



IMPERIAL TOBACCO  
PENSION FUND

# SUMMARY REPORT

2021

DEFINED CONTRIBUTION



## I COULD NOT HAVE IMAGINED WHEN I WROTE LAST YEAR'S REPORT HOW ALL OUR LIVES WOULD CONTINUE TO BE DISRUPTED BY THE GLOBAL PANDEMIC.

During the year, the Trustee Board and Investment Committee has continued to meet with its advisers regularly via video conferencing and the Pension Fund Office team has worked from home to deal with the administration of the Fund and support the Trustee Board.

Sadly, the pandemic has seen a rise in the incidence of pension scams as scammers have taken advantage of the uncertain economic climate to prey on the public. The Trustee Board is concerned about this increase and has signed up to the Pension Regulator's pledge to combat pension scams. The Board encourages you to be vigilant and alert to the risk and you will find some practical guidance on things to look out for on page 9.

The Trustee Board has spent time considering environmental, social and governance (ESG) matters and how these impact the Fund's investments. It has also developed a set of ESG beliefs to monitor the Fund's investment managers.

The Board has also carried out a strategic review of the investments offered in the Defined Contribution section with help from its advisers. It concluded that the funds offered to members remain appropriate and no changes have been made.

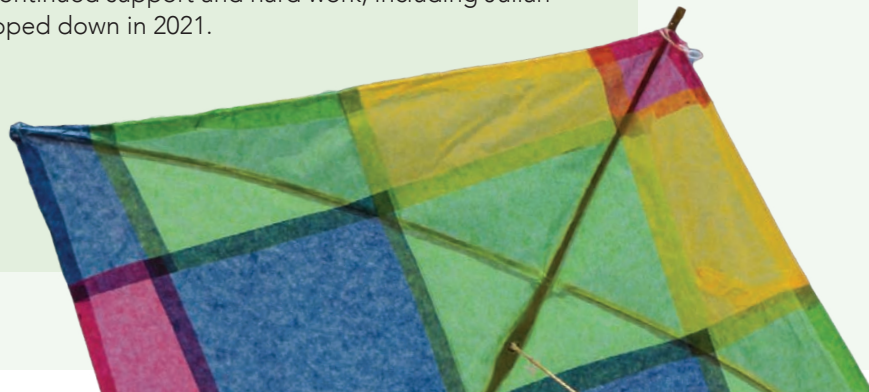
Finally, I would like to welcome Kirsty Green-Mann to the Trustee Board and, at the same time, thank all other Trustees for their continued support and hard work, including Julian Banks and Tom Tildesley who have stepped down in 2021.

I hope you all keep safe and well.

**HELEN CLATWORTHY**  
Trustee Board chair

Fund  
VALUE  
£55.1m

Fund  
MEMBERSHIP  
1.4k



## AEGON'S CHANGE OF POSTAL ADDRESS

The day-to-day administration of the DC section is carried out by Aegon. Members are welcome to get in touch with the Pension Fund Office but, in the first instance, should contact Aegon.

✉ [my.pension@aegon.co.uk](mailto:my.pension@aegon.co.uk)

**Fund helpline: 0345 601 7720**

In April 2021, Aegon changed its postal address. When sending letters, documents or forms, please use:

**Aegon Workplace Investing  
Sunderland  
SR43 4DH**


## We want to know what you think

The Trustees are keen to hear your views. If you would like to tell us something about our service (or Aegon's) or give us suggestions to help us improve, please email the Pension Fund Office at [pension.enquiries@uk.imptob.com](mailto:pension.enquiries@uk.imptob.com)

## Changes to pension taxes

The Lifetime Allowance (LTA) is the maximum amount of pension savings you can have at retirement from all pension schemes without incurring an additional tax charge. In the Spring Budget 2021 it was

announced the LTA will be frozen at £1,073,100 until the 2026/27 tax year. The Annual Allowance (AA) remains unchanged for 2021/22.

To find out more, go to:  
 [gov.uk/tax-on-your-private-pension](https://gov.uk/tax-on-your-private-pension)

## Your data

The Trustees hold data about members to help run the Fund. How personal data is held and used is set out in the Fund's Privacy Notice (copies available from the Pension Fund Office). The Trustees may share the data with third parties for a variety

of reasons, including verifying the accuracy of your personal information, such as your address. To help with this data verification the Trustees have appointed a specialist firm, LexisNexis.




# It's never too soon to picture your future...

We all want to experience a good standard of living in retirement and hopefully have more time and resources to spend doing the things we enjoy.

For many members of the Fund, retirement may seem a long way off but thinking about what you want it to look like now can help you plan better for the future.

The Pensions and Lifetime Savings Association has devised the Retirement Living Standards to help give individuals a better idea of what life after work could cost.

The standards look at three different income levels for single people and couples and the standards for a couple are shown in the table on the next page.

More information and details for single people can be found at:  
 [retirementlivingstandards.org.uk](https://retirementlivingstandards.org.uk)



### Remember:

- the more you save now, the more time your savings have to grow
- Imperial pays contributions up to a maximum of 14% for a 7% contribution from you
- Using the retirement planner tool on Aegon's TargetPlan website will give you some indications of how your pension savings can be converted into annual income amounts on retirement



You can check to see if you can afford your retirement living standard of choice by combining your State pension, your Imperial pension savings and any savings from other pension schemes or policies.

The retirement planner tool on Aegon's website can tell you what you should be saving now.

### Your State Pension:

How much State Pension you receive depends on your National Insurance contribution record and when you reach State Pension Age. To check your State Pension forecast visit [gov.uk/state-pension-age](https://www.gov.uk/state-pension-age)

### Retirement Living Standards:

	MINIMUM	MODERATE	COMFORTABLE
COUPLE	£15,700 a year	£29,100 a year	£47,500 a year
WHAT STANDARD OF LIVING COULD YOU HAVE?	Covers all your needs, with some left over for fun	More financial security and flexibility	More financial freedom and some luxuries
 HOUSE	DIY maintenance and decorating one room a year.	Some help with maintenance and decorating each year.	Replace kitchen and bathroom every 10/15 years.
 FOOD & DRINK	A £67 weekly food shop.	A £74 weekly food shop.	A £91 weekly food shop.
 TRANSPORT	No car.	3-year old car replaced every 10 years.	Two cars, each replaced every five years.
 HOLIDAYS & LEISURE	A week and a long weekend in the UK every year.	2 weeks in Europe and a long weekend in the UK every year.	3 weeks in Europe every year.
 CLOTHING & PERSONAL	£460 per person for clothing and footwear each year.	£750 per person for clothing and footwear each year.	Up to £1,500 per person for clothing and footwear each year.
 HELPING OTHERS	£10 for each birthday present.	£30 for each birthday present.	£50 for each birthday present.

## Contributions – the more the merrier!

Are you on track to meet your retirement goals? Paying a little more each month could make a big difference.

There are four core rates of contribution available to employees, where the Company pays a 'matching' contribution rate of double the rate chosen by you. It is always a good idea to pay contributions at the highest rate you

can, to get the most from the Company contribution.

Anyone joining the Pension Fund is automatically enrolled on a 4% employee contribution rate, until they choose otherwise. You can change your contribution rate in Workday, under the Benefits section by amending your benefit elections.

You can pay more than 7% if you wish but the maximum contribution from the Company in these circumstances will be 14%. You will also get tax relief on what you put in

and may even get savings on National Insurance too. This means that a 1% increase in your pension contributions **does not** mean a 1% decrease in your monthly take home pay, so increasing your contributions will not cost you as much as you may think.

	Percentage of your pensionable pay			
Employee contribution rate	4%	5%	6%	7%+
Company contribution rate	8%	10%	12%	14%
Total invested	12%	15%	18%	21%+

### Cost of increased contributions if your salary is £30,000

7% from you each month	£175
14% contribution from the Company	£350
Total contribution to your account = 21%	£525
Effective monthly cost to you	£119

# Your investment options

Saving for your retirement in the Imperial Tobacco Pension Fund gives you the option of taking a 'hands-off' approach by having your pension contributions invested for you through one of the Fund's Lifecycle strategies or you can choose to play more of a 'hands-on' role by self-selecting one or more of the seven funds on offer.

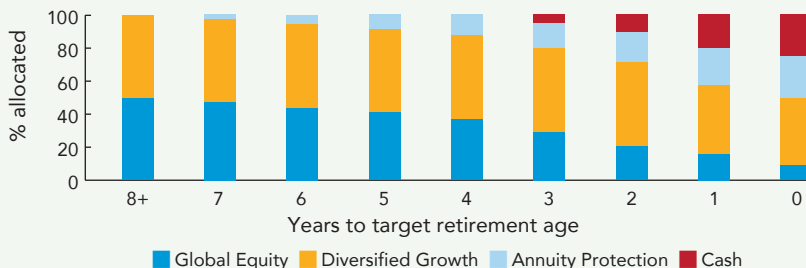
More than 90% of members have their pension contributions invested in the Variable Income Lifecycle strategy and the performance of the component funds over the past year, compared with the benchmark, are shown here.

The equity and diversified growth fund investments underlying the default arrangement have performed well and bounced back from the low levels last year at the start of the pandemic.

Information about the performance of all the funds offered is available online at the TargetPlan website:

 [lwp.aegon.co.uk/targetplan](http://lwp.aegon.co.uk/targetplan)

## VARIABLE INCOME LIFECYCLE

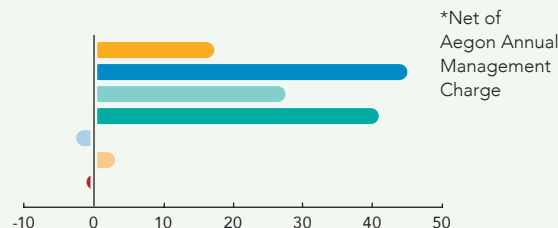


## FUND PERFORMANCE to 31 March 2021

	Actual return	Benchmark return
ITPF Global Equity Fund	44.1%	44.1%
ITPF Diversified Growth Fund	16.5%	4.0%
ITPF Annuity Protection Fund	-1.9%	-2.2%
ITPF Cash Fund	-0.3%	-0.1%

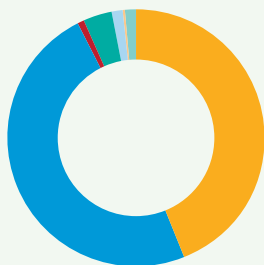
## FUND RETURN (%)\*

- Diversified growth: 16.5
- Global equity: 44.1
- UK equity: 26.7
- Overseas equity: 39.9
- Annuity protection: -1.9
- Index-linked gilt: 2.3
- Cash: -0.3



## FUND VALUE

DC Section Fund investments (£000s)



Diversified growth:	24,229
Global equity:	26,804
Cash:	519
Overseas equity:	1,966
Annuity protection:	831
Index-linked gilt:	141
UK equity:	633
<b>TOTAL:</b>	<b>55,123</b> (2020: 38,354)

## FUND MEMBERSHIP

at 31.03.21 (last year's in brackets)



Employees: **630** (599)



Deferreds: **753** (719)

### Aegon's TargetPlan website

All DC members have access to Aegon's TargetPlan website, which can be used to monitor and manage your Retirement Account whenever you want.

Once you have registered and logged in, remember to check out your personalised pension video summary. This has been designed to help you understand where you are on your retirement journey and includes details of your investments: the current value of your pension pot, details of how it is invested and the other investment choices available.

### How to register to access your Retirement Account (RA) online:

- 1 Visit [lwp.aegon.co.uk/targetplan](http://lwp.aegon.co.uk/targetplan) and click on 'Activate'.
- 2 Enter your RA number, surname and National Insurance number.
- 3 Answer the security questions then create your user ID and password.

### Through TargetPlan you can

- ✓ **see** the value of your retirement savings
- ✓ **check** which funds your Retirement Account invests in
- ✓ **explore** what other investment funds are available
- ✓ **make changes** quickly and easily online
- ✓ **learn** more about pensions and your options when you get to retirement



# WATCH OUT! There may be a scammer about...

There is currently a heightened risk of scam activity, as scammers look to take advantage of the economic uncertainty surrounding the COVID-19 pandemic.

And methods to fraudulently access pension savings are becoming more sophisticated and include emails, text messages, unsolicited calls (which are illegal) and copycat websites.

Typically, a pension scam begins when someone contacts you unexpectedly about your savings, perhaps offering an 'investment' opportunity, a way

to access your savings before the age of 55 or an unexpected tax rebate.

If you think you've been the victim of a pension scam, call Action Fraud on 0300 123 2040 or report the scam online at [www.actionfraud.police.uk/reporting-fraud-and-cyber-crime](https://www.actionfraud.police.uk/reporting-fraud-and-cyber-crime). You can also speak to The Money and Pensions Service on 0800 011 3797.

The Trustees of the Imperial Tobacco Pension Fund have signed up to the Pension Regulator's pledge to combat pension scams.

## How to protect yourself

**1) Reject unexpected offers:** If you are contacted out of the blue about a pension opportunity, the chances are it will be high risk or a scam. If you receive a cold call about your pension the safest thing to do is hang up. Be wary of free pension review offers.

**2) Check who you are dealing with:** Check if the person or company contacting you is on the Financial Services Register at [fca.org.uk/firms/financial-services-register](https://fca.org.uk/firms/financial-services-register) or call the FCA on 0800 111 6768. If you call the person or company back, use the phone number listed on the Financial Services Register.

**3) Don't be rushed or pressurised into a decision:** Take all the time you need to check the validity of an offer – even if it means missing out on an 'amazing deal'. Be wary of promised returns that sound too good to be true.

**4) Get impartial information or advice:** The Pensions Advisory Service ([pensionsadvisoryservice.org.uk](https://pensionsadvisoryservice.org.uk)) provides free independent and impartial information. If you are over 50 and have a DC pension pot Pensionwise ([pensionwise.gov.uk](https://pensionwise.gov.uk)) offers pre-booked appointments to talk through your retirement options.



Kirsty Green-Mann

In the 2020 Annual Review, we shared with you the news that Julian Banks was stepping down from the Trustee Board in February 2021. Julian had been a valued Member Nominated Trustee (MNT) for the pensioner and deferred member population for the past six years. He has been replaced by Kirsty Green-Mann, who previously served as an employee MNT from 2016 to 2018.

Tom Tildesley, one of the Company nominated trustees, has left Imperial and details of his replacement will be announced in due course.

Imperial Tobacco Pension Trustees  
Limited board of directors:

*Nominated by Imperial Tobacco:*

Helen Clatworthy (chair)

David Fripp (independent trustee  
director)

Darren Lees (head of finance, UK &  
Ireland)

Nick Welby (director of  
business services)

*Nominated by pensioners and  
deferred members:*

Kirsty Green-Mann

Ken Hill

*Nominated by employees:*

Sam Miller (insights and intelligence  
director)

### **Pension Fund Office**

Jan Killick (pensions manager and  
secretary)

Leigh Callaghan (deputy pensions  
manager)



### **Imperial Tobacco Pension Fund**

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✉ pension.enquiries@  
uk.imptob.com