefits can be purchased with an insurance association. The Trustees regularly monitor the financial strength of Guide Dogs and were assured by the outcome of an independent assessment of the covenant which was carried during the summer of 2020 and reviewed again as part of the 31 December 2021 and December 2023 Full Actuarial Valuations. If Guide Dogs either cannot afford to pay enough money into the Scheme or becomes insolvent then the Scheme will be wound-up.

The Government has set up the Pension Protection Fund (PPF) to help protect the interests of pension fund members and to pay benefits to members if the Scheme were wound-up, and the Scheme, together with the insolvent employer, does not have enough money to cover the cost of buying at least the PPF level of benefits with an insurer. The pension you would receive from the PPF under these circumstances may be less than the benefit you had built up in the Scheme.

Further information and guidance is available on the PPF website at:- [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk) or you can write to the Pensions Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA.

### Is there any other information I should be aware of?

I am required to tell members if Guide Dogs has taken any money out of the Scheme in the last 12 months. I am happy to confirm that this has not occurred. I can also confirm that the Scheme is not subject to any modifications or directions imposed by the Pensions Regulator.

If you have any other questions, or would like any more information, please write to the Scheme administrator at the following address: Guide Dogs for the Blind Association Pension Scheme, Capita (Whitstable Office), PO Box 555, Stead House, Darlington, DL1 9YT.

The following documents are available on request and can also be found on the Scheme website at <https://guidedogs.pensions-directory.co.uk/> :

- The Scheme Report and Accounts as at 31 December 2023.
- The Full Actuarial Valuation Report as at 31 December 2023.
- The Actuarial Update Report as at 31 December 2022.
- The current Statement of Investment Principles.
- The current Statement of Funding Principles.
- The current Schedule of Contributions.
- The current Implementation Statement.

I will send you a statement like this one on a regular basis, so if you change address you should let Capita know so that we can update our records. If for any reason you consider leaving the Scheme it is recommended that you seek independent financial advice. Please note that the Trustees, employees of the Association or our advisors are not able to give you any financial advice.

### Cyber Awareness

We encourage you to stay alert against any suspicious calls, texts or emails which could be a scam. If you do receive any suspicious messages or calls, please **do not hand over any information such as your bank account details**. Instead, hang up, or delete any worrying texts or emails. The FCA has some useful information on how to spot the warning signs of financial scams at <https://www.fca.org.uk/consumers/protect-yourself-scams>.

The National Cyber Security Centre has guidance on data breaches at: <https://www.ncsc.gov.uk/guidance/data-breaches>.

Cyber criminals commonly use a scam technique called “**phishing**”, which is mostly email-based but can also be via telephone calls, to lure victims under false

pretences to websites which look legitimate to get them to provide information including bank account and credit card details.

These emails/phone calls appear to be from recognisable sources such as banks but actually link to fraudulent websites. Accordingly, we have the following guidance to help reduce the risk of falling foul of these phishing attempts:

- Protect your email with a **strong password** (tip: use 3 random words to create a single password that's difficult to crack).
- **Do not share your password** with anyone.
- Install the **latest security updates** to your browser software and personal computing devices.
- If in doubt, **do not open emails** from senders you do not recognise.
- **Check links** look correct before you click on them.
- **Be suspicious** of anyone who asks for your bank account or credit card details.
- If the email contains **spelling mistakes**, this can be a sign that this is a phishing scam. Do not open the email or attachments.
- If you think you have been a victim of fraud you should **report it to Action Fraud**, the UK's national fraud and internet crime reporting centre, on 0300 123 2040.

The Information Commissioner's Office is the UK's independent body set up to uphold information rights. It has a website which provides a good source of information about how to protect your personal data online when using computers and other devices: <https://ico.org.uk/for-the-public/online>.

## Pension Scams

Sadly, there has been an increase in pension scams since the start of the Covid-19 pandemic. Scammers may attempt to gain access to your pension, so we wanted to give you some tips on how to spot a pension scam.

### Be Cautious

Cold calling about pensions is banned. This includes text messages and emails. A genuine financial adviser will not contact you first. Phrases to watch out for: "free pension review" or "pension liberation" (concept that you could access your pension sooner than age 55). Pensions are usually not accessible until you are age 55 (57 from 2028) but a common scam is fraudsters claiming they can help you access it earlier.

### Check out adviser details

If you have approached an adviser directly you should still check their credentials. You can use the FCA register at <https://www.fca.org.uk/firms/financial-services-register> to check that they are regulated.

### Be wary of investment promises

Pensions are a form of investment and all investments come with an element of risk. If you are being offered guaranteed, healthy returns then alarm bells should start ringing. Do your research and understand the different risks associated with any investment claims.

### Take your time

Do not feel rushed or pressured into making a decision. Read and digest all the information you are given and take the time to speak to a regulated financial adviser.

The Regulator's leaflet also includes guidance for looking after your savings and benefits. You can view a copy of the leaflet on the Pensions Regulator's website:

<https://www.thepensionsregulator.gov.uk/en/pension-scams>

The Financial Conduct Authority (FCA) has dedicated a section of its website to help people avoid pension and investment fraud. It keeps a 'warning list' of known scams. You can find whether an offer you have received is on the warning list by answering a series of questions on the FCA website. The website address is:

<https://www.fca.org.uk/scamsmart/warning-list>

If you think you may have been contacted by a scammer, call the Scheme Administrator, Capita, to check out the validity of your contact before you take any further action. Finally, if you have taken up an offer to transfer your benefits but are now worried it could be a scam, it may not be too late but you should act immediately.

Contact Capita straight away. They may be able to stop a transfer if it has not yet taken place. You can also call Action Fraud on 0300 123 2040 to report it.

***Important:*** *If you are thinking of leaving the Scheme for any reason, you should consult a professional advisor, such as an independent financial advisor, before taking any action.*

The Capita administration team are on hand to liaise with you about your transfer and give you the opportunity to get guidance from MoneyHelper:  
<https://moneyhelper.org.uk>

### **Contact Details**

For information about your benefits in the Scheme please contact Capita, the Scheme's administrators:

By telephone: 01227 774 684

By email: [gdogs@capita.co.uk](mailto:gdogs@capita.co.uk)

By post: Guide Dogs for the Blind Association Pension Scheme, Capita, PO Box 555, Stead House, Darlington, DL1 9YT.

## **What you can do to help us keep in contact with you?**

It would be extremely helpful if we had email addresses for all Scheme members. This would enable us to send information to you about your pension far more quickly. So please may I urge you to provide Capita with your email address. Please include your full name, the scheme name, and either your date of birth or your National Insurance Number. Please do this by email to [gdogs@capita.co.uk](mailto:gdogs@capita.co.uk). Within your email please also indicate if you are happy to receive newsletters like this one by email in future.

Best wishes

**Bruce M Gordon**  
**Chairman of the Scheme**

**End of document.**