

Pensions News



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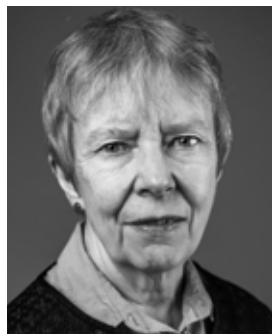
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Chairman's Message



Introduction by Dame Kate Barker, Chairman of the Scheme

2022 has been another challenging year with the cost-of-living crisis, increased geo-political risks (especially the war in Ukraine), and ongoing concerns around energy supply and rising interest rates.

Against this challenging backdrop I'm pleased to say the Scheme remains in a strong position. The 31 March 2021 actuarial valuation was completed in early 2022 and we were able to report that the results showed the Scheme was in good financial health (you can read more about the valuation on page 7). And, although we continue to remain cautious about the investment market outlook, I am also happy to report that over the year to 31 March 2022 the Scheme's assets performed strongly (further details about how the Scheme's assets have performed can be found on pages 10 to 13).

In Autumn 2022 there has been a lot of media coverage about the turmoil in UK financial markets and the impact of this on pension schemes. Much of this coverage has been generalised and does not directly apply to the BCSSS. Members' pensions remain safe.

Our Scheme administrators Capita are responsible for looking after members' needs on a day-to-day basis. The service provided to Scheme members continues to be strong, and the Trustees therefore agreed to re-appoint Capita as pensions administrator in March. The term of the new contract is for a further five years until 31 July 2027.

Chairman's Message

We were very sad to report the death in early 2022 of Stuart Jukes, the Pensioner Elected Trustee for Yorkshire and North Lincolnshire. Stuart was a Trustee for 26 years and was a dedicated representative for the Scheme and its members. He will be sorely missed by everyone at the Scheme.

After serving eight years as a Pensioner Elected Trustee, John Sheldon decided to stand down as a Trustee on 30 September this year. I would like to thank John warmly for his hard work and commitment to the Scheme and its members over that time.

To replace Stuart and John two new Pensioner Elected Trustees, John Owen and David Griffiths, were elected to the Board in 2022. The details of the results of the Elections in 2022 can be found on pages 18 and 19.

Finally, on a personal note, regretfully for me this will be the last Chairman's Message I will write in your Winter Newsletter. After nine years as a BCSSS Trustee, I am due to leave the Trustee Board in the Autumn. It's been, and continues to be, a privilege to serve as the Chairman of the Scheme. In my time the overarching objective of all Trustees has been clear, to serve the members as best we can in all we do. I'm sure that clear sense of purpose will continue into the future. Over the coming months the Trustees will be working hard to appoint a new Chairman.

On behalf of all the Trustees, I would like to wish you a Merry Christmas and a Happy New Year.

Dame Kate Barker
Chairman of BCSSS Committee of Management

Scheme News

Pension Increase January 2023

BCSSS Guaranteed Pensions are increased in January each year. The increase is based on the change in the Retail Prices Index (RPI) over the previous year to November.

At the time of writing the RPI increase to November 2021 had not been published. However, with the current levels of high inflation, we wanted to reassure members that their Guaranteed Pension will increase in line with RPI inflation. All members will receive a personalised letter telling them exactly how their pension has increased, closer to the 31 January 2023 payday.

How to get help when you retire

We know that making financial decisions about your retirement can seem complex and, in some cases, these are irreversible. To help our members through this process we teamed up with WEALTH at Work (a specialist provider of financial guidance in the workplace) to provide Scheme members who have not yet taken their BCSSS pension with a free guidance service, paid for by the Scheme.

See the Scheme's website for more information about how you can access this service: www.bcsss-pension.org.uk/deferred-members/free-financial-guidance

Scheme News

How to get help with your taxes

If you're worried about your taxes, the Scheme has partnered with a charity that can assist you. Tax Help for Older People can give you help and support on anything to do with your tax. They can help you find out if you're paying too much tax, or just give you a hand with your tax return.

Some of the ways they can help you:

- Tell you what your options are if your spouse has died
- Help you check that you're on the right tax code
- Check that you're receiving all the tax allowances you're entitled to

The charity has helped many members of the Scheme, and feedback has been excellent. Some have managed to lower their tax bills. A few have received tax refunds. Many more are enjoying better peace of mind.

Contact Tax Help for Older People

By phone: 0333 2075659*

By email: taxvol@taxvol.org.uk

* In busy periods members can leave a message and Tax Help for Older People will endeavour to call back within 48 hours.

By post:

Tax Help for Older People
Unit 10A, Pineapple Business Park
Salway Ash
Bridport
Dorset
DT6 5DB

Scheme News

RPI Changes

Since the end of 2020, we have been keeping members informed about the proposed change to how the Retail Prices Index (RPI) will be calculated from 2030 onwards. This change would mean that RPI will be calculated in exactly the same way as the Consumer Prices Index, including owner occupiers' housing costs (CPIH). This change would very likely result in RPI inflation being lower than otherwise. In particular for BCSSS members, it would lead to a small reduction in increases to pensions from 2030 onwards.

The proposed change to RPI was subject to a judicial review, but the case was dismissed by the High Court in September 2022. This means the changes will go ahead from 2030. The Trustees will seek to discuss possible measures to mitigate the negative impact on members' pensions with the Guarantor, noting that the Trustees do not have the authority to make changes to the Scheme without the Guarantor's agreement.



Scheme News

31 March 2021 Actuarial Valuation

The 31 March 2021 actuarial valuation was completed in early 2022. The headline result from the valuation is that the Scheme is in good financial health.

What is a valuation?

Valuations are carried out every three years. The purpose of the valuation is for the Scheme Actuary to assess the financial position of the Scheme. This is done by assessing the annual returns required over the future to meet payments due to both members and the Guarantor.

Results of the valuation

The Actuary is required to report on the future return requirements and to confirm whether or not the returns required fall within a corridor set out in the Rules. The results show that the investment returns required to meet the future payments to members and the Guarantor have fallen since the last valuation in 2018, largely due to high returns over the three-year period. The extent of the fall is such that the future investment returns required are now outside the agreed corridor. So, this has triggered a consultation between the Committee and the Guarantor which, amongst other things, allows the two parties to consider whether there are any changes to the Scheme's funding and investment strategy that might be beneficial. The consultation commenced in Spring 2022.

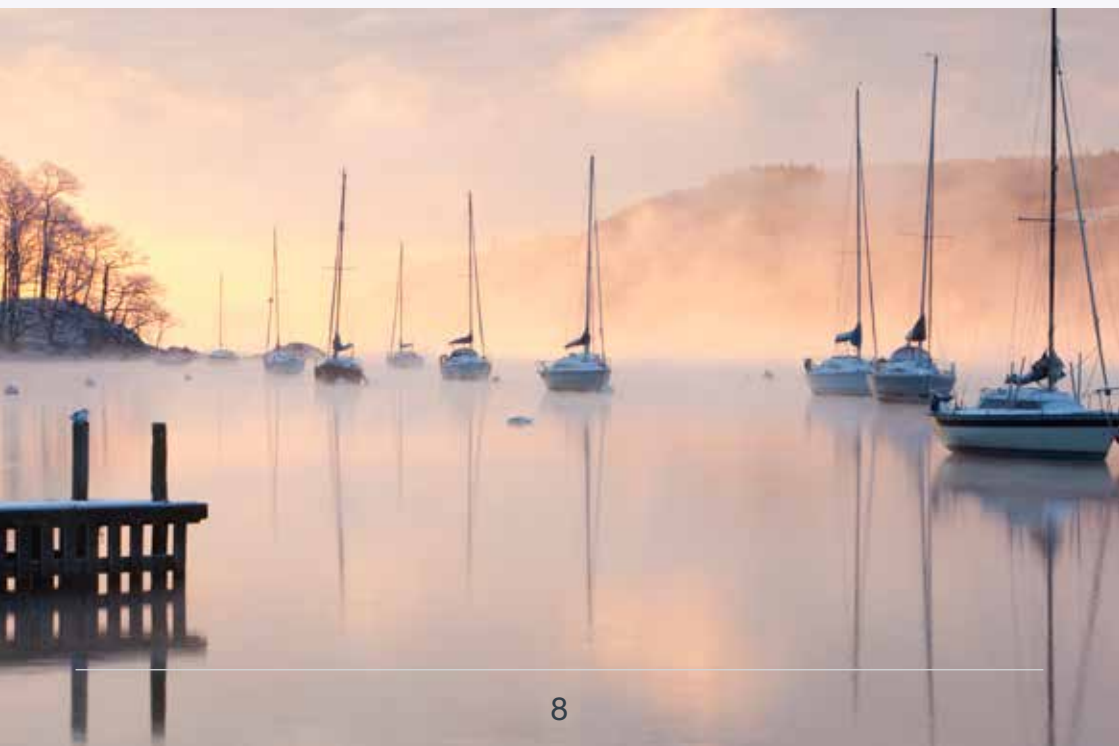
Next steps

We were hoping to be able to provide an update on the consultation in this newsletter but unfortunately events with Government over the last several months have delayed the consultation process. We continue to press for a response and will of course update members on the outcome of the consultation once it has been completed.

Summary of the Scheme's Report & Accounts to 31 March 2022

Key Statistics as at 31 March 2022

Total number of pensioner members	43,189
Total number of deferred members	1,623
Total benefits paid and transfers out	£573m
Net increase in the Fund during the year	£218m
Net assets of the Scheme at the year-end	£9,815m



Summary of the Scheme's Report & Accounts to 31 March 2022

Five Year Summary of the Fund Account

	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m
Benefits and payments out of the Scheme					
Benefits and transfers out of Scheme	(624)	(614)	(603)	(588)	(573)
Administrative expenses	(5)	(3)	(3)	(3)	(4)
Net withdrawals from the Scheme	(629)	(617)	(606)	(591)	(577)
Returns on investments					
Investment income	251	286	278	229	229
Change in market value of investments	421	378	(262)	1,232	585
Investment management expenses	(32)	(33)	(31)	(33)	(19)
Net returns on investments	640	631	(15)	1,428	795
Net increase/(decrease) in the Fund during the year	11	14	(621)	837	218
Net assets of the Scheme at 31 March	9,367	9,381	8,760	9,597	9,815

Summary of the Scheme's Report & Accounts to 31 March 2022

Funding and Investment

The Trustees' primary funding aim is to ensure that all future benefits can be paid to members as they fall due, without needing funding from the Guarantor. To achieve this goal, we need to obtain positive returns on the Scheme's assets in the future. We therefore invest in a range of assets: from those that aim at a high return, such as equities, to those that are typically viewed as 'lower risk' assets such as government bonds. The Scheme is mature, meaning that the annual benefit payments of around £575 million are more than the income received from the assets. So, we also need to sell assets to pay the pensions. In our funding strategy, we need to invest in assets that will generate income and assets that we can sell to pay benefits, whilst also achieving the returns required.

This need to generate cash to pay pensions is reflected in our high allocation to income-producing assets, including property, infrastructure and fixed income assets. All the income received from the assets is collected and used to pay pensions. However, as mentioned above, we also need to sell assets regularly in addition. When asset prices are rising, we will generally sell equities and other growth assets, but also hold sufficient assets which are lower risk and liquid assets (e.g. government bonds) that can be sold when equity prices are low.

Summary of the Scheme's Report & Accounts to 31 March 2022

Over the year, the Scheme's assets continued to deliver strong returns, especially during the final quarter of 2021, driven in particular by the Scheme's private assets including property and private equity. That said, in the first three months of 2022 we saw increased market volatility, especially in global equities, reflecting the geo-political concerns. Overall, this meant the Scheme's assets increased by nearly £220 million over the year after allowing for the payment of nearly £573 million in benefits.

The annualised investment returns over one, three and five year periods are shown below.

	Scheme Return %	Benchmark %
1 Year	8.64	4.92
3 Year	8.07	7.07
5 Year	7.67	6.23

The benchmark is a composite of individual asset class benchmarks, weighted in accordance with the investment strategy agreed by the Trustees. It provides an indication of how effectively the Scheme's investment strategy has been executed in the period under review. During the year, the Trustees reviewed the individual asset class benchmarks, in order to ensure that the comparators are as meaningful as possible (the benchmark returns over one, three and five years are lower than those of the previous benchmark).

The Scheme has outperformed the new composite benchmark over one, three and five years. The Scheme also outperformed the previous benchmark over one and five years, marginally underperforming (by 0.13% per annum) over three years.

Summary of the Scheme's Report & Accounts to 31 March 2022

The market values of the actual investment assets held at 31 March 2022 are shown below:

	Total net assets £m	Description
Cash	65	
Fixed Income	2,620	Global government bonds, investment grade securities
Private Debt	718	Secured loans to private companies
Special Situations Debt	567	Providing capital to debt and credit markets
Public Equity	2,510	Stocks / shares in companies listed on public markets
Private Equity	1,419	Equity / security in privately-owned companies
Property	1,120	UK commercial real estate, student & private rental accommodation
Global Infrastructure	3	Renewable energy, social infrastructure, regulated utilities
UK Infrastructure	539	Renewable energy, social infrastructure, regulated utilities
Global Macro	137	Multi-strategy investments including derivatives
Other (new) Opportunities	92	
Shipping	71	Tankers, container ships, bulk carriers
Residual cash, assets and liabilities	(46)	
Net Assets as at 31 March 2022	9,815	

Summary of the Scheme's Report & Accounts to 31 March 2022

An important part of the Trustees' investment focus relates to environmental, social and governance (ESG) considerations, recognising that these factors can have a significant impact on long-term returns and risks. ESG factors, such as climate change, poor corporate governance or actions taken by "rogue states", can impact investment outcomes and the Trustees therefore ensure that they are considered in all investment decisions.

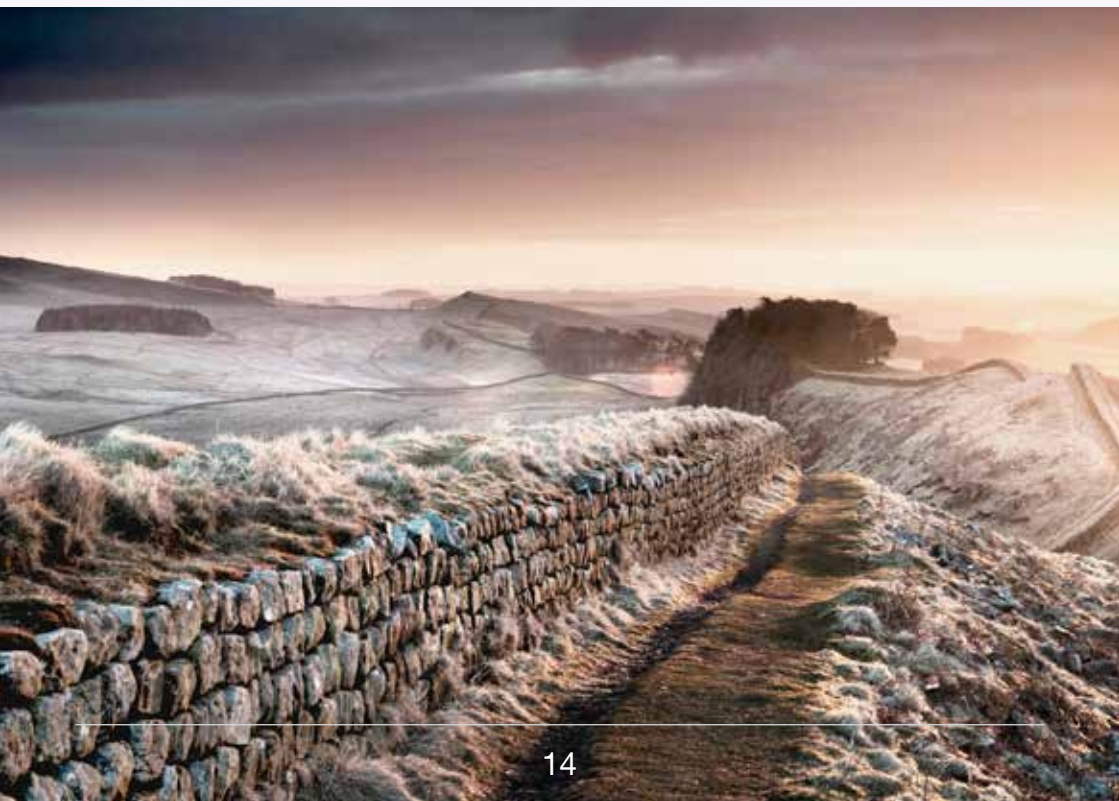
Recognising the importance of ESG considerations, and in particular climate change, there is a new requirement for all large schemes such as BCSSS to report annually on how they identify, assess and manage climate-related risks. Reporting needs to be aligned with the recommendations made by the Task Force on Climate-Related Financial Disclosure, so the reports are commonly referred to as TCFD reports. The Scheme's first such TCFD report is now available on the Scheme website.

Summary of the Scheme's Report & Accounts to 31 March 2022

Benefits Administration and Member Communications

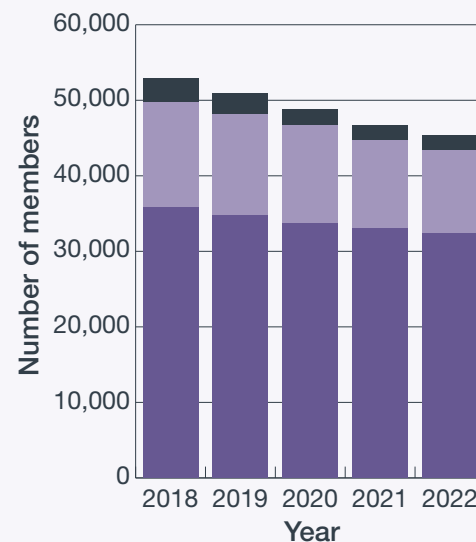
The benefits administration continued to operate successfully during the year in line with required performance targets.

As at 31 March 2022, the Scheme membership was 44,812. This comprised 1,623 deferred members and 43,189 pensioners (made up of 31,080 retired members and 12,109 widow(er)s and dependants).

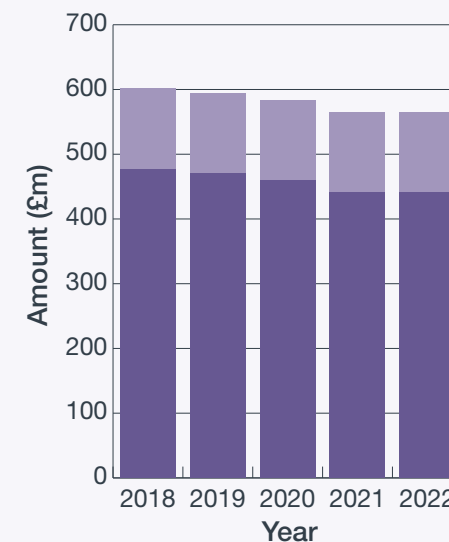


Summary of the Scheme's Report & Accounts to 31 March 2022

Membership



Pensions in payment



- Retired pensioners
- Deferred pensioners
- Widow(er)s/Dependants

The full Report and Accounts can be found on the Scheme Publications section of the Scheme's website: www.bcsss-pension.org.uk/scheme-publications or can be posted to you, on request to the Scheme's administrators (see Contact Us section).

2022 Annual General Meeting

The 2022 Annual General Meeting (AGM) was held in Edinburgh on Thursday 29 September 2022. The AGM was attended on the day by 15 Scheme members in person and 26 members online, who joined the Trustees, Scheme officials and guests to hear presentations from the Scheme Chair, Dame Kate Barker, the Chair of the Investment Sub Committee, Alan Rubenstein, and the Scheme Secretary, Karen Barton.

The presentations included:

- an update on the Scheme;
- a summary of the Scheme funding and investment strategy; and
- an update on the Scheme's key financial information.

The presentations were followed by an open forum session where members were able to raise questions either online or from the floor.

A video of the open forum session, together with a copy of the presentation slides, is available on the publications page of the Scheme website. Hard copies of all of these documents are also available on request to the Scheme administrator. Contact details can be found in the Contact Us section of this newsletter.

As previously explained, a recording of this year's AGM is available by following the following link <https://youtu.be/48QUFV3BaEY>
We would encourage members to watch the proceedings.

Changes to the AGM – to engage better with more members

It's been over 70 years since the Scheme held its first AGM, and nearly 30 years since privatisation. Over the years we've seen the numbers of members attending the AGM materially decline as the membership has changed from predominantly employees of British Coal to retired members.

We continue to really enjoy the opportunity to meet and engage with our members, and we hope the members who are able to join us enjoy the chance to meet with the Trustees. However, we recognise that as times and members' personal circumstances change it is getting harder for members to attend to the AGM in person, and that perhaps the style of engagement and presentation of information that members require has changed.

We're therefore thinking long and hard about how we can get to meet more of our members each year. We're also thinking about how we can better use the internet to reach those members who aren't able to meet us in person.

We're still finalising our plans for what this new style of member engagement will look like, but we will of course provide members with more details once these are available. We also welcome any feedback we have from members on these proposed changes. If you do have any comments or suggestions about these proposed changes, please email these to the Scheme Secretary at bcsss.enquiries@coal-pension.org.uk or write to **The Scheme Secretary, British Coal Staff Superannuation Scheme, Ventana House, 2 Concourse Way, Sheaf Street, Sheffield, S1 2BJ**

2022 Pensioner Representative Trustee Elections - Results

Following the sad death of Stuart Jukes at the start of the year, an election was held in the Yorkshire and North Lincolnshire constituency. John Owen was elected as a Trustee, receiving 31% of the votes cast, and will serve for the remainder of Stuart's term until 30 September 2023. John worked in the mining industry for 32 years, serving as a trade union official during that time, and was a Trustee of the Scheme previously from 1992 to 1994.

John Sheldon's term of office as Pensioner Representative for the East Midlands, Southern England and Overseas constituency came to an end on 30 September 2022 and John decided not to stand for re-election. David Griffiths was elected as a Trustee, receiving 20% of the votes cast, and will serve until 30 September 2026. David worked at Hucknall, Pye Hill, Moorgreen and Thoresby Collieries during his time in the mining industry. Upon leaving the mining industry, David qualified and practised as a Barrister, Chartered Arbitrator and Accredited Mediator, practising mainly in commercial law.



Results in detail

Yorkshire and North Lincolnshire constituency

- **Six candidates** stood for election
- **2,998** valid votes were received, just over **25%** of the **11,735** who were eligible to vote
- **John Owen**, the successful candidate, received **31%** of the votes cast



East Midlands, Southern England and Overseas constituency

- **Sixteen candidates** stood for election
- **3,090** valid votes were received, just over **21%** of the **14,590** who were eligible to vote
- **David Griffiths**, the successful candidate, received **20%** of the votes cast



The Trustees would like to offer their congratulations to John and David and their thanks to all of the members who took part in the election process, both standing for election and voting.

Trustee News

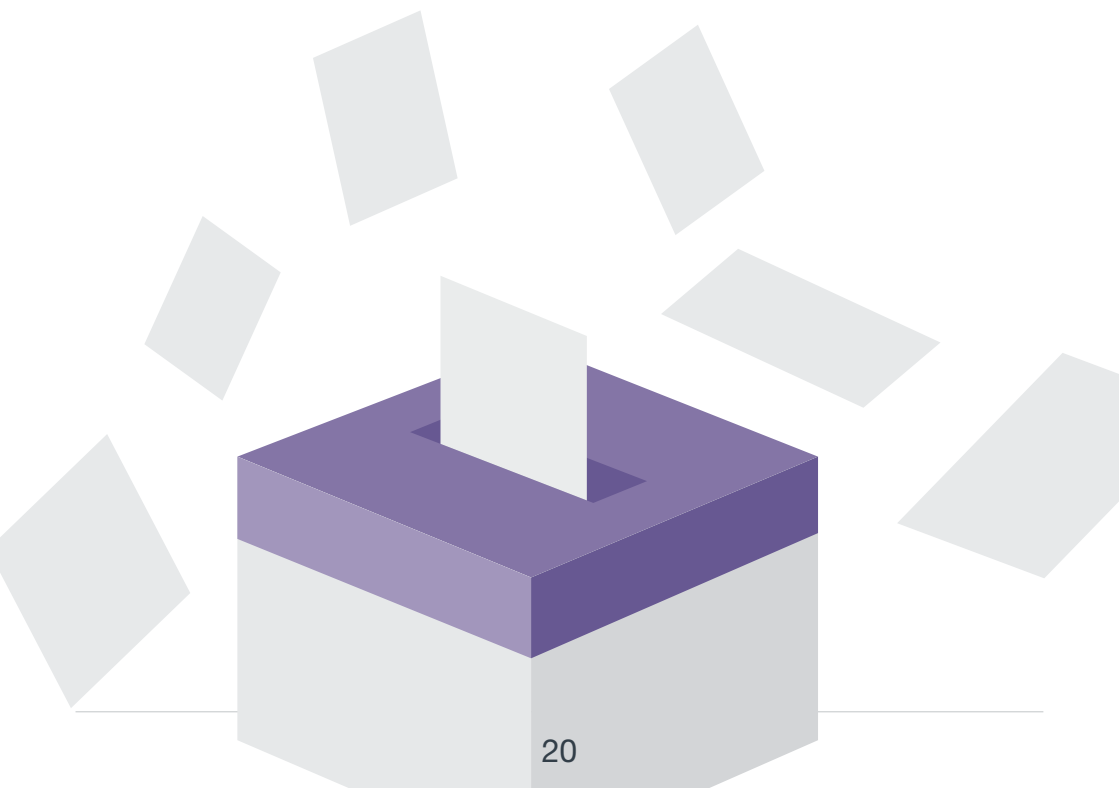
2023 Election Notice

A ballot will be held during August/September 2023 for the election of a Pensioner Representative Trustee in the Yorkshire and North Lincolnshire constituency.

The results will be posted on the Scheme's website and in the next edition of Pensions News.

Changes to the nomination process

As a reminder, last year changes were made to simplify the election rules by removing the requirement for candidates to be nominated by other Scheme members in order to stand in the election. Scheme members who meet the qualifying criteria and want to stand for election can now simply do so by contacting the Scheme Secretary once they receive their nomination invitation letter.



Trustee News

Key dates - Yorkshire and North Lincolnshire election

1 June 2023	Your address on this date determines your constituency for the BCSSS election.
7 June 2023	Letters sent inviting members to request a nomination pack if they are interested in standing for election.
3 August 2023	The closing date for nomination requests.
August and September 2023	Ballot period.
14 September 2023	The ballot closes at noon. The successful candidate will be elected by simple majority.
1 October 2023	The successful candidate will take office for a period of four years.

The results will be posted on the Scheme's website and in the next edition of Pensions News.

Please use your vote. If you live in the Yorkshire and North Lincolnshire constituency and receive a ballot pack please use your vote and choose the candidate who you feel will best serve the Scheme.



Notice Board

Keeping the Scheme up to date with your personal circumstances

It is really important that you keep the Scheme up to date with your personal circumstances. Do we have the right details for contacting you? Remember to notify the administration office if you move house or your personal circumstances change. Did you know that we also send communications by email? If we don't have your email address or you have recently changed your email address and you would like to receive communication by email, please let the administration office know.

The administration office also holds vital information which helps the Trustees in deciding how your death benefits are distributed.

- Death Benefit Nomination Form – sets out the person/persons that you would like the Trustees to consider paying any lump sum due. A lump sum is payable if you die before taking your pension, or before receiving five years' pension payments after retiring.
- Letter of intent – you can write to the Scheme and let us know about your personal circumstances. This is particularly important if you are not legally married or in a civil partnership but do have someone who is financially dependent on you.

We appreciate that it's easy to forget to update us when your personal circumstances change but here are a few good reasons to take action now to make sure the Trustees know your current wishes:

- The Lump Sum Death Benefit payable may not form part of your estate so it can be paid without any inheritance tax deduction.
- If you leave a spouse or civil partner when you die they will be automatically entitled to a pension from the Scheme.

Notice Board

- If you are living with a partner and are not legally married or in a civil partnership, then they do not have an automatic right to a pension. You can, however, tell the Scheme Administrator about them so that the Trustees can consider whether to pay them a pension in the event of your death.
- The Trustees can settle your death benefits much more quickly and easily if the details are known.

Failure to keep the Trustees up to date with your wishes, either through your nomination or by letter, risks benefits being paid to the wrong person or paid to your estate and incurring tax penalties. You can download the death benefit nomination form from the Scheme's website:

<https://www.bcsss-pension.org.uk/useful-sources-of-information/useful-forms>



or write to the administration office at the address on page 28.

Unfortunately, one benefit that is not available from the Scheme on death is help towards any funeral costs.



Notice Board

Pension Scams Warning: Protect Your Pension

It's estimated that over five million people in the UK remain at risk of pension fraud. Even if you're financially savvy it can be extremely hard to spot scammers, they can seem financially knowledgeable and even appear to have reputable businesses, with websites including testimonials. Warning signs to look out for include:

- being contacted out of the blue
- the offer of a free pension review
- the promise of high / guaranteed returns
- full access to your pension before age 50
- pressure to act quickly

The BCSSS has pledged to help stop pension scams. For more information about pension scams and how to avoid them, please see:

Scheme's website

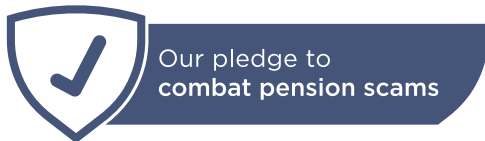
[www.bcsss-pension.org.uk/
useful-sources-of-information/pension-scams](http://www.bcsss-pension.org.uk/useful-sources-of-information/pension-scams)



Financial Conduct Authority (FCA) ScamSmart website:

www.fca.org.uk/scamsmart

Protect your pension and retirement savings. If you are thinking about transferring your pension out of the BCSSS please seek guidance from a specialist in this area. Make sure your adviser is on the FCA approved register: register.fca.org.uk/s/



Notice Board

Free Wills Month

Free Wills Month, the service which offers individuals aged 55 and over the opportunity to have a simple will written or updated free of charge, will start again on 1 March 2023.

If you would like to take part visit freewillsmoth.org.uk (Please note, this is not being run by the Scheme. It is also an online campaign only; no telephone number is available.)

CISWO



CISWO The Coal Mining Charity provides a personal welfare service which aims to improve the quality of life for former employees of the coal industry and their families. They offer support and guidance relating to mining related issues, illness, disability, assistance with welfare benefits and industry related claims and compensation schemes. They also offer help to access mobility equipment and grants as part of a wider support package. They do this mainly through a confidential home visiting service or by telephone.

For further information or to refer yourself, a family member or friend, please contact them by: Telephone: 01709 728 115 or email: mail@ciswo.org.uk or follow the link through their website: www.ciswo.org.uk/

Audio Pensions News

Pensions News is available in audio format. You can either download the MP3 on the Pensions News publications section of the Scheme's website or request a CD from the Scheme Secretary.

Contact Us

If you have any enquiries about your pension or the BCSSS Scheme, contact the Scheme Administrators:

Post:
BCSSS
PO Box 555, Stead House
Darlington, DL1 9YT

Telephone:
0333 222 0074

Email:
bcsss@capita.co.uk

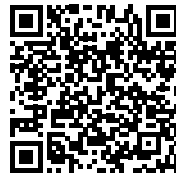
Please be ready to provide information to confirm your identity, for example your National Insurance number and date of birth.

Remember: if you have registered for the secure member website you can see your Scheme record at portal.hartlinkonline.co.uk/bcsss/hopl.chi/wui/tilepgui.html

You are also able to use this link to update your address and bank details (the latter only if you are a pensioner) and Expression of Wish nomination form.

BCSSS website

For information about the Scheme, including Scheme publications, visit the Scheme's website: www.bcsss-pension.org.uk



Scheme record



BCSSS website

Contact Us

For tax enquiries:

Post:
HM Revenue & Customs
Pay As You Earn
PO Box 1970
Liverpool
L75 1WX

Telephone:
0300 200 3300

Please quote reference 428/NCBP



2023 Paydays

January 31	February 28	March 31	April 28
May 31	June 30	July 31	August 31
September 29	October 31	November 30	December 22



BCSSS

British Coal
Staff Superannuation Scheme

www.bcsss-pension.org.uk