



CHUBB®

# Member Newsletter

ACE London Pension  
Scheme (the Scheme)

December 2023

# Welcome to your new member newsletter from the Trustee of the Scheme

We have been making a number of changes recently to the way we communicate and provide information to you about the Scheme and your pension, which we hope you will find helpful.

Firstly, this newsletter is a new, improved communication containing more relevant articles and information, designed to help you to understand your pension in the Scheme.

Secondly, we are pleased to introduce our new Member Online Portal, which you can find at <https://portal.hartlinkonline.co.uk/ace/>. Once you have registered for the portal, you will be able to log in at any time to view information about your pension, access important documents and update your personal details. Using the portal is now the simplest way for you to find out information about your pension, but you can still call or email Capita, the Scheme's administrators, with any questions, and they will be happy to help. You can find their contact details on the back page.

As the Trustee of the Scheme, we are looking at ways to reduce our environmental impact, so we are offering all members the opportunity to go paperless, and instead use the portal to view and download documents related to your pension (including future issues of this newsletter). You can opt out of paper mailings by logging into the portal and changing your contact preference to digital on the contact details page. More information about the portal and online communications are provided in the article on page 3.

We've also included articles on the different ways you can choose to take your pension at retirement and the warning signs of a pension scam. We're aware that you may be concerned about increases in the cost of living over the last couple of years – whether you have not yet started to receive your pension or you have a pension that is already being paid, your pension is increased each year in line with the Rules of the Scheme to help protect against inflation (the rise in the cost of living). Different elements of your pension increase in different ways, according to when the pension was earned. If you would like more information on these increases then please contact Capita.

This newsletter also contains the Scheme's Summary Funding Statement, which is a formal document like the statements you have received from us in the past, that shows how well the Scheme is funded. We are happy to report that the Scheme continues to be fully funded and had a surplus of £41.8m as at 30 June 2023.

Finally, we are keen to hear your feedback on the new format for this newsletter and your experience with the new Member Online Portal. We welcome any suggestions you have for future topics and information you would like to hear more about – please contact Capita with any comments using the details on the back page

Best wishes,

**Jeff Gunning**  
Chair of the Trustee

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## Introducing the Member Online Portal

We are pleased to introduce the Member Online Portal – a simple way for you to manage your pension online.

When you log in you will be able to use the portal to find important information about your pension account, make changes, and keep your personal details and preferences up to date.

### How do I register to use the Member Online Portal?

Visit the portal at <https://portal.hartlinkonline.co.uk/ace> or scan the QR code above, and click on the 'register' button on the home screen. You'll need to have your email address, mobile phone number and National Insurance number to hand. Follow the steps on screen to register.

If you need any help with registering, a 'Portal Registration Guide' is enclosed with this newsletter.

### What can I use the portal for?

The portal is provided by the Scheme's administrators, Capita. You can use it to:

- **View important documents:** any documents you may have requested from the administrators such as your pension quotations or your P60 and payslip if you are receiving a pension will appear on the portal, as well as other scheme information like the annual Newsletter (including the annual Summary Funding Statement).
- **Download materials:** download useful documents about the Scheme.
- **Update your personal contact details:** change your address, email, telephone number, etc.

- **Nominate beneficiaries and dependants:** you can add, change or remove dependants' details easily, keeping your information up-to-date and easily identifiable in the event of your death.
- Request pension information from the Capita administration team via the Member Online Portal (rather than contacting them by email or phone).

### Choose paperless communications

You can opt to receive future pensions information securely via the Member Online Portal rather than by post. To do this, go to the Contact Details page and set your Contact Preference to digital. We are happy that we are able to offer all members this option so that we can reduce the Scheme's environmental impact.

## Summary of the Scheme's accounts for the year to 30 June 2022

### Assets as at

	£'000
30 June 2021	152,153
30 June 2022	124,336

### Money entering the Scheme

Investment income	1,575
<b>Total</b>	<b>1,575</b>

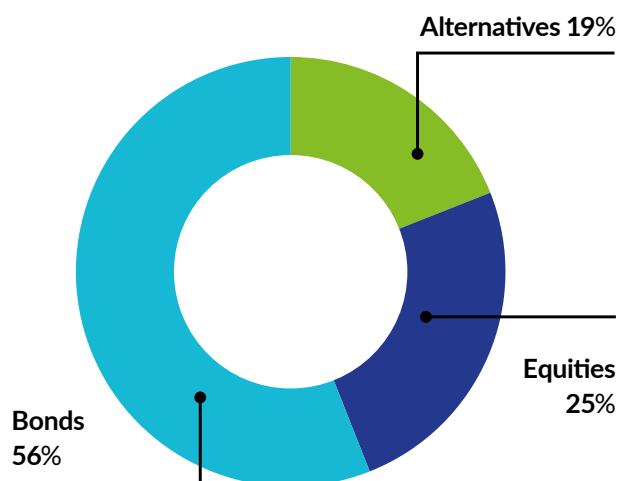
### Money leaving the Scheme

Pensions and other benefits paid	(2,795)
Payments to leavers	(2,165)
Change in market value of investments	(23,896)
Scheme expenses	(536)
<b>Total</b>	<b>(29,392)</b>

### Membership numbers as at 30 June 2022

Employed deferred members	1
Deferred members	85
Pensioners	97
<b>Total</b>	<b>183</b>

### How assets were invested at 30 June 2022



Figures are taken from the latest audited Annual Report and Financial Statements for the Scheme (available on request from the Scheme Administrator). Updated figures for 2023 will be available in the next Annual Report and Financial Statements, which is still in production. An indication of the value of Scheme assets as at 30 June 2023 is provided in the Summary Funding Statement on pages 6-7.

## Jargon buster

### Annual Allowance

The amount of retirement savings you can build up in pension schemes each tax year before you are at risk of a special tax charge.

### Tapered Annual Allowance

A reduced (tapered) version of the Annual Allowance which may apply if you earn more than £200,000 in a year.

### Money Purchase Annual Allowance

A reduced version of the Annual Allowance which may apply if you have 'flexibly accessed' your pension savings, for example if you have taken a taxable

benefit from your pension pot (which might be 'income drawdown' or a lump sum where part of the benefit is subject to income tax).

### Lifetime Allowance

The amount of retirement savings you can normally build up in pension schemes during your life without paying a Lifetime Allowance tax charge prior to the current tax year. The level of the standard Lifetime Allowance is currently £1,073,100, but some people may have a higher Lifetime Allowance if they have previously applied to HMRC for a special protection.



## Changes to pensions tax

It's important for you to be aware of recent changes to pensions tax allowances, which apply for the current tax year (2023/24). The tax rules use a number of technical terms and we have provided a helpful jargon buster for these at the top of this page.

### From 6 April 2023:

- The **Annual Allowance** increased from £40,000 to £60,000.
- The **minimum Tapered Annual Allowance** increased to £10,000 (previously £4,000).
- The **Money Purchase Annual Allowance** increased to £10,000 (previously £4,000).
- The **Lifetime Allowance charge** was removed.

These changes have had a knock-on impact on some rules on tax-free cash, or Pensions Commencement Lump Sums (PCLS). The maximum amount of tax-free cash for most people will be up to 25% of their retirement savings, up to a limit of £268,275 from the 2023/24 tax year onwards.

### The future of the Lifetime Allowance

Now the Lifetime Allowance charge has been removed, the Government's intention is to abolish the Lifetime Allowance altogether during the 2024/25 tax year. Until the Lifetime Allowance is abolished:

- The framework will remain in force, with pension schemes needing to carry out Lifetime Allowance checks and issue Lifetime Allowance usage statements to members.

- You may have to pay income tax at your normal rate if your retirement savings exceed your Lifetime Allowance and you take the excess as a lump sum.

### Important information

These tax allowances apply to the total amount of your retirement savings across all pension schemes. This is not intended to be a complete guide to the allowances and what these changes mean for you will depend on your own circumstances. These matters are complex, and you should consider whether to seek professional advice from a tax or financial adviser.

For more information, please visit: [www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/lifetime-allowance-for-pension-savings](https://www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/lifetime-allowance-for-pension-savings)



## Your options at retirement

As a member of the Scheme, a Defined Benefit (DB) pension scheme, you built up an entitlement to a pension at retirement based on your salary and the length of time that you earned benefits as a member of the Scheme. The pension that you will get from the Scheme is defined, payable from your Normal Retirement Date. The amount of your pension will have been confirmed to you in the statement you received when you stopped earning new benefits in the Scheme. If you need a reminder then this is available on the member online portal or by contacting Capita.

What you might not be aware of is that, if you have not yet started to receive your pension, you have options to take your retirement income in a different way, if you prefer.

If you are over age 55, then you can request to take your pension now should you wish, rather than wait until your Normal Retirement Age. If you take your pension earlier, then it will be reduced to reflect the fact that it will be paid for longer to ensure it is expected to provide the same value to you.

Alternatively, if you would prefer to delay receiving your pension until after you reach Normal Retirement Age then you can request this when we contact you about your normal retirement pension. If you do opt to do this, your pension will be increased to reflect the increases you would have received by retiring and to reflect the pension being paid for a shorter period.

A further alternative option is for you to transfer your benefits to a Defined Contribution (DC) pension arrangement, providing you with even more choices. In 2015 the government introduced more flexibility for DC pensions, to allow pension scheme members to take their retirement income in a way that suits them.

Broadly, from age 55, members of DC pension schemes have the following options, which you might be able to access by transferring.

- Take all or part of their pension pot as cash. This can be as one or more cash lump sums.
- Opt for income drawdown – members selecting this option leave their savings invested when they retire and withdraw money as and when they need it.
- Buy an annuity – members buy an income from an insurance company. By ‘shopping around’, members can choose an annuity that best suits their circumstances (such as a pension for members in ill-health)
- Take a combination of these options – for example, members could opt for income drawdown initially, then choose to buy an annuity with the remaining balance in the future.

In most cases, members would have the option to take up to 25% of their pension pot as a tax-free cash lump sum before choosing one of the above options. You can't access these options within the Scheme.

If you would like to choose one of these flexible retirement options, you would first need to transfer your pension to a suitable DC arrangement.

We strongly recommend that you take advice from a regulated financial adviser before choosing to transfer your pension to a DC arrangement – you would lose the security that a DB scheme offers, as in a DC pension scheme the amount that you receive at retirement is not guaranteed. If your pension is worth more than £30,000, it is a legal requirement that you take financial advice before transferring out of a DB scheme.

To find a financial adviser, visit [www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser](http://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser). There will be a charge for taking financial advice, so make sure that you check the costs before proceeding.

To request a transfer value (to see what the value of your pension pot would be if you transferred it to a DC arrangement), contact the Scheme administrator using the details on the back page.

If you are thinking about transferring your pension, please also read the article on the back page to make sure that you are aware of the signs of a possible pension scam.



## Summary Funding Statement

Every year, the Trustee of the ACE London Pension Scheme produces a Summary Funding Statement, like this one, to give you an update on the funding position of the Scheme.

This statement summarises the results of the actuarial valuation of the Scheme as at 30 June 2021, which was completed in 2022. A full actuarial valuation, which is a thorough review of the Scheme's financial position, takes place every 3 years. Our advisers also provide an up-to-date snapshot of the Scheme's finances on an annual basis and this statement includes a snapshot of the Scheme as at 30 June 2023.

### The full valuation (30 June 2021) and an updated snapshot (30 June 2023)

At 30 June 2021 the target level of assets was £105.2m and the actual assets were £45.1m above this.

At 30 June 2023 the target level of assets was £66.8m and the actual assets were £41.8m more than this.

The chart shows how the Scheme's assets and liabilities have changed over the last couple of years.

On 30 June 2021, the effective date of the last completed actuarial valuation, there was a £45.1m surplus in the Scheme against the target level of assets. Therefore at 30 June 2021 there was expected to be enough assets to pay all the benefits due to all current and future pensioners in the Scheme.

The target level of assets is calculated by our advisers using assumptions, described further below, that anticipate the Scheme is ongoing and continues to have the financial support of Chubb (the Company).

When we wrote to you last time, we reported a surplus of £38.0m at 30 June 2022.

Over the year to 30 June 2023 the Scheme's surplus has increased by £3.8m due to increases in gilt yields (which decreases the target level of assets) partially offset by less favourable returns on the Scheme assets. The assets of the Scheme have reduced in value but by less than the reduction in the liabilities, which has also contributed to an increase in the surplus. The Trustee invests the assets so that they move in a similar way to changes in the liabilities, so as to protect the funding position – the reduction in the value of assets is therefore not a concern and reflects our investment strategy, further details of which are available to you, as described below.

We expect the snapshot to change from year to year because the Scheme's finances depend on changes in global financial markets.

The next full actuarial valuation is due as at 30 June 2024.

### Assumptions

The Trustee employs an independent expert to provide regular checks on the Scheme's finances. These regular check-ups involve calculating a target level of assets. The latest update is shown below.

The target level of assets is the amount that is expected to be enough to continue to pay out all the pensions that members have already built up in the Scheme, based on assumptions about the future. For example, how long people will live; what inflation will be; and what returns will be earned on the Scheme's investments, amongst other factors.

Nobody knows exactly how much money will be needed to pay everybody's pensions. This will depend on how actual experience compares with the assumptions made.

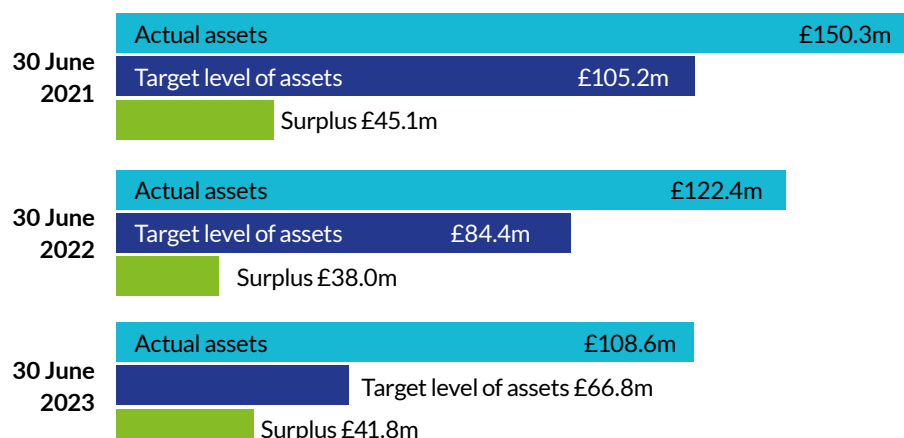
### Assets of the Scheme

The assets of the Scheme come from contributions paid by the Company together with investment growth. The assets of the Scheme are held separately from the Company and the Scheme's Trustee is responsible for investing this money.

The assets are held in a common fund – they are not held in separate pots for each member. Pensions are paid to retired members out of this common fund.

The Trustee is required by legislation to prepare and maintain a Statement of Investment Principles, setting out our investment strategy for the Scheme. This document is available online; it can be found at: <https://acechubb.pensions-directory.co.uk/>.

### Scheme funding level



## Summary Funding Statement questions

### What if the Scheme has to wind up?

The Company and the Trustee do not intend to wind up the Scheme. The Trustee is however required by legislation to monitor, and communicate to you, the impact on the Scheme should the Company no longer be able to support the Scheme. In this event, a wind-up of the Scheme is likely to begin and the responsibility for paying members' pension benefits would be transferred to an insurance company.

Insurance companies charge a premium to insure all members' benefits and the Trustee monitors this cost from time to time.

The most recent estimate provided by our independent advisers looked at the position on 30 June 2021. This estimate indicated that the Scheme would have been expected to have had sufficient assets at that date to make sure all members' pensions could be paid in full by an insurance company.

### Is my pension protected?

If the Company became insolvent and there was not enough money to secure benefits in full with an insurance company, members may not receive their full pension benefits.

To help members in this situation, the Government has set up the Pension Protection Fund. If the Scheme were to enter the Pension Protection Fund, the amount members receive may be less than the pension benefits built up for them in the Scheme.

The Pension Protection Fund rules are complex - the amount it will pay depends on the rules of the Scheme, whether a pension is already being paid, a member's age and the type of pension benefit.

More information and guidance about the Pension Protection Fund is available at [www.ppf.co.uk](http://www.ppf.co.uk) or by emailing them at [information@ppf.co.uk](mailto:information@ppf.co.uk), calling them on 0345 600 2541 or writing to PO Box 254, Wymondham, NR18 8DN.

### Is there anything else I need to know?

Regulations require us to confirm that since the last Summary Funding Statement the Company has not taken any money out of the Scheme and the Pensions Regulator has not intervened in the running of the Scheme. We are happy to confirm this.







## Protect yourself from pension scams

With the rise in the cost of living affecting your spending power, early statistics show that many people are beginning to turn to their pension scheme as a potential source of income. A report by the Financial Conduct Authority found that a quarter of consumers would consider withdrawing money from their pension earlier than planned to cover the increased cost of living.

If you are thinking about accessing your benefits early or transferring to a different scheme, please **be wary of scammers** who often target people facing financial difficulties.

Here are three common tactics they use:

- **Be cautious of “free pension reviews”, or any offers out-of-the-blue.**  
This includes adverts on social media, emails, comparison websites, door-to-door sales and phone calls. Pensions cold calling has been banned by the Government, so if you receive one, you should hang up straight away.
- **Scammers often promise unrealistically high returns on your investments.**  
They may offer to put your money into unusual or high-risk investments, which could result in you losing large sums of money.
- **An offer to access your pension early is probably a scam.**  
Offers to unlock or ‘liberate’ your pension by transferring out of the Scheme could result in a high tax charge.

One simple way to start is to check that anyone offering you advice is authorised by the Financial Conduct Authority, which you can verify on their website:  
<https://register.fca.org.uk/s/>

Find out more about pension scams:  
[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)  
[www.thepensionsregulator.gov.uk/en/pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams)

## Trustee Directors and Advisers

### The Trustee

Jeff Gunning (Chair)  
Sharon Ayre  
Hubert Belanger  
David Blair  
Sharon Goodenough  
Tim Saltmarsh

### Chubb Pension Trustee Limited

Member nominated  
Company appointed  
Member nominated  
Company appointed  
Company appointed  
Member nominated

### Scheme Actuary

Richard Harrison,  
Lane Clark & Peacock LLP  
Lane Clark & Peacock LLP  
Eversheds Sutherland LLP  
Capita

### Investment adviser

### Legal advisers

### Scheme administrators

## Keep us updated

Please let us know if you change your name or address so we can continue to contact you about the Scheme and your benefits.

Make sure that your Expression of Wish form is up-to-date so that your benefits can be left to the right person or people in the event of your death. Although the Trustee has the discretion to decide who should receive any benefits, your Expression of Wish form will help us to make a decision.

Please contact the Scheme administrator to request a form.

## Help & information

If you have a request or query related to the Scheme or your benefits, the Scheme’s administrator, Capita, can help. The administration team can be contacted on:

**Call:** 0114 229 8283

**Email:** [ACEpensions@capita.co.uk](mailto:ACEpensions@capita.co.uk)

**Write to:** Capita Employee Solutions, PO Box 555,  
Stead House, Darlington DL1 9YT