



GKN Group Pension Scheme No. 1 Newsletter



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Message from the Chair of the Trustee

Welcome to your latest edition of the newsletter for members of the GKN Group Pension Scheme (No.1) ('the Scheme').

We continue to monitor the Scheme's investments regularly, and we have included the Scheme's financials for both the DB and DC sections. You can find these and the respective investment performance figures on pages 7 to 9.

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

Mercer administration service

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

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

As we mentioned in last year's newsletter, there had been numerous issues with the level and quality of the service being provided by our administrators. Therefore, since last year, the Trustee has carried out a full market review and sought proposals from other providers. Aptia have been included in this process and they have put forward a detailed service transformation plan. Our market review is still ongoing and we will update you once a decision has been taken.

OneView

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

Pension fraud awareness

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

Climate change

Trustees of all UK pension schemes above a certain size are now required to produce a report outlining how they will identify, assess and manage the risks and opportunities related to climate change. Find out more on page 14.

GMP equalisation

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

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

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

Andrew McKinnon, Independent Chair
GKN Group Pension Scheme (No.1)

To help you find out more about the ongoing management of, and support for the Scheme you can request the following Scheme documents using the contact details on page 3:

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

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

Keep us updated

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

You should also keep your nomination form (expression of wish (EoW)) up to date, to assist with the payment of benefits to your beneficiaries in the event of your death (see below).

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

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

Online:

The best way to get in touch with Aptia is via the web-based platform, which provides an online form for member queries and access to documents. This platform is secure and allows all member enquiries to be appropriately allocated and promptly processed. You can access it on the link below:

www.pensionuk.aptia-group.com

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

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

By post:

GKN Pension Scheme No. 1
c/o Aptia Limited
Maclaren House
Talbot Road
Stretford
Manchester M32 0FP

Alternatively you can call on
0345 337 2456

DC members

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

Please contact them via www.legalandgeneral.com/gkn-scheme1

Nomination form

In the event of your death, your nomination form is used by the Trustee as a guide for the distribution of death benefits (EoW), which are payable at the Trustee's discretion*. It is therefore of utmost importance that we hold an updated nomination form for you, especially if your circumstances have changed recently. You can complete a nomination form online by visiting the following sites:

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

DC section members (with no DB membership) – www.legalandgeneral.com/gkn-scheme1

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

Protect yourself from cyber-crime

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

Data from UK Finance, the collective voice for the banking and finance industry, shows that criminals stole £580 million through scams and fraud in the first half of 2023. Banks prevented a further £651 million from being stolen during the same period.

The scale of the problem is likely to be even larger because people often don't realise they've been scammed until years after it's happened.

What to watch out for



> Computer viruses

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

> IT phone scams

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

> Fake websites

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

> Phishing

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

> SMS scams

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

Follow the tips below to stay safe online

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

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

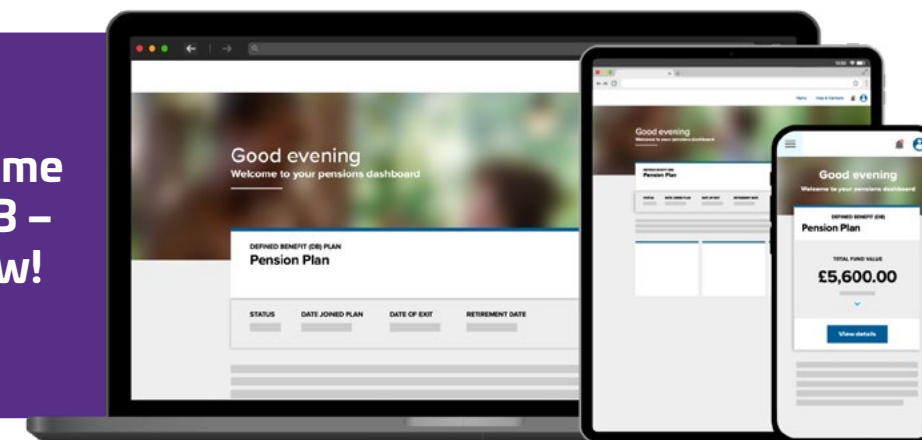
If you think you have been a victim of fraud, or you have been targeted, report it immediately. Phone Action Fraud on **0300 123 2040** or visit www.actionfraud.police.uk

You can also dial 159 to speak to your bank's fraud department. This service lets you check quickly and easily if an offer is genuine.

You can find out more about this service, including which banks are involved, at stopscamsuk.org.uk/159

OneView – take control of your future

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



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

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

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

Using OneView, you can:

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

Have you activated your OneView account?

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

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

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



You can view the video about what can be done on OneView by clicking on the QR code below, or visit <https://vimeo.com/932885132/8f04feae89?share=copy>

Still need help?

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

Changes to your benefit statements



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

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

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

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

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

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

**If you are a DB member, please contact Aptia (details on page 3).
If you have DC benefits only, please contact L&G (details below).**

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

- > Active membership since before 24 April 2013 go to www.aptiaoneview.co.uk/gkn
- > Members with DC benefits who joined after 24 April 2013, go to www.legalandgeneral.com/gkn-scheme1

The financial health of your Scheme

Income and Expenditure for the period 6 April 2022 to 5 April 2023

	DB Section Year to April 2023 £000s	DC Section Year to April 2023 £000s
Funds at the Beginning of the Year	1,042,376	157,963
Contributions and Other Income	2,387	24,979
Less Benefits and Expenses	(44,403)	(3,448)
Net return on Investment Performance	(272,830)	(4,879)
Net (Decrease)/Increase in Funds During the Year	(314,816)	16,652
Transfer between Scheme Sections	3,284	(3,284)
Funds at the End of the Year	730,814	171,331

Investment conditions were difficult during the year to 5 April 2023. This had a significant impact on the value of the Scheme's assets, which went down by around £270 million and led to the large negative performance figures shown on page 8. This was largely driven by an increase in gilt yields following the Government's mini-Budget in September 2022, which reduced the value of our Liability Driven Investments. Growth assets also struggled over this period, with equities and corporate bonds both delivering negative returns.

It is important to remember that it is normal for the Scheme's investments to fluctuate over time. Pension schemes invest over long periods, but asset values can rise and fall significantly in the short term due to market volatility. The Trustee will continue to monitor the Scheme's investment strategy and the performance of the Scheme's Fiduciary Manager who is responsible for investing the Scheme's assets.

Our investment approach means that the Scheme was able to weather the difficult investment conditions during the year and remain in a healthy financial position with the funding level still above 100% (see the enclosed summary funding statement for more details). This is because the value of the assets and the funding target went down by similar amounts. (The reduction in the funding target does not affect the benefits you have built up or any pensions in payment.)

Membership numbers as at 5 April 2023

	DB Section	DC Section
Current Employees	1,188	3,412
Deferred members	1,643	1,947
Pensioners	3,051	-
Total	5,882	5,359

- > Pensioners include 325 dependent beneficiaries as at 5 April 2023.
- > Included within pensioners are 153 pensioners whose pensions are paid from annuities held in the name of the Scheme.

The financial health of your Scheme DB Section

For the year to 31 March 2023, the overall return for the assets of the Scheme was $-29.3\%^*$. Performance against benchmark portfolio returns per asset class shown below:

Asset Class	12-month return	Benchmark
Liability hedging	-24.3%	-24.9%
Multi-strategy	-8.0%	-3.0%
Cash flow	-9.9%	-10.2%
Property	1.1%	-19.5%
Private Markets	-6.3%	N/A

*Please note that total asset performance excludes Walnut and Annuities. Walnut is the asset backed partnership arrangement that generates the £15M pa contributions.

How the DB Section was invested

	Value as at 31 March 2023 (£m)	Percentage
Liability hedging	421.6	57.7
Credit	31.1	4.3
Multi-strategy	140.6	19.2
Property	10.8	1.5
Private Equity	33.7	4.6
Cash**	21.4	2.9
Other**	71.6	9.8
TOTAL**	730.7	100.0

**Please note the following:

- > The asset values exclude investments in AVCs
- > We have included the net asset balance within cash
- > Other refers to investments in Partnerships and Annuities which have been taken from the 5th April 2023 Scheme accounts

The financial health of your Scheme DC Section

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

How the default funds performed

Shown below is the performance of the three default funds in the Scheme. If you would like to view performance for individual funds available under self-select, you can visit L&G's website www.legalandgeneral.com/gkn-scheme1 to obtain this information.

Return to 31 March 2023 Investment Sector Fund	1 Year		3 Year	
	Fund %	Index %	Fund %	Index %
GKN Growth Fund	(2.21)	(2.12)	15.52	15.75
GKN Diversified Fund	(6.59)	(6.44)	4.80	5.01
GKN Cash Fund	2.15	2.25	0.75	0.85

If you are in the default funds, you will be invested in the GKN Growth Fund until ten years before your selected retirement date. Between ten and five years before your selected retirement date, you will be invested in the GKN Diversified Fund. In the five years before your selected retirement date, an allocation of cash is introduced. The proportion of cash targeted at retirement will depend on how much of your DC fund is expected to be used to fund your DB lump sum. If you have DC only, then the default will be for you to be invested 25% in cash at retirement.

The remaining funds are available under the self-select options. Please note that if you would like to make your own choices, you should take some time to monitor your investments regularly to make sure they remain suitable for you. If you would prefer your pension pot to be invested in the default funds, you will need to check which funds your DC savings are currently invested in, and you can make changes if you wish to do so. You can do this via the L&G app (link.col8.co/launch) or the L&G website www.legalandgeneral.com/gkn-scheme1.

Your retirement savings checklist

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



Your State Pension

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

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

You can also get more information about the State Pension available to you by visiting:

www.gov.uk/state-pension – for people who reached their State Pension Age (SPA) before April 2016

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



Changes to the State Pension Age and Normal Minimum Pension Age

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

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

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

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

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



Understand what pensions you have

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

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

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



Consider topping up your retirement savings

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

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

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

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

Find out more about pension tax allowances at

www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions



Budgeting for retirement

The better you know and plan your own finances, the more confident you'll feel about the decisions you make now.

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

Visit www.retirementlivingstandards.org.uk



Seek independent financial advice or guidance

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

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

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

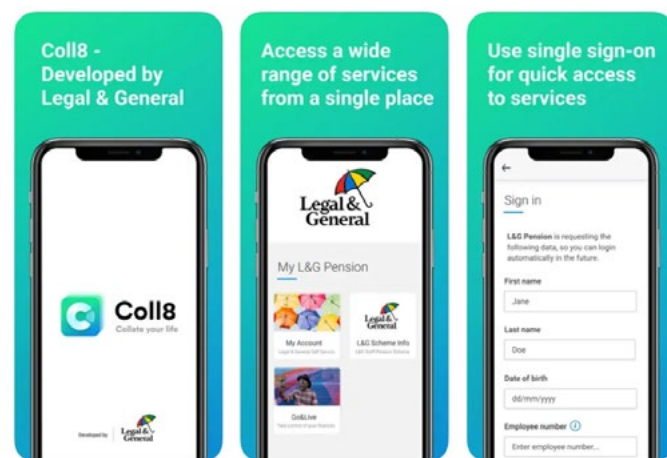
The L&G App is being updated!

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

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

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

Until further notice you can still use the current App on [Coll8.co](https://coll8.co)



Take a midlife MOT to plan for later life

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

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

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

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

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

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

Your Trustee Directors

Trustee Directors are appointed to ensure the proper running of the Scheme. Some Trustee Directors are appointed by the Company and some are Member Nominated and appointed for a five year term.

Independent Director



Andrew McKinnon
Independent Chair

Member Nominated Directors (MNDs)



Ken Boyle
Aircraft Electrician,
GKN Aerospace Filton

Company Appointed Directors



Michael Payne
Head of Treasury,
Melrose PLC



Tim Hodges
Retired HSE Manager,
GKN Aerospace Luton



Andrew Fisher
Director – Financial
Reporting, Melrose PLC

Trustee changes

Garry Barnes has stepped down from the Trustee Board and we welcomed Michael Payne to the role of Company Appointed Director from 7 March 2024. We'd like to thank Garry for his valuable service as a Trustee.

Pensions dashboards

The Pensions Dashboards Programme, led by the Money and Pensions Service, will enable you to see all your pensions – including your State Pension – securely online, helping you to plan for your retirement and rediscover any lost pensions.

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

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

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

Living up to our investment responsibilities

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

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



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



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



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

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

DC members

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

You can check and select where your pension pot is invested by visiting www.legalandgeneral.com/gkn-scheme1

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

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

New climate reporting

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

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

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

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



Useful resources

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

The Pensions Ombudsman

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

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

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

Gov.uk

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

MoneyHelper

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

Visit www.moneyhelper.org.uk

Age UK

www.ageuk.org.uk/information-advice – go to 'Work and learning' and search for 'Retirement'.

Here you can find useful resources, including a pension calculator, a 'planning for retirement' video, and a variety of links to help you with your finances (to either boost your current retirement income, or plan for the future).

The British Heart Foundation

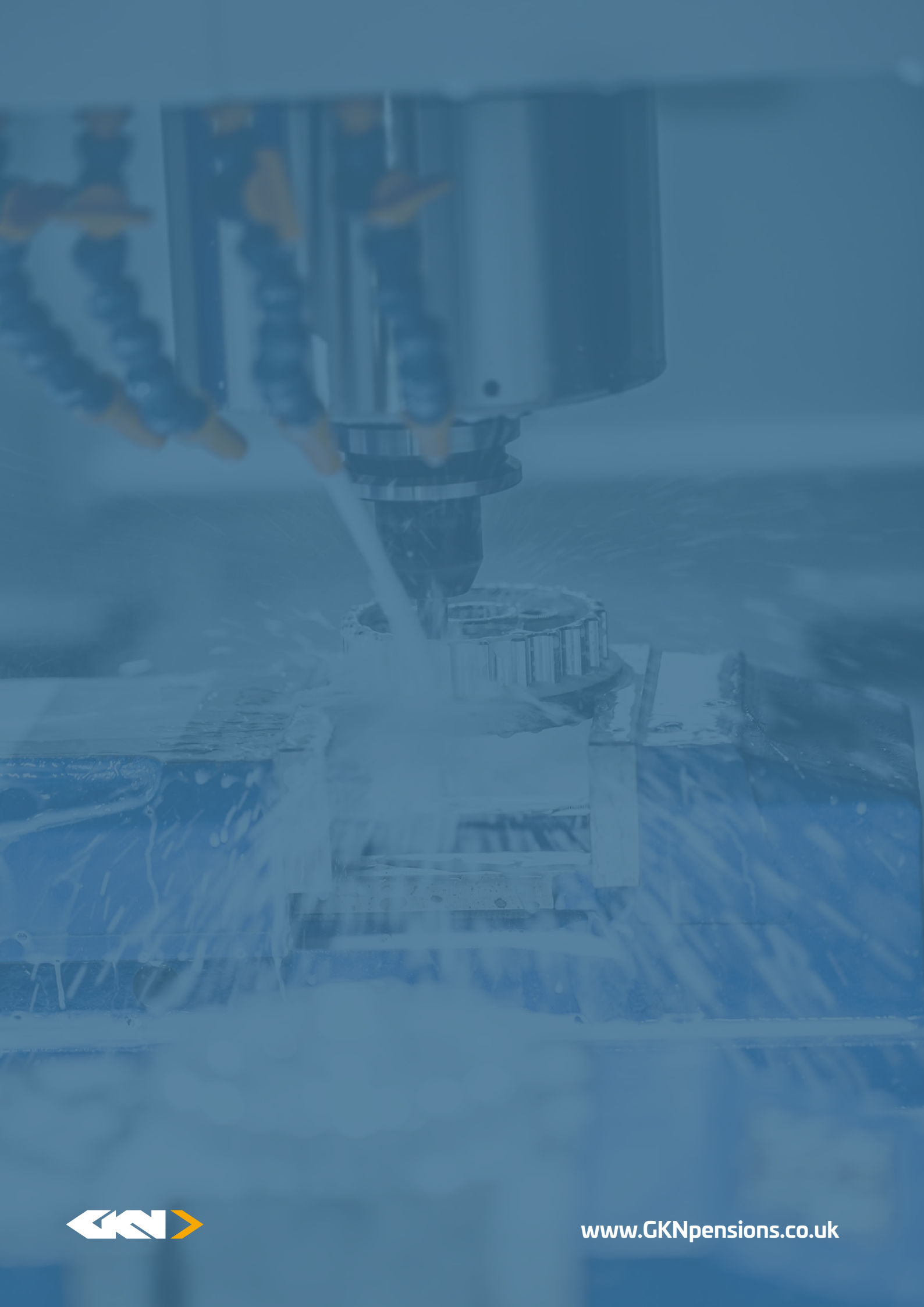
www.bhf.org.uk/information-support provides a range of resources, online communities and support groups.

Volunteering Matters

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

Unite Union

0844 870 5605 is the Unite helpline number.



www.GKNpensions.co.uk