



The newsletter for members of **FUTUREPLANNER**



FUTUREPLANNER **Award winner!**

See page 3

**employee
benefits**
AWARDS 2013



Inside we also cover:

- New Member Trustees
- Trustee report and accounts
- Smart/AVC update



Welcome...

...to **INFORM**, the newsletter for members of FuturePlanner. 2013 has been another busy year for FuturePlanner.

INBRIEF the headlines for this edition are:

Award winner!

FuturePlanner has won a prestigious award for the best default investment strategy.

See opposite for the full article

Smart/AVC update

Additional Voluntary Contributions (AVCs) can now be paid by salary sacrifice making saving for your retirement more cost effective.

See page 5

New Member Trustees

Meet Adam Collins and Brian Airlie.

See opposite for the full article

Benefit statements

New assumptions used for forecasts.

See page 6

Trustee report and accounts

A summary of FuturePlanner's annual Trustee report and accounts for the year, to 5 April 2013.

See pages 4 – 5

Pensions liberation fraud

Find out about recent pension fraud and how to protect your retirement savings.

See page 6

Automatic enrolment

Has taken place for the two largest companies of Finmeccanica in the UK.

See page 5

Pensions – lost and found

How to find any previous pension benefits that you have built up elsewhere.

See page 7

Annual and Lifetime Allowance

Know the limits on your pension savings.

See page 5

Award winner!

The Trustees have achieved an award for the best default investment strategy for 2013 from the Employee Benefits magazine.

This is a highly acclaimed award within the pensions industry. It re-affirms the decision made by the Trustees to use the strategy designed by the Plan advisers, P-Solve, who have the delegated authority to adjust the components of the funds over time between different asset classes. This fiduciary approach has resulted in all of the funds performing ahead of their short term and long term targets.

employee benefits AWARDS 2013



New Member Trustees

You were asked in the last edition of INFORM to participate in the process to nominate two new Member Trustees to replace the two departing Trustees: John Ponsonby and Colin Fletcher. We are pleased to announce that the two new Trustees are:



Adam Collins

Adam is an employee at AgustaWestland. He is a Transmissions Inspector. As a father of two young children, Adam is keen to take an active role in helping to provide a good pension scheme. Adam enjoys raising money for charities, the most recent event being a 100 mile cycle ride for children with leukaemia.



Brian Airlie

Brian's day job is as a Principal Systems Engineer for Selex ES in Edinburgh. Brian wants to take a more active role in the management of FuturePlanner. When not at work he volunteers in the community as a Scout Leader and next year as a Games volunteer for the 2014 Commonwealth Games.

The Trustees have achieved an award for the best default investment strategy for 2013 from the Employee Benefits magazine.

Trustee report and accounts



The annual Trustee report and accounts show the position as at 5 April 2013.



FuturePlanner continues to grow rapidly, with over 480 new members joining this year.



The assets have increased from £27.1m as at 5 April 2012 to over £38m as at 5 April 2013.

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

Plan assets

Assets of FuturePlanner at 5 April 2012

£27,149,129

Income (Company contributions, member contributions and other income) £9,097,497

Outgoings (expenses, insurance premiums) £1,520,727

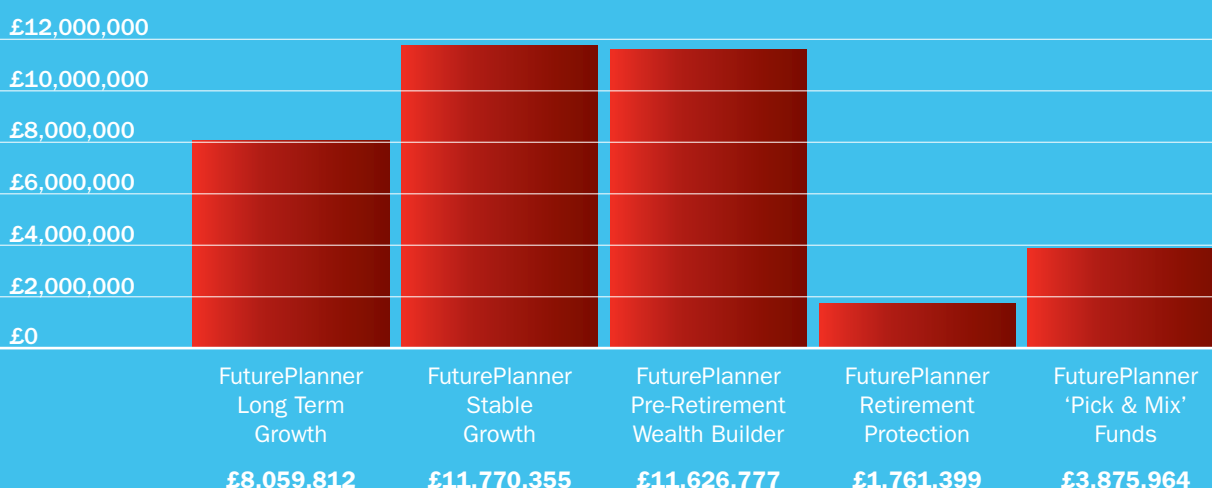
Net return on investments (market value of investment movements after allowing for expenses) £3,887,605

Assets of FuturePlanner at 5 April 2013

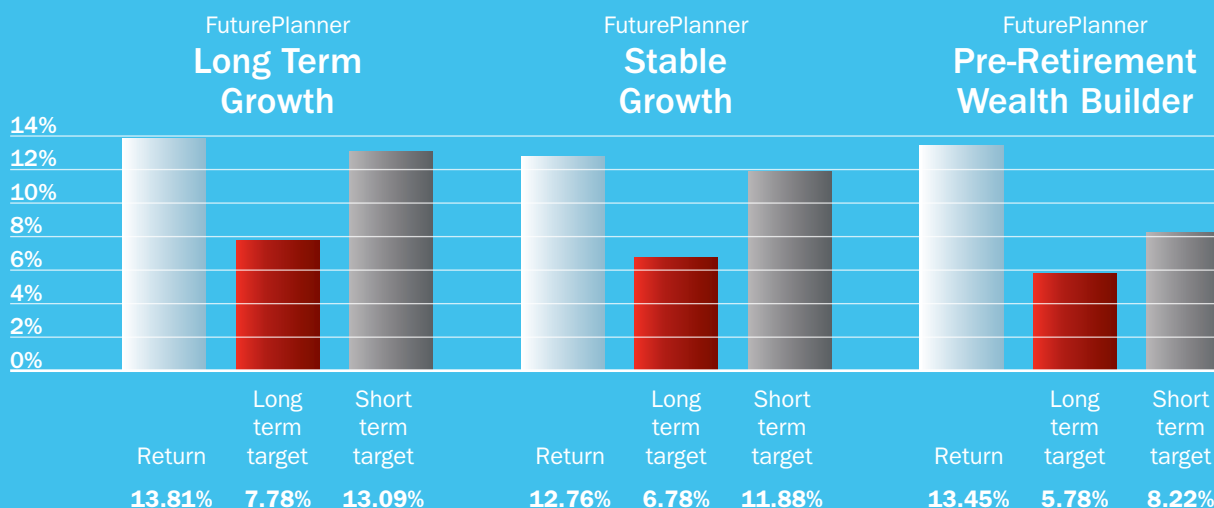
£38,613,504

Investment

90% of FuturePlanner members are using our default investment strategy which moves progressively through three growth 'blend' funds as your career progresses and then finally an off-risk fund just before retirement. Most of the money in FuturePlanner is therefore invested in the three growth funds as shown below:



The three growth funds have long term 'inflation plus' targets and also short term targets, which represent what investment markets have done. The new investment strategy was in place for the full Plan year and the returns achieved for each of the funds (to 31 March 2013) are shown below. It is pleasing to note that each fund was ahead of both the short and long term targets:



A full copy of the Trustee report and accounts can be downloaded from the Plan website www.futureplanner.co.uk or requested from Aon Hewitt (details on the back cover).

Automatic enrolment

The Government has legislated that all employees not currently in a pension scheme should be automatically enrolled into a qualifying pension arrangement on a phased basis.

FuturePlanner is the Plan being used by Finmeccanica UK employers. The two largest companies have now been through this process, with only a few members opting out.

AgustaWestland now has 99.6% of its workforce paying into a qualifying scheme. For Selex ES the participation rate is 97.6%. Other participating companies will go through automatic enrolment over the next few months.

In total, we welcome over 360 new members to FuturePlanner through automatic enrolment.

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)

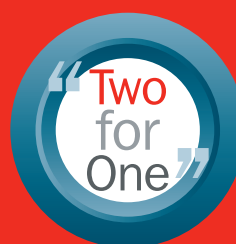
The amount you can save in one year is the amount of contributions paid into your FuturePlanner retirement account by both you and the Company, in addition to any other defined contribution arrangements you may have. If you believe you may be affected by these limits, there is more information on the website www.futureplanner.co.uk.

Smart/AVC update

We are pleased to report that the changes to Smart are now complete, allowing more flexibility. In summary, the following changes have been made:

- Additional Voluntary Contributions (AVCs) can now be paid by salary sacrifice to save you National Insurance contributions.
- You can start (or stop) paying contributions through salary sacrifice at any time, subject to payroll deadlines. Previously this was possible only each 1 January.
- The Company will match your contributions 'Two for One' straight away if you increase your contributions (up to the maximum for matching of 5% employee and 10% employer). Previously this only happened on 1 January each year.

Please remember, should paying your contributions through Smart cause your salary to fall below the national minimum wage, our payroll administrator will automatically take you out of Smart. Further information can be found in the Smart Guide on the website.



Did you know?

The Net Pay Calculator on the FuturePlanner website enables you to estimate how much money is being saved for you each month into FuturePlanner and the real cost to you in terms of take home pay impact.

Benefit statements

Your benefit statement for the year ending April 2013 will be issued at the end of October.

There is new regulatory guidance on how the pension forecasts should be produced in the benefits statement. Previously the forecast has been based on a standard single investment return. Now the forecast is based on assumptions provided by our investment advisers, P-Solve, derived from their expectations of the future returns for each fund within FuturePlanner. The forecast is, therefore, based on the funds you actually are invested in and, for those using the default strategy, take account of the 'lifestyle' switching that will take place as you progress through your career towards retirement.

This may mean that your pension forecasts will be lower than last year but hopefully will provide a more realistic guide to help in your financial planning. You will appreciate that your actual pension will depend on the actual contributions and investment returns over your career.

Pension liberation fraud may seriously damage your wealth

It starts with an innocent looking text or email: 'Records show that your pension has lost a minimum of £3,904.32 since 2007. To get that back as soon as possible complete the form at www.dodgywebsite.com.'

You may receive cold calls, or spot pop-up adverts on the Internet, appearing to come from financial advisers. Scammers know that, in these difficult times, people are looking for ways to supplement their income, or pay off debts.

Pension liberation fraud occurs when people are enticed to access their workplace or private pension before age 55. Except in cases of serious illness, and under a few legacy arrangements, the minimum age for taking your pension is 55. This is because the Government gives generous tax relief to encourage people to save for retirement.

Sometimes pension liberation fraud is confused with pension unlocking, which allows people aged over 55 to access their tax-free cash. This is not illegal but comes with high fees and a reduced retirement income, so should only be considered after taking independent financial advice.

The fraudsters who peddle pension liberation schemes, sometimes called 'pension loans' or 'cashbacks', operate by encouraging you to transfer your pension pot to a fake pension scheme. Of course, they don't tell you it is bogus; they disguise it by setting it up under the HM Revenue and Customs (HMRC) tax regime as a registered pension scheme. They let you access the fund, after deducting high commission fees (up to 30%). But they don't warn you of the potentially serious tax consequences.

Taking money out of your pension when you are under 55 is known as an unauthorised payment. This means that, when the scam is uncovered by HMRC, you will get hit with a tax bill, which could be more than half the value of your fund.

You might wonder why trustees and administrators of workplace pensions don't stop members' pensions being transferred to dodgy pension schemes. Certainly they are aware of this problem and carry out checks, but they will not necessarily be able to spot a fake scheme if it has been properly registered. Once you have completed the discharge forms, trustees have an obligation not to hold onto your money and must pay transfers within a set period.

The Pensions Regulator has recently highlighted pension liberation fraud and you may have read press coverage suggesting that individuals have handed over more than £400 million since 2008. A leaflet with more information and case studies can be found in the news section of the Plan website at www.futureplanner.co.uk. If you think you may have been targeted you can report it to Action Fraud on the hotline: **0300 123 2040**.

Pension liberation fraudsters could seriously damage your wealth, but they won't get to you if you heed the advice on protecting yourself and your retirement income.

**Predators
stalk
your
pension**



Pensions – lost and found

What is your most valuable possession? Perhaps it is your house, or maybe your car? But what about your pension?

After a long career, the total value of your pension benefits from all your employers and private schemes will, almost certainly, be more than your car. It may even be worth more than your house. We keep our homes safe and secure; we insure our cars against loss or damage and sometimes fit them with tracking devices, but it seems we don't take equally good care of our pensions.

The fact that you are reading this newsletter means you are in touch with your current pension in Finmeccanica FuturePlanner – but what about any pensions from previous employment? A recent survey carried out for Age UK found that 23% of people in the UK have lost track of one or more pensions.

The survey also shows how society has changed. We no longer expect a job for life and move around freely between employers.

It seems that almost a quarter of 25 to 34 year olds have already worked for around six employers, which is as many employers as most of today's over 65 year olds have had over a working lifetime.

According to Age UK's survey, most missing pensions are simply 'lost in the mists of time'.

A word of caution if you started work before the mid-1970s and stayed in a job for only a short time. In those days, early leavers from defined benefit occupational pension schemes didn't automatically qualify for a preserved pension. The law changed from 6 April 1975, so that pension schemes had to keep a benefit for anyone aged over 26 who had more than five years' service. In 1986 the age limit of 26 was removed and the five years' service early leavers needed to qualify for a pension was reduced to two years from 6 April 1988.

So if you think you've lost a pension, how can you find it?

Clearly it's not going to turn up down the back of your sofa along with a few lost coins and crumpled paper hankies. You may be able to find a letter from your pension scheme administrators. If not, you will need details of your previous employer, type of business, address and the dates you were in the scheme.

You can then contact the Pensions Tracing Service at: www.gov.uk/find-lost-pension or by phone on **0845 6002 537** (Monday to Friday, 8am to 6pm). This is a free service and is part of the Department for Work and Pensions (DWP).

Once you and your lost pension have been reunited, why not keep in touch by making sure you inform the pension administrators of your new address whenever you move house.

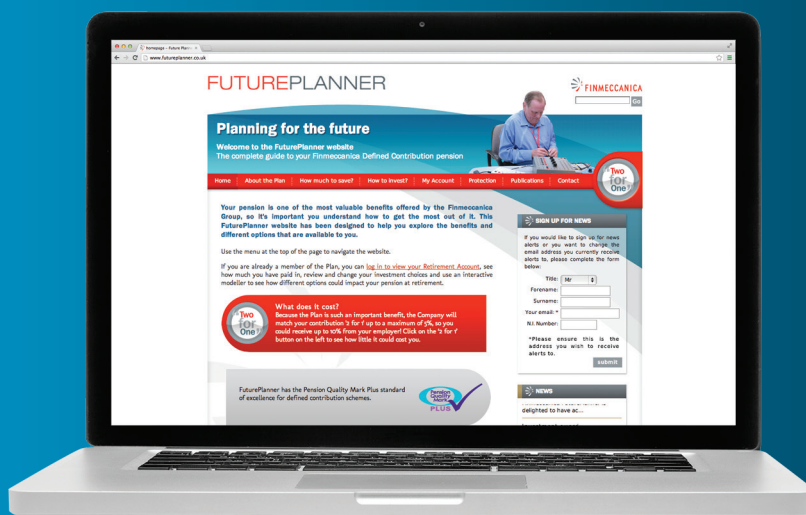
Website

Website statistics are showing that there has been a lot more activity. The Trustees are pleased that you find the website useful.

To view your own personal account on the website, just go to www.futureplanner.co.uk and click 'My Account'.

You will need your enrolment ID to sign in.

You can get this by emailing futureplanner@aon.co.uk or calling them on **01252 768500**



CONTACT DETAILS

You can contact the FuturePlanner administration team at Aon Hewitt by:

Email: futureplanner@aon.co.uk
Telephone: 01252 768500
Writing to: Finmeccanica FuturePlanner, Aon Hewitt Limited,
Briarcliff House, Kingsmead, Farnborough,
Hampshire GU14 7TE

The content of this newsletter is given for the purpose of providing you with information about the Plan only and has no legal effect. The Rules of the Plan govern how the Trustees must act and if the Rules of the Plan 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.

