



Looking after your loved ones

Have you made an Expression of Wish?

This lets you tell the Trustee where you'd like the tax-free lump sum to be paid if you die before you've taken your benefits, or if you die within the first five years of retirement. It's important to keep this up to date because if the Trustee doesn't know where the money should go, there could be a delay and the payment might be taxed - which would reduce the sum considerably.

If you have not made an Expression of Wish, or your circumstances have changed, you can update your details on ePA.

Alternatively, an Expression of Wish form can be found at www.unitedutilities.com/pensions or by contacting WTW.

Pension Scams

Don't be tricked into transferring your pension into a false scheme and losing all your money! Pension fraudsters can be smart, pleasant, charming and financially knowledgeable. Don't be fooled.

Anyone can be the victim of a pension scam, no matter how financially savvy you think you are. Spot the warning signs and avoid being caught out:

1. Always reject unexpected calls, emails, texts or social media approaches about pensions.
2. Be very wary if you're offered a free pension review.
3. Never allow yourself to be rushed into a decision.
4. If a pension or investment offer sounds too good to be true, it probably is. Steer clear.
5. Do research on anyone offering you financial advice. Check the Financial Conduct Authority (FCA) register at www.fca.org.uk or call 0800 111 6768 to make sure they are FCA-authorized.



Benefit statements

Benefit statements for all active members will be available on ePA shortly – active members will receive an email to let them know when the statements are available.

WTW

Willis Towers Watson, the administrators of your UUPS DB benefits, have recently rebranded to become WTW. This does not have any impact on your benefits, and the email address for enquiries remains as uups@willistowerswatson.com - we will let you know if this changes in future.

Contact Information



Obtaining information about your pension

DB benefits - WTW
Email: uups@willistowerswatson.com
Telephone: 0113 394 9309

You can also visit ePA <https://epa.towerswatson.com/accounts/UUP/> to view your DB pension benefits including your annual benefit statement if you are an active member and your recent payslips/P60 if you are already in receipt of a pension.

DC/AVC - Aegon
Web: my.pension@aegon.co.uk Telephone: 01733 353481

You can also visit www.aegon.co.uk/targetplan for details of your DC/AVC account, or download the 'Aegon UK' app from the iTunes App Store or Google Play Store (you will need to have previously accessed your online account at www.aegon.co.uk/targetplan before being able to use the app).



www.unitedutilities.com/pensions
UU pensions website - for general information on the scheme, including the scheme booklet

Other helpful contacts:

www.gov.uk
Government information and services across a wide range of subjects, including state pension provision
www.gov.uk/state-pension-statement
Government site to obtain a quotation of your state pension and check your state pension age
www.gov.uk/government/publications/easy-read-new-state-pension
Government site where you see an easy-read guide to the new state pension

www.moneyhelper.org.uk
MoneyHelper, from the Money and Pensions Service (MaPS) brings together the support and services of 3 government-backed financial guidance providers:

- Money Advice Service – free and impartial money advice
- Pensions Advisory Service – impartial guidance for people with workplace and personal pensions
- Pension Wise - service providing guidance about defined contribution (DC) arrangements (including AVCs) for those aged over 50

www.fca.org.uk
The Financial Conduct Authority (FCA) is the UK's financial regulator. Firms and individuals must be authorised or regulated by the FCA to carry out certain activities. You should always check the FCA register or call 0800 111 6768 to make sure anyone offering you financial advice is FCA-authorized.

www.thesilverline.org.uk (or call 0800 470 8090)
Free website and 24 hour helpline providing information, advice and support for older people



www.unitedutilities.com/pensions



Pension News

For members of the UUPS with Defined Benefit (DB) benefits

October 2022

Welcome to the latest newsletter for contributing, deferred and pensioner members of the United Utilities Pension Scheme (DB sections).

Your Trustees

You may recall that an election for two member-nominated Trustee Director positions was held in early 2022.

Thank you to all members who took part in the process, either by putting themselves forward or voting in the election. It was great to see so many members interested in using their voice by becoming member-nominated Trustees. We are pleased to confirm that the successful candidates were Andrew Lambert and Dale Walker, who started their terms of office in March 2022.

The Trustee Board is made up of five member-nominated and five company-appointed Trustee Directors, who are all there to ensure that the Scheme is run correctly for the benefit of all members. There will be a further opportunity for you to get involved with the running of your scheme in early 2024, when the remaining three member-nominated Trustees will reach the end of their current terms.

Reducing paper use and helping the environment



The Trustee is looking at ways to cut down on paper usage - and we are therefore looking at ways that we can work with WTW to achieve this. Over time, we intend to start issuing any communications electronically where we can. To consent that you are happy for us to do so, please register your email address and confirm your preference to do so on ePA (<https://epa.towerswatson.com/accounts/UUP/>).

Extra help

Did you know that United Utilities has a Priority Services register for those customers who might need some extra support?

This could be due to age, ill health, disability, mental health problems, financial worries or language barriers. If you are a customer of United Utilities, you can register for Priority Services (completely free) to benefit from additional services to support your particular needs. United Utilities can also offer support for those who might be struggling to pay their water bill in these difficult times.

For more information on the support available, visit www.unitedutilities.com/help-and-support or call 0345 072 6093 (for priority services) or 0800 072 6765 (for financial difficulties).



Report & Accounts

The annual report and accounts at 31 March 2022 for the UUPS has been audited and signed - WTW can provide a copy on request.



Scheme funding

How is the Scheme looking?

The Trustee and their advisers monitor how much money the Scheme has (the 'assets') and the money it is likely to have to pay out now and in the future (the 'liabilities'), and every three years, carry out a full actuarial valuation of the Scheme. The results of the Scheme Actuary's latest full valuation as at 31 March 2021, and the approximate update to 31 March 2022 are shown below.

	31 March 2021	31 March 2022
Assets (money in the pot)	£3,487 million	£3,533 million
Liabilities (amount expected to be paid out)	£3,345 million	£3,345 million
Surplus	£142 million	£188 million
Funding Level	104%	106%

The Scheme is currently in surplus i.e. the Scheme's assets are greater than the value of the liabilities. As such the Scheme does not need to put in place a recovery plan.



members might live in future (i.e. how long pensions will be paid for in future) and this resulted in an improved funding position.

In addition, the Covid-19 crisis had a huge impact on investment markets, particularly throughout Spring 2020. 31 March 2020 (the date of our previous formal update) was right at the height of this. The impact was to reduce the assets relative to the value of the liabilities at that date. There has been significant recovery since 31 March 2020 which has also led to the improved funding position shown above.

Why has the funding position changed since 31 March 2021?

Market conditions over the last few years have been volatile, and we go into more detail below. Nevertheless, over the last year, the assets the Scheme holds have performed better than the liabilities. This means the funding position has improved.

You may have seen in the news that the rate of inflation reached its highest level for 30 years in February 2022. The Bank of England has moved to control inflation by increasing

Hybrid section members:

- The Company pays contributions of 29.7% of defined benefit (DB) core pensionable earnings for the cost of future DB pension benefits
- As the total cost of future benefits remains below 40%, current contributing members pay 10% of pensionable earnings for the cost of future DB pension benefits

Mirror Image Scheme (MIS) section members:

- The Company pays contributions of 42.6% of capped pensionable earnings for the cost of future pension benefits
- Current contributing members pay 7.5% of capped pensionable earnings for the cost of future pension benefits

How has the funding position changed since we last sent you summary funding statement?

When we last sent you a summary funding statement we reported that the Scheme had a deficit of £218m as at 31 March 2020, equivalent to a funding level of 94%. One reason for the change in funding position since then is because of detailed analysis that the Trustees carried out as part of the 31 March 2021 actuarial valuation. The valuation is a chance for the Trustees to consider in detail the assumptions we used to place a value on the future liabilities. As a result of this analysis, the Trustees slightly revised their expectation of how long



bank base rates – it predicts this will bring inflation below the target within three years. However, in reality, there is a wide range of views on the potential outcome.

Various factors can affect financial markets. For example, in recent months, issues like the conflict in Ukraine, the state of the global economy, rising prices of goods and services, and the continuing impact of Covid-19 have all contributed to market volatility and rising inflation.

Whilst the Trustee is conscious of the impact of changes in financial markets on the Scheme's funding position, it is important to remember that pension schemes are long-term arrangements. Our view is that there is no need to overreact to short-term fluctuations where these are not expected to significantly affect the security of members' benefits.

As you can see from the table above, the Scheme is in a positive financial position with the assets currently higher than the liabilities. Over time, the Trustee has worked to reduce risk in the Scheme. The investment strategy has been selected so that any change in the value of members' benefits is broadly matched by movements in the assets held, which significantly

reduces exposure to financial market fluctuations. However, there is still an element of volatility remaining which has led to a slight improvement in the Scheme's funding position since the 31 March 2021 valuation date.

What is the wind-up funding position?

The "wind-up" funding position is an estimate of the amount we would need if we were to secure all the Scheme's benefits with an insurance company. If the Scheme had been wound up at 31 March 2021, the deficit in the Scheme's assets compared to the cost of securing members' benefits with an insurance company is estimated to have been £7 million, equal to a funding level of 99.8%. We look at this situation to understand the Scheme's financial health and the extent to which this relies on the continuing security of the Company. It does not mean that the Company is thinking of ending the Scheme. The Company presents regular updates on its financial position to the Trustee and the Trustee is satisfied that the Company is able and willing to continue supporting the Scheme.

Other information

Legislation requires us to tell you if there have been any payments of surplus to the Company in the last 12 months, or if the Pensions Regulator has modified the Scheme or given it any directions. We can confirm that there have been no such payments, modifications or directions.

Looking forward

The next formal actuarial valuation is due to be carried out as at 31 March 2024 and the Trustee and Company will start having discussions in early 2024.



Minimum pension age

The government has recently confirmed a change to the normal minimum pension age, which is the earliest age that you can usually access your pension savings. The minimum age is currently age 55 – however this is rising to age 57 from 6 April 2028. This change will not affect you if you retire due to ill health, or if you qualified for an earlier protected pension age. If you are not sure whether the changes apply to you, please contact WTW.



Sustainability



Managing the Scheme in a sustainable and responsible way is a priority for the Trustee. This includes the investments made to protect the long term value of pension savings, as well as the way we work as a Board. Some examples of activity in this area include:

- Monitoring climate-related metrics such as the carbon footprint of our investments
- Making sure that our investment managers consider environmental, social, & governance factors in their decision-making
- Embedding sustainable investment funds within the DC fund range available to our members with hybrid benefits
- Engaging with the sponsoring employer to discuss the employer's corporate responsibility approach and its environmental policies and practices, including "net zero" emissions commitments.

You can read more about this in our annual Implementation Statement, available on the UU pensions website www.unitedutilities.com/pensions

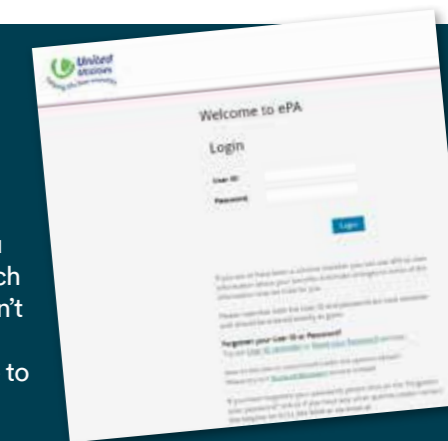
Keeping us up to date

Your pension is a very important benefit...

so it's essential to keep your contact details up to date. It means we can pay your benefits promptly and accurately and the Scheme is administered efficiently. You can update your details by logging in to ePA.

The Trustee is also working to improve the completeness and accuracy of its records in relation to dependants' details.

We will be sending you a letter about this, which will arrive soon if it hasn't already. It is important, so please take the time to respond.



Pensions Dashboards

With record numbers of people saving for retirement, it is more important than ever that people understand their pensions and prepare for financial security in later life. Pensions Dashboards is a government-run scheme which will allow you to view all your pension information, across all pension providers, in one place online. It is expected to improve the way we plan for retirement and help us make the most of our savings.

Pensions Dashboards are being developed over the next few years and we'll let you know in future newsletters when the UUPS is on board.

You'll be able to view all your State Pension information on your pension dashboard too. The date you become eligible, the forecasted state pension amount and the estimated amount based on your national insurance record will all be included.

See more information at pensionsdashboardsprogramme.org.uk

