The ATL Pension Scheme

Summary Funding Statement for the period ending 30 September 2018

Introduction

This statement is being sent to you on behalf of the Trustees of the ATL Pension Scheme (the Scheme).

The main purpose of this statement is to update you on the financial development of the Scheme. We have also provided extra information about the Scheme, its operation and an update on pension news.

Who looks after the Scheme?

Trustees	
Peter Pendle Robin Bevan Lesley Ward Malcolm St John-Smith	Steven Crane (MNT) Jon-Leigh Pritchard (MNT) Simon Stokes (MNT)
Scheme/Plan Administrator	
First Actuarial LLP Trafford House, Chester Road, Manchester, M32 0RS Telephone: 0161 348 7400	
Scheme Actuary	**Auditor**
Rob Hammond FIA First Actuarial LLP	Moore Stephens LLP
Legal advisers	**Investment Managers**
Shoosmiths	Legal & General Newton Investment Manager Ltd Standard Life Investments Partners Group (Guernsey) Ltd

Results of the Trustee elections

The Scheme recently undertook a process to elect Member Nominated Trustees (MNTs). We can confirm that the members of the Scheme voted to re-elect the three previous MNTs, who will continue to govern the Scheme until 2024.

How the Scheme operates

The National Education Union (the Union) pays contributions to the Scheme so that the Scheme can pay benefits to its members.

The money to pay for members' benefits is held in a fund, separate from the Union. It is not held in separate funds for each individual member.

There has not been any payment from the Scheme to the Union since the date of the last Statement. Legislation would only permit a payment to the Union once the Scheme had enough assets to secure the accrued benefits with an insurance company.

How much money does the Scheme need?

Estimates are carried out by the Scheme Actuary on a regular basis. Using this information, we can agree with the Union the level of future contributions.

The importance of the Union

The Union is the Principal Employer. Our objective is to be able to pay the pensions both now and in the future. The success of the Scheme relies on the Union's continuing support to:

- pay future running expenses of the Scheme;
- meet any funding shortfall.

Scheme membership

The membership of the Scheme as at 30 September 2018 is set out in the table below, along with the membership as at 30 September 2017 and 30 September 2016 for comparison:

At 30 September	**2018**	**2017**	**2016**
Active members:	156	162	152
Deferred pensioners:	65	52	53
Pensioners:	28	26	21
Total membership:	**249**	**240**	**226**

Actuary's report

The last actuarial valuation of the Scheme was carried out as at 30 September 2016. The results from the valuation are shown in the table below, along with results from the annual funding updates as at 30 September 2017 and 30 September 2018:

At 30 September (£'000)	**2018**	**2017**	**2016**
Value of assets	27,366	25,477	24,026
Value of liabilities	24,839	22,190	21,736
Surplus	**2,527**	**3,287**	**2,290**
Funding level	110%	115%	111%

The latest actuarial report showed that on 30 September 2018, the funding position of the Scheme had to 110% with an estimated surplus of £2,527,000. The main reason for the deterioration of the funding position is lower than expected returns on the Scheme's assets. However, this is partially offset by changes in the market conditions which have reduced the estimated amount needed to meet the Scheme's promises.

The next formal actuarial valuation of the Scheme is due as at 30 September 2019, with the results of that valuation known by 31 December 2020.

As part of the actuarial valuation, the law also requires an assessment to be made of the extent to which the assets would cover the liabilities of the Scheme if the Scheme were to start to wind up. The last valuation, as at 30 September 2016, showed that the Scheme's assets represented approximately 41% of the cost of securing the Scheme's benefits with an insurer.

If the Scheme were to wind up, the law requires the Union to make a payment to the Scheme that would enable us to secure 100% of members' benefits with an insurance company. At 30 September 2016, the estimated amount required to achieve this was £35.2m. The Union would like to confirm it is committed to continuing its support of the Scheme.

The Pensions Regulator

If the Union became insolvent, the Pension Protection Fund (PPF) might be able to pay compensation to members. For details of the compensation payable by the PPF, please refer to the PPF website at www.pensionprotectionfund.org.uk.

The Pensions Regulator (TPR) is the UK Regulator for work-based pension schemes. TPR has certain powers it can use if it has concerns about a scheme's funding. It has not used any of these powers in relation to this Scheme.

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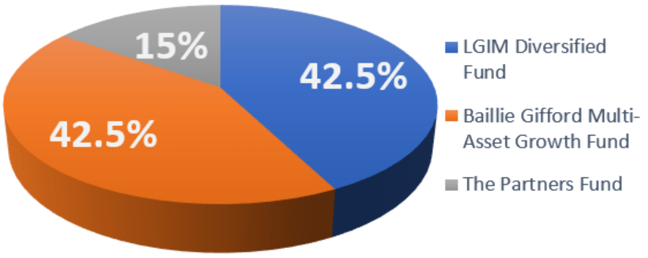
Investments

At the time of writing the policy of the Scheme is to hold the following investment classes:



Pension news

Limits to pension savings

The yearly pension savings you can make tax free are limited to the Annual Allowance (AA) and since 2016/17, the annual measurement period is aligned with the tax year.

The standard AA is £40,000. Where an individual has accessed a money purchase pension pot using the "Pension Freedoms", there is an annual limit on the amount of contributions that can be made to a money purchase arrangement. The current annual limit is £4,000.

A reduced AA potentially applies if you have taxable income over £110,000 a year after deducting any pension contributions you have made. The AA starts to reduce if your taxable income plus the value of any pension savings made exceeds £150,000 a year. It reduces by £1 for every £2 of income above £150,000, tapering down to an AA of £10,000 if your income is £210,000 or more a year.

The pension savings you can make tax free over your lifetime are limited to the lifetime allowance (LTA). From 6 April 2018, the LTA is £1.03m and is likely to increase in line with Consumer Price Index inflation each tax year. If your pension savings are worth more than this when you take your benefits, you'll have to pay the LTA tax charge unless you have some form of LTA protection. Further details of the changes to the LTA, including protection, are available from HMRC's website: https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual

Thinking of transferring your benefits?

Safeguards are in place for people with defined benefit pensions such as the benefits you have built up in the Scheme. We are required to check that anyone wishing to transfer their defined benefit pension to another arrangement to access the Pension Freedoms has obtained advice from an independent financial adviser. The adviser must be authorised by the Financial Conduct Authority to advise on pension transfers. We are not required to check that advice has been obtained where the transfer value is at or below £30,000. If you are thinking of leaving the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action.

Same sex survivor pensions

The Supreme court has ruled in the case Walker v Innospec that restricting same sex survivor pensions to a deceased member's pensionable service after 5 December 2005, as previously permitted by UK law, is discriminatory. The same rules must apply to the calculation of same sex survivor pensions as other survivor pensions, and with retrospective effect.

State Pension

If you reached State Pension Age before 6 April 2016, you will continue to receive the Basic State Pension and any earnings-related State Pension.

If you will reach State Pension Age on or after 6 April 2016, you will be entitled to the new State Pension. Your State Pension will be based on your National Insurance record. There have been further changes to State Pension Age, affecting individuals born after 5 April 1960 and in 2017 the Government proposed further changes affecting individuals born after 5 April 1970. To find out your State Pension Age and to obtain an estimate of your State Pension, go to https://www.gov.uk/check-state-pension

Lost pensions

If you have lost track of any pension savings built up elsewhere, there is a new tracing service available.
https://www.gov.uk/find-pension-contact-details

Using your personal information

The personal information we hold on you will only be used in connection with the Scheme or to provide you with guidance on the benefits you are entitled to. For details on how your information is used and your rights to access information we hold on you, please contact the Trustees care of First Actuarial.

Scheme website

All of the documents below can be accessed via the Scheme website. To access the Scheme area please use the following instructions:

- Go to http://members.firstactuarial.co.uk
- Type in
    - username: ATL
    - password: ATL Member
- You can select various Scheme documents from the menu on the left-hand side of the screen.

Further information

The following Scheme documents are available on request:

- The Statement of Funding Principles
- The Statement of Investment Principles
- The Schedule of Contributions
- The Trustees' Annual Report and Accounts
- The full Actuarial Valuation as at 30 September 2016
- The shorter Actuarial Reports as at 30 September 2018 and 30 September 2017
- The Scheme booklet

If you are not a pensioner and have not received a benefit statement from the Scheme in the last 12 months, you can ask for one. This will provide an estimate of your pension at retirement.

Please help us by ensuring the address on the Scheme's records is up to date. If your address has changed or if you need anything further, please contact First Actuarial.

Don’t let a scammer enjoy your retirement

Find out how pension scams work, how to avoid them and what to do if you suspect a scam.

Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

Scam tactics include:

- contact out of the blue
- promises of high / guaranteed returns
- free pension reviews
- access to your pension before age 55
- pressure to act quickly

If you suspect a scam, report it

- **Report to the Financial Conduct Authority (FCA)**
  by contacting their Consumer Helpline on 0800 111 6768 or using the reporting form at www.fca.org.uk
- **Report to Action Fraud**
  on 0300 123 2040 or at www.actionfraud.police.uk
- **If you’re in the middle of a transfer,**
  contact your provider immediately and then get in touch with The Pensions Advisory Service (TPAS) at www.thepensionsadvisoryservice.org.uk

www.fca.org.uk/scamsmart

Four simple steps to protect yourself from pension scams

1

Reject unexpected offers

If you're contacted out of the blue about your pension, chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Fortunately, research shows that 95% of unexpected pension offers are rejected.*

2

Check who you're dealing with

Check the Financial Services Register (www.register.fca.org.uk) to make sure that anyone offering you advice or other financial services is FCA-authorised.

If you don't use an FCA-authorised firm, you also won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. So you're unlikely to get your money back if things go wrong. If the firm is on the FCA Register, you should call the Consumer Helpline on 0800 111 6768 to check the firm is permitted to give pension advice.

Beware of fraudsters pretending to be from a firm authorised by the FCA, as it could be what we call a 'clone firm'. Use the contact details provided on the FCA Register, not the details they give you.

3

Don't be rushed or pressured

Take your time to make all the checks you need – even if this means turning down an 'amazing deal'. Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

4

Get impartial information and advice

The Pensions Advisory Service (www.thepensionsadvisoryservice.org.uk) – Provides free independent and impartial information and guidance.

Pension Wise (www.pensionwise.gov.uk) – If you're over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options.

Financial advisers – It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of a financial adviser. If you do opt for an adviser, be sure to use one that is regulated by the FCA and never take investment advice from the company that contacted you or an adviser they suggest, as this may be part of the scam.

Be ScamSmart with your pension. Check who you are dealing with.

www.fca.org.uk/scamsmart

FCA FINANCIAL CONDUCT AUTHORITY

The Pensions Regulator

*FCA Financial Lives