



News and information for members of the AgustaWestland UK Pension Scheme

WELCOME TO THE AUTUMN EDITION OF INTOUCH

In this edition, we share:

- A summary of the Scheme accounts – a more detailed summary of the Report and Accounts can be found on the Scheme website;
- Information about the annual funding position – a full copy of the Summary Funding Statement can be found on the Scheme website;
- Information about the changes to the Annual Allowance and Lifetime Allowance – read this article to see if you are affected;
- An update about the changes to smart and AVCS.

BENEFIT STATEMENTS

Benefit statements were sent out to active members in November and December this year.

COMMUNICATIONS SURVEY

Here are some of the ideas you suggested on the recent survey that we have actioned so far...

- drop down menus on the Scheme website to make it easier to find your way around
- more factsheets – we have added an Annual Allowance Factsheet and a Lifetime Allowance Factsheet to the Scheme website



AgustaWestland
UK Pension Scheme



AgustaWestland

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TRUSTEE REPORT AND ACCOUNTS

THE ANNUAL TRUSTEE REPORT AND ACCOUNTS WAS SIGNED ON 3 OCTOBER 2013.

A summary of the key information from the Scheme accounts can be found in the Summary Report and Accounts which can be downloaded from the Publications Section of the Scheme website.

The table below summarises the Scheme accounts for the year to 5 April 2013

	5 April 2013 £m	5 April 2012 £m
Value of Scheme at start of year	799.6	673.2
+ Income		
Company contributions	22.8	25.9
Smart contributions	9.7	9.7
Member contributions	0.2	0.2
Other income	1.6	4.4
	+34.3	+40.2
- Outgoings		
Pensions	17.9	15.0
Lump sums	8.5	17.9
Other benefits	0.9	1.6
Administration expenses	1.4	1.9
Death benefits	0.6	0.3
	-29.3	-36.7
+ Net returns on investments		
Investment income and change	144.0	124.1
Less investment expenses	-1.2	-1.2
	+142.8	+122.9
Value of Scheme at end of year	947.4	799.6

HIGHLIGHTS

THE TRUSTEE WOULD LIKE TO HIGHLIGHT:

- The Scheme continues to mature, with more benefits being earned by members and more pensions being paid.
- Outgoings have decreased this year, largely due to the number of retirements being less than last year (Therefore less has been paid out in cash lump sums on retirement).
- There was a substantial increase in the value of the investments during the year.

A full copy of the Trustee Report and Accounts can be downloaded from the Scheme website (www.awpensions.co.uk) or requested from Aon Hewitt.

FUNDING IN 2013

THE TRUSTEE BOARD RECENTLY RECEIVED THEIR ANNUAL ACTUARIAL REPORT AS AT 5 APRIL 2013.

The report showed the Scheme has an estimated deficit of £208 million. This is higher than the £117 million deficit that was identified at the valuation in 2011 but is lower than the deficit on 5 April 2012.

You will see that the Scheme assets have continued to grow. However the liabilities have grown too, largely due to movements in interest rate forecasts. The deficit has therefore increased since 2011 although the increase in the value of the liabilities has been offset to some extent by deficit repair contributions and positive investment returns.

The Scheme changed its investment advisers in 2012 and revised its investment strategy in order to further reduce the risks to the Scheme of adverse movements in the markets.

In the lead up to the 2014 valuation, the Trustee board is monitoring the deficit on a monthly basis. Despite the deficit, it believes that AgustaWestland remains able and committed to meet its obligations to fund the Scheme over the long term. Therefore the Trustee board does not believe that any immediate action is required in advance of the next formal actuarial valuation of the Scheme as at 5 April 2014.

KEY FIGURES



A full copy of the Summary Funding Statement can be downloaded from the Scheme website (awpensions.co.uk) or requested from Aon Hewitt.

ANNUAL ALLOWANCE AND LIFETIME ALLOWANCE CHANGES

THE ANNUAL ALLOWANCE AND LIFETIME ALLOWANCE ARE LIMITS SET BY THE GOVERNMENT ON THE AMOUNT OF PENSION SAVINGS THAT AN INDIVIDUAL CAN MAKE TAX FREE.

The Government has announced that it will reduce the Annual Allowance and Lifetime Allowance from 6 April 2014 as follows:

Lifetime Allowance	£1.25m (reduced from £1.5m)
Annual Allowance	£40,000 per year (reduced from £50,000)

These changes are only likely to affect very high earners or members putting very large sums into AVCs. If you earn more than £70,000 or put more than £10,000 into AVCs in one year, you may want to look into this further.

If you would like to know more about these limits, you can download the Annual Allowance Factsheet and the Lifetime Allowance Factsheet from the Scheme website (in the Publications section).

AVC UPDATE

We are pleased to report that the changes to AVCs are now complete. Member's are now saving into our new investment funds with Skandia and funds have been transferred across from the Prudential (except With Profits fund).

We have had a large amount of interest from members wishing to start to pay AVCs and existing AVC savers wishing to increase the amount they contribute.

A NEW AVC GUIDE CAN BE FOUND ON THE SCHEME WEBSITE.



RELAUNCH OF smart

The Company re-launched **smart** in September.

The terms of **smart** have been altered to allow more flexibility - there are now no restrictions on when you can opt in or out of **smart**.

The Company is also allowing members to pay AVCs through **smart**.

The majority of the active membership is taking advantage of this national insurance saving tool.

DID YOU KNOW? THE NET PAY CALCULATOR ON THE SCHEME WEBSITE ENABLES YOU TO SEE THE NET COST TO YOU OF SAVING INTO THE SCHEME.



DISCLAIMER

THE CONTENT OF THIS NEWSLETTER IS GIVEN FOR THE PURPOSE OF PROVIDING YOU WITH INFORMATION ABOUT THE SCHEME ONLY AND HAS NO LEGAL EFFECT. THE RULES OF THE SCHEME GOVERN HOW THE TRUSTEE MUST ACT AND IF THE RULES OF THE SCHEME ARE INCONSISTENT WITH THE INFORMATION GIVEN IN THIS NEWSLETTER, THE RULES WILL PREVAIL. COPIES OF THE RULES ARE AVAILABLE FROM THE PENSION ADMINISTRATOR, AON HEWITT.

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