

Financial awareness courses

For those still employed by UU, the Company runs four courses to help you with your planning for retirement, including wider financial guidance:

- Planning for retirement
- Pre-retirement
- Planning your financial future
- Maximising your financial future

There are courses planned between now and March 2020 so if you haven't been on one yet, you can book via ESS.

Privacy notice

The Scheme's privacy notice has been updated. The notice tells you what happens to your personal information that is held by the Trustee and can be found on the pensions website in the Information Library.

ESPS AGM

This year's central Scheme Annual General Meeting of ESPS members was held on 25 November 2019 in London. Please contact RPMI (contact details on page 6) if you require any details of the proceedings of the meeting.

Expression of wish forms

The Trustee would like to remind members of the importance of completing an Expression of Wish form. The form informs the Trustee of members' wishes regarding any lump sum which may be payable on death. A lump sum is usually payable where a member dies before retirement or when a pensioner member dies within the first five years of retirement.

If you have not completed a form, or if your details are not up to date, a form can be accessed at www.unitedutilities.com/pensions or by telephoning RPMI (contact details on page 6).

Keeping us up to date

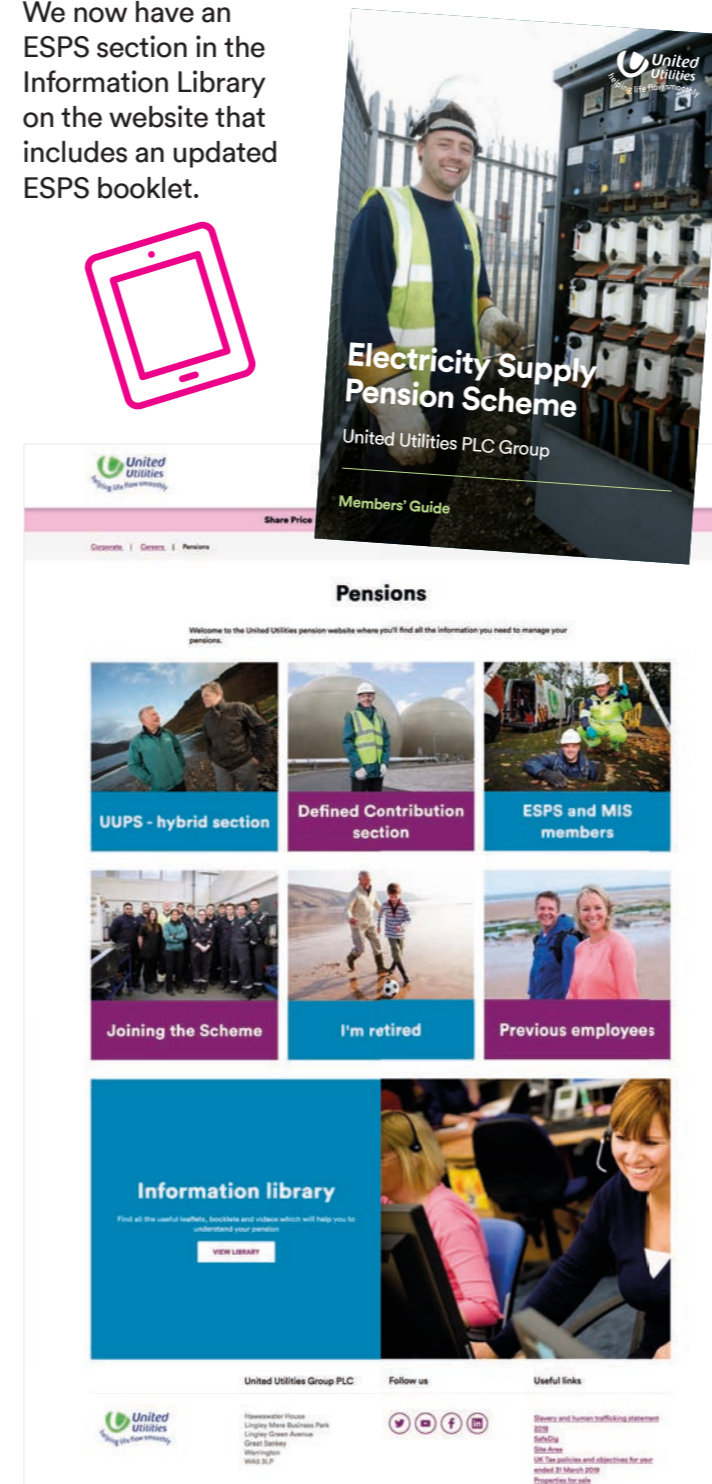
Your pension is an important benefit. It is essential that we keep your pension record up to date in order to pay your benefits promptly and accurately and to administer the Scheme efficiently. You can update your details, including spouse's information, by contacting RPMI (contact details on page 6).

UU pensions website

There is lots of useful Scheme information available on the pensions section of the United Utilities' website.

You can access the website at: www.unitedutilities.com/pensions.

We now have an ESPS section in the Information Library on the website that includes an updated ESPS booklet.



Need an IFA?

The Trustee, the Company and the Scheme Administrators are unable to provide you with financial advice. If you are uncertain of the best option for you, you should take independent financial advice. If you do not have a financial adviser, you can find one in your area at www.unbiased.co.uk. Please remember to check that whoever you speak to is properly qualified to advise you.

Obtaining information about your pension

If you have a query regarding your pension you should contact the administrator, RPMI, in the first instance:

Telephone: **02476 472 583**
Email: enquiries@rpmi.co.uk
Address: **RPMI
Unit 2
Rye Hill Office Park
Birmingham Road
Coventry CV5 9AB**

Please quote 'UU ESPS' and your National Insurance number in all correspondence with RPMI.

Useful 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.pensionsadvisoryservice.org.uk**
Impartial guidance for people with workplace and personal pensions
- www.moneyadvice.org.uk**
Free and impartial money advice, set up by the government
- www.pensionwise.gov.uk**
Government service providing guidance about defined contribution (DC) arrangements (including AVCs) for those over 50
- www.thesilverline.org.uk**
(or call 0800 4 70 80 90)
Free website and 24 hour helpline providing information, advice and support for older people

Pension News

Welcome to our latest newsletter, for all members of the UU PLC Group of the ESPS

December 2019

Message from the Chair of Trustees

Welcome to the second of this year's newsletters for active, deferred and pensioner members of the UU ESPS (the Scheme). It has continued to be a busy year for the Scheme and I hope you find the information in this newsletter useful.

Following completion of the 2018 valuation, the Company made an advance payment of deficit repair contributions totalling £21.438m into the Scheme in Spring 2019. This improved the funding position to approximately 99.3% and reduced the deficit to approximately £3.8m. The Trustee welcomed the advanced payment and the resulting positive effect on the funding level of the Scheme. Your annual funding statement for 2019 can be found on page 2. The Trustee continues to monitor the funding level every three months and will provide further annual updates in future newsletters.

With best wishes,
Gary Dixon, Chair of the Trustees

Pensioner Christmas pay date

Retired members receive their monthly pension payments on the last working day of the month, with the exception of December. The pay date for December 2019 is 20 December.

Your Trustee Directors ('Trustees')

Member Elected	Company Appointed
Keith Aitchison* (3/4)	Gary Dixon (Chair)* (4/4)
Pauline Richardson* (4/4)	Allan Heron (4/4)
Bob Ward (3/4)	Colin Maloney (4/4)

*receiving a pension from the Scheme

Trustee meeting attendance is shown in brackets. Your Trustees are appointed to ensure that the Scheme is run in accordance with the Trust Deed & Rules and overriding legislation, and to act in the best interests of the membership as a whole.

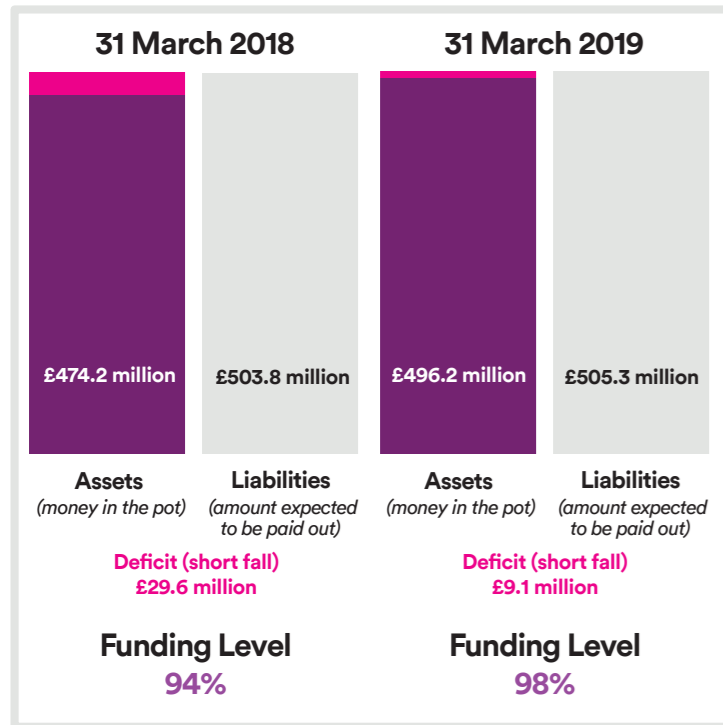
Contact details

DB - RPMI
enquiries@rpmi.co.uk 02476 472583
AVC - Aegon
my.pension@aegon.co.uk 01733 353481



Your annual funding statement

At least once every three years the Scheme Actuary carries out a full financial review of the Scheme, called an actuarial valuation. The valuation considers how much money the Scheme has (the 'assets') against the money it is likely to have to pay out now and in the future (the 'liabilities'). The results of the Scheme Actuary's latest formal valuation as at 31 March 2018, and his approximate update to 31 March 2019, are below.



What are the Trustee and Company doing to continue reducing the deficit?

In Spring 2019 the Company made advance payment of the deficit reduction contributions due for the period April 2019 to September 2024 as two lump sum amounts totalling £21.438m. The 2019 asset figure in the table above includes the first advance contribution payment of £16.088m. Following the second advance payment of £5.35m, the deficit is estimated to have reduced to approximately £3.8m. This is expected to be funded through returns from the Scheme's investment strategy over the remaining period to September 2024.

Future benefits

- The Company pays contributions of 60.9% of pensionable earnings for the cost of future pension benefits

- Current active members pay 6% (on average) of pensionable earnings for the cost of future pension benefits

How has the funding position changed since 31 March 2018?

Liabilities have increased slightly over the period mainly due to falling gilt yields. However, assets have increased by a larger amount due to the investment return on Scheme assets and the advanced deficit repair contributions paid by the Company in Spring 2019. This has led to a reduction in the deficit to approximately £3.8m.

What is the wind-up funding position?

If the Scheme had been wound up at 31 March 2019, the deficit in the Scheme's assets compared to the cost of securing members' benefits with an insurance company is estimated to have been £60m, equal to a funding level of 89%. 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. The Trustee has taken independent advice and 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 2021 at the latest and completed by 30 June 2022. Discussions will begin between the Trustee and the Company in early 2021.

The Trustee and the Company regularly monitor the funding level to assess whether any action is needed to correct the Scheme's financial position before the next full valuation is carried out.

Investment of Scheme assets



The Trustee's policy in relation to the investment of Scheme assets is set out in its Statement of Investment Principles (SIP). From October 2019, trustees are required to include the following in the SIP:

- Information advising how they take account of financially material considerations including those arising from environmental, social and governance (ESG) considerations, including climate change
- A statement as to the extent that non-financial matters, such as members' views, are taken into account
- Policies on stewardship, including engagement and exercise of voting rights

The Trustee has considered these points with its Investment Adviser, Mercer, and agreed an updated SIP. If you would like to see a copy of the updated SIP, this can be accessed via the Information Library in the pensions website at www.unitedutilities.com/pensions

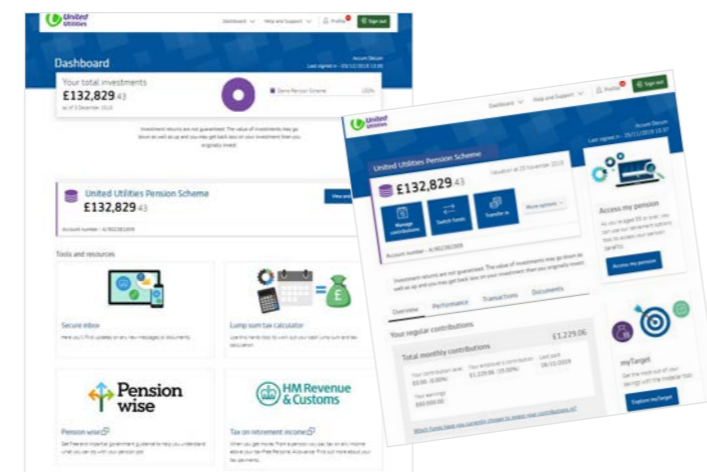
AVCs

Active members who have paid Additional Voluntary Contributions (AVCs) will hold an account with Aegon. You can view your pension account with Aegon online via 'TargetPlan'.

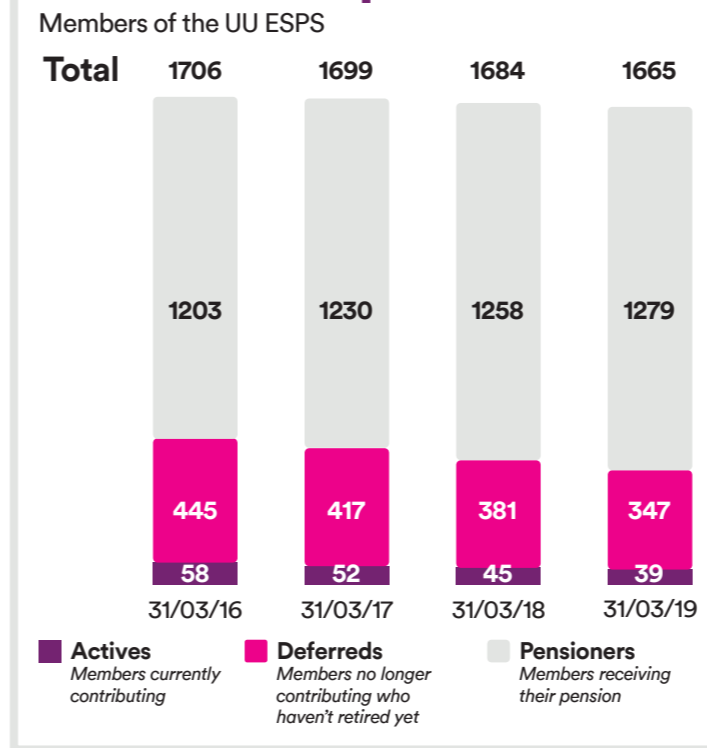
TargetPlan has recently been upgraded to a 'new and improved' service. Please take some time to access the new site at www.aegon.co.uk/targetplan and make use of the improved functionality. There is a demo video available if you want to explore TargetPlan to understand how it can help you understand your retirement savings.

If you have misplaced your login details or password you can use the 'forgotten UserID/password' links on the TargetPlan website or contact Aegon on the below details:

Telephone: 01733 353 481
E-mail: my.pension@aegon.co.uk



Membership Numbers



Planning for retirement

Benefit statements are issued annually by the Scheme Administrators, RPMI. Please take time to review your statement each year as this is a key step in planning for your future retirement.



Trustee Report and Financial Statements

The Trustee's annual report and financial statements for year ending 31 March 2019 has been completed. The Trustee is pleased to confirm that the Scheme Auditor gave an unqualified audit opinion and an unqualified statement on contributions. A copy of the full document can be obtained by contacting RPMI (contact details on page 6).

Pension Scams: ban on cold-calling

Has someone called you out of the blue regarding transferring or accessing your pension? Since January this year, it has been illegal for companies to cold-call individuals in relation to their pensions, unless you have consented to the call in advance or are an existing customer of the caller.

If you receive an unexpected call about your pension from someone you don't know, usually in relation to transferring or accessing your benefits, or about an investment opportunity, it could be a scam. If you are concerned about a call you have received, you can find help and information on the Financial Conduct Authority's 'ScamSmart' website: www.fca.org.uk/scamsmart. You can also call them on 0800 111 6768.



Guaranteed Minimum Pension (GMP) Equalisation

You may have recently read articles in the press regarding the 'equalisation' of pension benefits. This relates to GMP, which was a small part of pension benefits earned in company pension schemes prior to 1997, as an alternative to paying into the State's 'top up' scheme.

Due to different rules applying to GMPs for men and for women, a court ruling at the end of last year has now decreed that GMPs are discriminatory and should be treated the same for men and women, or 'equalised'.

For most members, the part of their pension relating to GMP will be a small proportion of the overall pension benefit (and only relates to service between 1990 and 1997), and any adjustment that might be required is likely to be minimal. In addition, there are still a host of questions to be answered by the Courts and the Department for Work and Pensions regarding exactly how pension schemes calculate the 'equalised' benefits. It is also likely that for the majority of members, there will be no adjustment to be made, as the nature of GMP means that in some years women will be better off and in some years men will be better off – which will even out over the lifetime of the pension.

The Trustee has established a GMP working group with its professional advisers and the Company but this is a complex project which is expected to take some time to resolve. Affected members will be contacted during the course of 2020 once the details around the Court ruling and its practical implementation have been fully investigated.

For the purposes of the Data Protection Act, the Trustee's appointed Actuary - Aon - is also classed as a 'Data Controller' and must ensure that your data is held securely and used appropriately.