

Welcome

The Scheme is 10 years old! It has grown substantially in this period and now has assets of around £800 million. The membership of the Scheme has changed over this period too: moving from a scheme with nearly all active members to an equal split between active members and deferred & pensioner members. AgustaWestland remains proud to offer good quality pensions to its employees.



Some of the trustees who have served the Scheme over the last 10 years

AON Hewitt

NEW TELEPHONE NUMBER

Aon Hewitt has a new contact number. If you have any queries about your pension, you can call 0845 600 8796

Wishes Letter

Thank you to the members who have returned an updated Wishes Letter. Please remember - it is important to keep the Trustee informed of changes to your circumstances.

In this edition you will find:

- **Report and Accounts**
We highlight the key figures in this year's accounts.
- **Funding in 2012**
We explain the funding position as at 5 April 2012.
- **Auto-enrolment**
We explain how auto-enrolment affects you.
- **Rule changes**
We have re-capped on the changes that have been made to the rules over the last 18 months.

Trustee Report and Accounts

The annual Trustee Report and Accounts was signed on 4 October 2012. 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.

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

The table below is taken from the Scheme accounts for the year to 5 April 2012.

Highlights

The Trustee would like to highlight:

- The Scheme continues to mature, with more benefits being earned by members and more pensions being paid.
- Income decreased slightly due to there being less active members as the Scheme matures.
- Outgoings have increased, largely due to the increase in the number of retirements this year where members have opted to take cash sums on retirement.
- There was a substantial increase in the value of the investments during the year.

	05-April 2012 £m	05-April-2011 £m
Value of Scheme at year start	673.3	624.8
+ Income		
Company contributions	25.9	25.7
Smart contributions	9.7	10.1
Member contributions	0.2	0.2
Other income	4.4	5.2
	+40.2	+41.2
- Outgoings		
Pensions	15.0	13.0
Lump sums	17.9	8.9
Other benefits	1.6	1.0
Administration expenses	1.9	1.7
Death benefit insurance	0.3	0.2
	-36.7	-24.8
+ Net return on investments		
Investment income and change	124.1	33.0
Less investment expenses	-1.2	-0.9
	+122.9	+32.1
VALUE OF SCHEME AT YEAR END	799.7	673.3

Funding in 2012

The Trustee board recently received their annual actuarial report as at 5 April 2012. The report showed the Scheme has an estimated deficit of £211 million. This has increased from the £117 million deficit that was identified at the valuation in 2011.

The deficit has increased since 2011 mainly due to movements in interest rates, although this has been offset to some extent by deficit repair contributions and positive investment returns. You will be aware that the UK has experienced some extremely challenging economic conditions recently and pension schemes are not immune to these.

The Trustee board continues to regularly monitor the financial position of the Scheme. Despite the increased shortfall, it believes that AugustaWestland

Key figures

Assets	£794m
Liabilities	£1,005m
Shortfall	£211m
Funding level	79%

remains able and committed to meet its obligations to fund the Scheme over the longer 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.

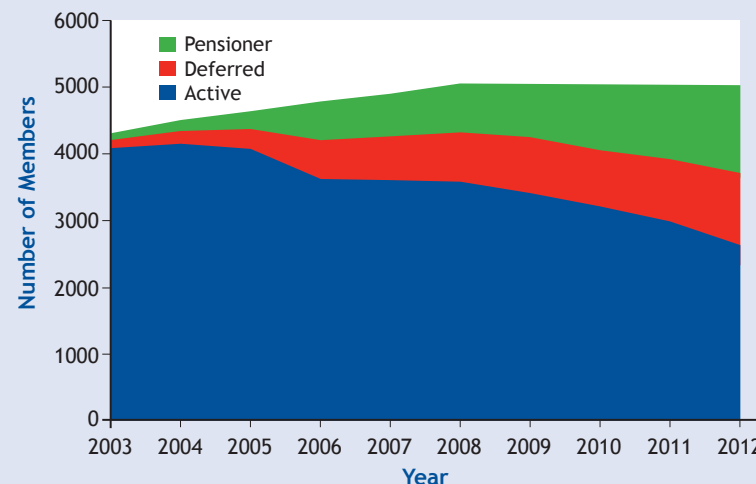
A full copy of the Summary Funding Statement can be downloaded from the Scheme website (awpensions.co.uk) or requested from Aon Hewitt.

	5 April 2011	5 April 2012
Funding level	85%	79%
Deficit	£117m	£211m

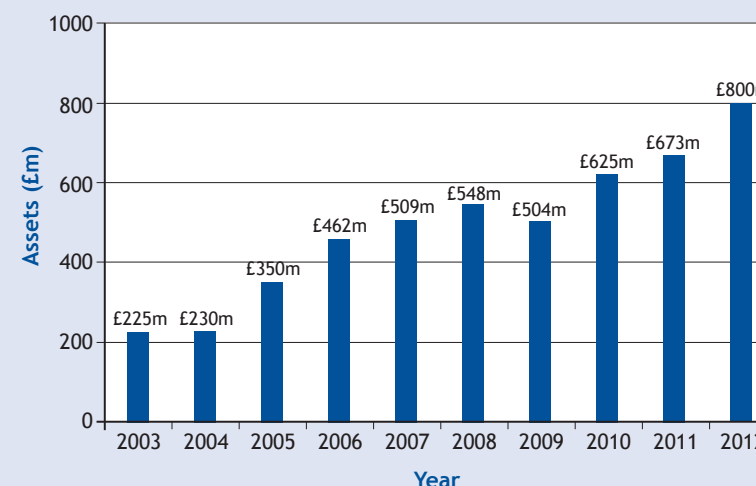
10 years old!

The Scheme is 10 years old this year. You can see how it has grown.

Membership of the Scheme



Assets of the Scheme



Auto enrolment

You may have read about “auto-enrolment” in the press. In brief, the law will require all employers to put their employees into a “qualifying pension scheme”.

The AgustaWestland UK Pension Scheme is a qualifying pension scheme. Therefore, active members of the Scheme are already “enrolled” so no further action needs to be taken.

From 1 July 2013, AgustaWestland UK will auto-enrol any eligible employees that are not already in a company pension arrangement into Finmeccanica FuturePlanner. If you opt out of the AgustaWestland UK Pension Scheme in the future, your employer will be obliged to enrol you into Finmeccanica FuturePlanner.

Electronic communication

There is a great deal of Scheme information that the Trustee must provide to members. In certain circumstances, where it feels it is appropriate to do so, the Trustee may wish to provide you with this information by emailing you or putting the information on the Scheme website. If you do not wish to receive information by email or via the website and would like to continue to have all Scheme information posted to you, please write to the Pensions Department to confirm this. Pensions Department, AgustaWestland, Box 205, Lysander Road, Yeovil BA20 2YB.

Rule changes over the year

The Trustee would like to re-cap on the rule changes that have been made during the last 18 months:

- **Changes to contracting out** - following changes to legislation the Scheme is contracted out on a “salary related basis” with effect from 6 April 2012. All references and restrictions relating to the previous method of contracting out have been removed from the rules.
- **Earnings Cap** - the definition of the Earnings Cap was updated following the changes made by the Government to the Lifetime Allowance. The Earnings Cap is currently £137,400.
- **Deferred late retirement** - Members who have left active service and not yet drawn their pension are entitled to a “preserved pension”. Members can take that pension at any age after 55 but before age 75. However, if you wish to draw your pension after your Normal Retirement Date you need the consent of the Trustee and AgustaWestland. The rules provide that if you draw your pension after your State Pension Age* you would not be entitled to a supplement (or equivalent value). This mirrors the benefits paid to active members who retire after their State Pension Age.

* *Your State Pension Age is the age you are entitled to your state pension*

Getting in touch

If you have questions about your benefits you can speak to our third party administrators, AonHewitt, direct on 0845 600 8796 or you can email them at westland@aonhewitt.com.

Alternatively for questions to the Trustee or other matters you can contact the Pensions Department on 01935 705353, on the Yeovil site in building 212 or by email pensions@agustawestland.com

The Scheme address is: AgustaWestland UK Pension Scheme, Lysander Road, Box 205, Yeovil, BA20 2YB