

# Pensions online

## Introducing interact

All employed members who have access to **helinet**, Westland's intranet site, can now see pension scheme information online. Simply log onto the **helinet** and click on Directorate Pages, then Personnel and then Pensions.

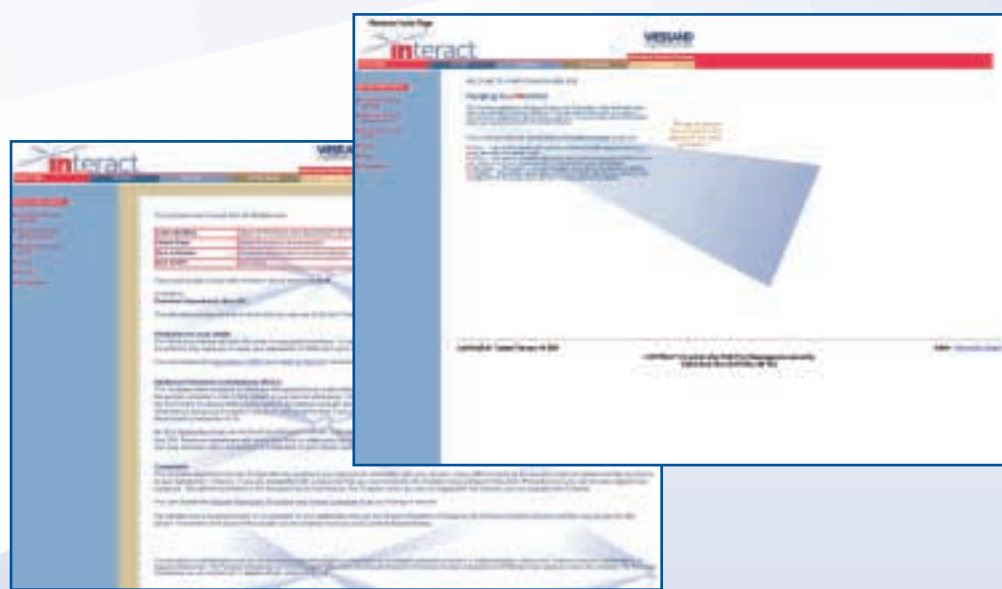
The new pensions section is called **interact** and includes:

**in fact** - a copy of the scheme booklet for you to check the facts of how the scheme works

**inform** - more detailed information about how the scheme is run, including a copy of the scheme's rules

**in the news** - copies of our newsletters

**in contact** - copies of useful forms and who to contact about them



## Useful web addresses

Here are some useful sites that everyone can access through the internet.

<b>Department for Work and Pensions</b> <a href="http://www.pensionguide.gov.uk">www.pensionguide.gov.uk</a> or phone 0845 7 31 32 33	For clear booklets about different kinds of pensions
<b>The Pension Service</b> <a href="http://www.thepensionsservice.gov.uk">www.thepensionsservice.gov.uk</a> or phone 0845 300 0168	For a forecast of your State pension or to find out your State Pension Age
<b>The Pension Schemes Registry</b> <a href="http://www.opra.gov.uk/traceAPension">www.opra.gov.uk/traceAPension</a> or phone 0191 225 6393	To trace your benefits if you have lost touch with any scheme you belonged to at a previous employer
<b>The FSA (Financial Services Authority)</b> <a href="http://www.fsa.gov.uk/consumer">www.fsa.gov.uk/consumer</a> or phone 0845 606 1234	For information and advice about financial planning, financial products and services
<b>Citizens Advice Bureaux</b> <a href="http://www.nacab.org.uk">www.nacab.org.uk</a> (local branches in phone book)	For advice about money matters
<b>Age Concern</b> <a href="http://www.ace.org.uk">www.ace.org.uk</a>	For practical information on a range of subjects as well as campaigning on behalf of older people

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Who do I contact about my pension?  
If you have not yet retired or left the scheme, you should contact the Pensions Department on extension 4139.  
Or write to them at:  
Westland Pensions Department  
Box 205  
Westland  
Lysander Road  
Yeovil  
Somerset BA20 2YB

If you have retired or have left the scheme but not yet taken your benefits, contact our administrators, Aon, on 0117 9453518 and they will be able to help you. Please make sure you give your National Insurance number.  
You can write to Aon at:  
Aon Consulting  
Netheron House  
25 Marsh Street  
Bristol BS14 4AQ

**How are my benefits paid?**  
The scheme pays your pension monthly in advance direct to your bank or building society account. You will receive each month's pension payment shortly before the 1st of that month. If you have chosen a tax-free lump sum, we will try to pay this on or around your retirement date. Once a year, you receive a P60 setting out your pension payments and tax.

**What if I don't keep my Expression of Wish form up to date?**  
It can cause problems if we don't have an up to date form for you, (for example if your family circumstances have changed since you last filled in the form). We will make enquiries about your Will, your family and the people who depend on you before we decide who receives the cash sum. This might be someone other than the person you would have named. You can get a copy of the form from the Personnel Department, or by logging on to **interact**, the new pensions area of the **helinet**.

**Does unpaid leave affect my pension?**  
You are still covered for death in service benefits while you are on unpaid leave. The effect on the pension you are building up depends on the reason for your unpaid leave.  
Our scheme rules treat a period of unpaid sick leave as a break in service. But if your unpaid leave follows statutory maternity leave, or is planned leave, for education or a sabbatical for example, you can choose to make up the missing contributions and 'buy back' the service.

**I'm thinking of retiring from Westland. How can I find out what my benefits would be?**  
Contact the Pensions Department on 4139. They will send you a quotation of your retirement benefits. Remember that if you want to retire early you may need company consent to draw your pension benefits early.

These are some of the questions that you often ask the Pensions Department.

## Your questions answered



**WESTLAND**  
An AgustaWestland Company

June 2004

## Westland Pension Scheme

### working for you

It takes more people than you might think to run our pension scheme. The main responsibility lies with us as trustees, and this issue of **intouch** looks at the work we do to develop our knowledge and help us achieve best practice.

We also look at what employees can do to make the most of the annual benefit statements and suggest online pensions resources that may be useful for our members and pensioners. We'd like to hear what you think of **interact**, the new pensions area of **helinet**. If you've any comments on that or this newsletter, please contact Helen Pass in the Pensions Department.

continued inside

**“Our role is very important because you place your trust in us to run the scheme honestly, efficiently and in your best interests.”**



Left to right: Bert Brookes, Steve Pym, Nigel Hunter, Malcolm Gillam, Andrew Milne, John Stuffs (Secretary to the Trustees), Alan Ladd, David Lee, Jim Hawke

**IN THIS ISSUE**  
what the trustees do  
pensions online  
checking our progress  
make the most of your benefit statement  
your questions answered



## working for you continued

We come from all walks of life - from customer support and business planning to operations. Amongst your trustees are engineers, a finance director and a solicitor. The company nominates five trustees, including our chairman, and the other four trustees are 'member trustees'. The company suggested the first member trustees after consulting the trade unions and obtaining members' approval. The member trustees' first term of office ends on 30 June 2004. Applications for selection as member trustees closed on 31 May and the selection process takes place in June.

As trustees, we must consider a wide range of matters. You can take a closer look at trustees' duties in our **insight** feature. To help us be more effective and efficient, we have set up two sub-committees to focus on specific areas - investment and administration. We ask them to undertake more detailed work on our behalf and then report back to us with their recommendations. The full group of trustees keeps responsibility and control overall.

Trustees do not have to be experts in pension matters, since specialist professionals are available to give us advice. We appoint a range of independent advisers to help us, and the Pensions Department plays a key role in supporting us in our work. A key figure is the scheme actuary who helps us check on the scheme's long-term financial progress. You can read more about this inside.

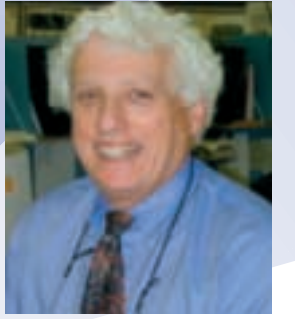
We attend training courses and pensions seminars to build up our knowledge of topical issues and best practice. The Pensions Management Institute (the professional pensions body) sets examinations for trustees. We are pleased that Jim Hawke and Nigel Hunter passed this exam in February. Steve Pym passed the exam some time ago, which means that three of our trustees have now obtained the PMI's Trustee Certificate.

## Our thanks to John and Peter

After many years advising others about our pension scheme, it is now **John Stuffins'** turn to enjoy a well-earned retirement. John joined Westland in October 1980 as an accountant. He became Group Pensions Secretary in January 1986 and has seen the scheme through many changes. Best wishes for your retirement, John.



**Peter Flannery** will not be standing for reselection as a member trustee this year. Peter retired from the company in 2003. We'd like to thank Peter for his work on behalf of members.



# insight

## What trustees do

A pension scheme trustee acts independently of the employer to hold the assets for the scheme on behalf of everyone due benefits from it. The trustee's job is therefore to make sure the scheme's money is invested sensibly and the scheme is administered properly.

Trustees must act in line with their scheme's trust deed and rules, which sets out their powers and explains when and how they can use them. The law can override the trust deed and rules or place extra requirements on trustees. It is important therefore, that trustees keep up to date and act within the law.

### Money matters

The trustees must:

- set up a schedule of contributions and check that the employer keeps to it and pays on time;
- make sure the scheme keeps accurate records of its members, trustees' meetings, and all financial dealings;
- arrange for the financial records to be audited;
- set up suitable arrangements for banking and for keeping safe the documents that show which assets belong to the scheme;
- make sure the scheme pays the right benefits at the right time and that it pays any taxes due.

### Investing for success

One trustees' duty that has a big impact on the success of the scheme is investing the scheme's assets. The trustees must decide the investment strategy after considering the scheme's needs and the risks it may face. They must obtain professional advice on technical issues or anything they do not understand. Their statement of investment principles sets out their policy and they must make sure the scheme follows the statement as well as the law.

### Responsible decision-making

Most pension scheme rules give their trustees 'discretionary' powers to cover situations where the trustees will need to consider a range of information and decide on action. These powers, and the situations when trustees can use them, vary from scheme to scheme and some decisions may need the employer's agreement.

All trustees must separate their duties and responsibilities as a trustee from their role as an employee or a member of the scheme. They must always think about the best interests of all the different groups of people who might receive a benefit from the scheme now or in the future. This does not necessarily mean treating everyone in same way, as long as the trustees consider the effect on the scheme generally and on the interests of other members.

### Building a strong team

The employer and the trustees will often need to work together, and trustees must build a good working relationship with the employer. Sharing information and consulting each other is good practice.

The trustees must appoint advisers. As well as the scheme actuary, and the auditors, the trustees will need specialist help with legal matters and investment issues. The trustees can delegate some parts of their job to suitably qualified people, but they still carry the overall responsibility. So trustees must monitor anyone they appoint to advise them or anyone they delegate work to.

### Keeping members informed

Regulations set out the information that trustees must publish. Members can ask to see:

- the scheme's rules,
- the trustees' statement of investment principles,
- annual reports and audited accounts, and
- valuation reports.

Trustees are also responsible for giving individual members information about their own benefits. Trustees must set up a procedure to help members resolve any disputes about the scheme. Many trustees go beyond the basic requirements and provide newsletters and other information for their members.

**Trustees must be 'prudent, conscientious and honest'. In other words they must take the same care of the scheme that an honest and sensible person takes of their own money.**

# Make the most of your benefit statement

Each year in July, employee members receive benefit statements to help them check on the progress of their scheme pension. This is more than just a paper record - you can use it to help you manage your money.

### Check on the level of pension you are building up

The earlier you think about your long-term savings, the more likely it is that you will have a retirement income that meets your needs. You can consider adding to your Westland pension through extra savings. How much can you afford to set aside? There is a wide range of savings products available, or you can choose to make Additional Voluntary Contributions (AVCs) through the scheme.

You may need to set aside more if:

- You were late starting to save for a pension;
- Other people will also depend on your income;
- You have had or are planning any career breaks;
- You are planning to retire early.

If you are not sure which is the best way to make extra savings for your retirement, you should consider taking independent financial advice. You can find out more about this on the FSA website (see our list of useful web addresses).

By law, neither the trustees nor the Pensions Department can give you financial advice but the Pensions Department can refer you to a regulated firm of independent financial advisers. Westland does not accept any responsibility for advice provided by these advisers.

### Check on the level of death in service benefits

See how much the scheme will pay as a cash sum and as a pension if you die. The trustees decide who receives the cash sum and, if you are not married, they also consider whether another adult can qualify for the pension. The trustees can now take same-sex partnerships into account when they make these decisions. **When you see the figures, think about your Expression of Wish form and make sure it is up to date.**

### AVC statements and SMPIs

All pension schemes which offer 'money purchase' benefits like AVCs must now give members a Statutory Money Purchase Illustration (SMPI). If you pay AVCs you receive a separate SMPI, which is an estimate of the pension your AVCs might provide when you retire. It is based on general assumptions that are the same for everyone, and shows your estimated AVC pension as if it was in today's money. It is not any kind of guarantee of the amount you will receive. Your actual AVC benefits will be worked out when they are paid.

You may find that this year's estimate of your AVC pension is lower than on earlier statements. Remember that share market values have been falling for the last few years, so the value of your AVC balance may have fallen. Also, the rates for converting AVC balances to pension (annuity rates) have risen because of changing investment conditions and increasing life expectancy.

### Checking our progress

At least every three years, we ask the scheme actuary to carry out a detailed investigation of the scheme's long-term finances, called a 'valuation'. This allows us to check on the balance between the assets building up for the scheme and the benefits that will be due to members.

Two main factors have affected pension schemes in the UK in recent years. People are generally living longer, so providing their pensions costs more; and stock market values have fallen, reducing the value of schemes' share investments. The valuation based on data at 5 April 2003 is now completed and shows a shortfall in the scheme. The actuary has recommended a suitable level of contributions to make up the shortfall over the next few years. We have agreed a schedule of contributions with the company, which sets out the amounts it will pay. The company has increased its contributions to the scheme in line with the new schedule of contributions.

Investment conditions have started to improve, but we want to monitor the scheme's funding carefully. We have asked the actuary to provide us with regular reviews. The latest review is based on the situation at 5 April 2004 and results will be available later in the year. We will report the outcome in our next newsletter.