Pension News

Brush Group (2013) Pension Scheme

April 2016

Welcome to the 2016 edition of Pension News

This newsletter contains the summary funding statement for the Scheme. This contains the latest information about the Scheme's financial health and the arrangements that are in place to support your benefits.

If you have questions about anything covered in this newsletter, please get in touch with the Aon Hewitt Brush team – their details can be found on page 15.

Inside

Summary funding statement

As Trustee Directors, we look after the Scheme on behalf of its members. In particular, we are responsible for managing the Scheme's funding position. This involves comparing the value of the Scheme's assets with an estimate of the assets the Scheme needs to provide all pension and other benefits, based on agreed financial and other assumptions.

This funding statement, which is a legal requirement, is provided to help members understand the level of financial security of the Scheme. The funding statement will be updated and sent to members each year.

Understanding the level of financial security, and how this is measured, is important for members as it may affect the benefits you will receive. Scheme members have earned benefits, especially the right to receive a pension on retirement. The value required to provide all these earned benefits is known as the Scheme's liabilities.

Brush Electrical Machines Limited ('the Company') pays contributions so that the Scheme can build up a fund to pay the pensions and other benefits to members.

The Scheme's assets consist of the cash, shares, bonds and other investments it owns.

To measure the Scheme's financial security the Trustee compares the value of the Scheme's liabilities and assets. If the value of assets is lower than the liabilities, the Scheme has a 'shortfall'. If the value of assets is more than the liabilities, the Scheme has a 'surplus'.

It is important that individual members are clear that they do not have their own individual pension funds within the Scheme. Instead, the Scheme, like all defined benefit schemes, is set up as one common fund. The Scheme's accumulated assets are invested by the Trustee and used to pay pensions and other benefits.

What figures are included in the summary funding statement?

Every three years, the Scheme Actuary assesses the progress of the Scheme's funding arrangements in a process called an 'actuarial valuation'. The Trustee is also provided with regular valuation updates from the Actuary that give an estimate of the amount of assets that is needed today to meet the expected benefit payments. These estimates allows for future investment returns. Using this information, the amount of contributions needed to keep the Scheme assets on track (to meet the objective to pay pensions and other benefits) can be determined and monitored.

The funding statement includes the results of the first actuarial valuation of the Scheme, which was based on information about the Scheme at 31 December 2013. It also includes the results of the actuarial update carried out as at 31 December 2014. The next actuarial update will be carried out as at 31 December 2015 and is currently in progress.

The next formal actuarial valuation of the Scheme will be carried out with an effective date of 31 December 2016.

Behind the numbers

An actuarial valuation looks at the funding position on an 'ongoing basis' and a 'discontinuance basis'. Figures based on both of these measures are included in the funding statement.

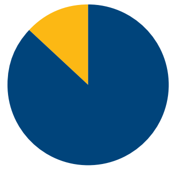
The **ongoing basis** looks at the Scheme's funding assuming that the Scheme continues into the future. The Scheme Actuary helps the Trustee to agree a funding target (called the 'technical provisions') for the Scheme. This target is the estimated amount that the Scheme will need to pay for members' benefits earned up to the valuation date.

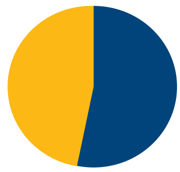
The plan to meet the funding target, through contributions from the Company and investment returns, assumes the Company will continue in business and be able to make the necessary contributions to the Scheme.

The **discontinuance basis** (also known as the solvency basis) looks at whether there would have been enough assets to buy insurance policies to provide members' benefits if the Scheme came to an end at the valuation date. (This basis is shown because it is required by law. It does not mean that the Company is actually thinking of discontinuing the Scheme.)

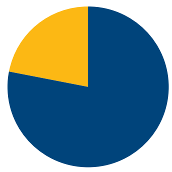
The cost of providing all the benefits through buying insurance policies is higher than the cost of paying them gradually over future years, as insurance companies use tougher financial assumptions, especially regarding the investment returns the assets will make. Even if a scheme is fully funded on the ongoing basis, the discontinuance figure will almost certainly be less than 100%.

Figures based on the 31 December 2013 valuation

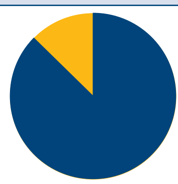
Ongoing basis		
Scheme assets	**£167.0 million**	Funding level (Scheme assets divided by liabilities) 88% 
Scheme liabilities (estimated amount required to meet the funding target)	**£190.0 million**	
Shortfall	**£23.0 million**	

Discontinuance basis		
Scheme assets	**£167.0 million**	Funding level (Scheme assets divided by liabilities) 56% 
Scheme liabilities (amount required to pay benefits through buying insurance policies)	**£296.9 million**	
Shortfall	**£129.9 million**	

Figures based on the 31 December 2014 funding update

Ongoing basis		
Scheme assets	**£197.3 million**	Funding level (Scheme assets divided by liabilities) 85% 
Scheme liabilities (estimated amount required to meet the funding target)	**£232.2 million**	
Shortfall	**£34.9 million**	

Figures based on the 31 December 2015 funding update

Ongoing basis		
Scheme assets	**£197.1 million**	Funding level (Scheme assets divided by liabilities) 87% 
Scheme liabilities (estimated amount required to meet the funding target)	**£225.8 million**	
Shortfall	**£28.7 million**	

Following the 31 December 2013 valuation, the Scheme's funding level on the ongoing valuation basis worsened slightly over the period to 31 December 2015. It fell to 87%, mainly because of adverse changes in market conditions which increased the value placed on the liabilities. This was partly offset by an increase in the value of the assets due to payment of Company contributions and positive investment returns.

How much money is paid into the Scheme each year?

The Scheme was created following a de-merger of the FKI Group Pension Scheme in 2013. Around 24% of assets and liabilities on a technical provisions basis were transferred from the FKI Group Pension Scheme into the Scheme.

As this is the first actuarial valuation of the Scheme there was no Recovery Plan in place. However, the interim Schedule of Contributions put in place in August 2013 stated that the Company would pay deficit contributions of £4.85 million a year from 1 September 2013 until 30 June 2021, together with £0.808 million in August 2013.

Following the 31 December 2013 valuation the Trustee and the Company agreed a recovery plan that is designed to restore the funding level to 100% by 31 August 2017. The Company contributions are £5 million a year from 1 January 2015 until 31 August 2017.

The Trustee closely monitors the performance of the Company and receives updates on its performance at each quarterly Trustee meeting. The Trustee received advice on the covenant of the FKI group of companies – that is, the Company's ability and commitment to providing the ongoing financial support to the Scheme - as part of the de-merger and concluded that it was satisfied that Brush Electrical Machines is at least as strong as it was at the previous valuation and the Trustee continues to be satisfied with the strength of the Company's covenant.

As you may have heard in the news, Honeywell International Inc purchased the Elster Gas, Electricity and Water division of Melrose Plc. The Trustees felt that as Melrose provided an "indirect covenant" to the Scheme in as much as they continued to support the Brush Companies, who in turn supported the Scheme, that Melrose should also improve the funding of the Scheme. Following negotiations between the Trustee and Melrose, the Trustee obtained agreement from Melrose that it would pay all the outstanding Recovery Payments (£5 million a year until 31 August 2017) into the Scheme as a lump sum. These payments, amounting to around £7.9 million, were made to the Scheme on 8 February 2016.

Is my pension guaranteed?

The Trustee's aim for the Scheme is to have enough money in the Scheme to pay pensions now and in the future. However, this plan relies on the employer carrying on in business and continuing to support the Scheme because:

- the funding level can fluctuate, and when there is a funding shortfall, the employer will usually need to put in more money; and
- the target funding level may turn out not to be enough so that the employer will need to put in more money.

What would happen if the Scheme started to wind up?

If the Scheme winds up because the employer becomes insolvent you may not receive the full amount of pension you have earned, even if the Scheme is fully funded against its target funding level. However, as long as the Scheme remains ongoing, even though funding may fall below target, pensions will continue to be paid in full.

Why does the Trustee's funding plan not call for full solvency at all times?

The full solvency position assumes that members' benefits will be secured by buying insurance policies. When estimating the cost to provide benefits, insurers are required to take a very cautious view of the future, include a profit margin and make an allowance for their expenses. By contrast, the funding plan assumes that the Company will continue to financially support the Scheme and it includes less cautious assumptions about the future than those typically used by insurers.

Pension Protection Fund (PPF)

In the event of a wind up, it may be that the Company is unable to pay the full amount required by an insurance company to secure the liabilities. If the Company became insolvent, the Pension Protection Fund (PPF) may be able to take over the Scheme and pay compensation to members. The PPF has been set up by the Government to help protect members' pensions where a company becomes insolvent. It does not, however, guarantee to pay full benefits. Further information and guidance is available on the PPF website at:
www.pensionprotectionfund.org.uk

Alternatively, you can write to the PPF at:

Renaissance House, 12 Dingwall Road,
Croydon, Surrey, CR0 2NA

Have there been any payments to Brush Electrical Machines Limited?

The Trustee is legally required to include details of any payments made to the Company in the funding statement.

The Scheme's assets are kept separate from the Company and are managed by the Trustee. There have been no payments to the Company from the Scheme in the last twelve months, except to reimburse the Company for Scheme expenses it has paid directly. The Trustee would not expect to make any other payments to the Company and there are rules restricting the circumstances in which this can happen.

Use of personal data

In providing actuarial services to the Trustee, including preparing this Summary Funding Statement, the Trustee, their adviser Aon Hewitt and the Scheme Actuary require access to personal data about members and their dependants. The Data Protection Act governs how the Trustee, Aon Hewitt and the Scheme Actuary use and store personal data. Members can find out more information about how their personal information is used in the provision of actuarial services at **www.aonhewitt.co.uk/privacy-statement**. Should you have further questions regarding the processing of your personal information, you should contact the Trustee in the first instance (see page 15). General guidance is also available from the Information Commissioner's website (**ico.org.uk**).

Noticeboard

Website

Remember to visit the Scheme website at **www.brushpensions.co.uk**

On the website, you can:

1. View copies of the Scheme booklets and other official Scheme documents
2. Download all the forms you might need
3. Find the answers to 'frequently asked questions'
4. Use the contact link to e-mail the Aon Hewitt Brush team
5. Follow links to other useful websites

Expression of wish form

Under the Scheme Rules, a lump sum is payable in the event that you die while you are a deferred member or in your first five years of retirement. The Trustee has the final decision over who receives this cash sum. This way, it should not become part of your estate and your beneficiary (or beneficiaries) should not have to pay inheritance tax on it.

This is why it is important for you to send us your expression of wish form. This is the form you use to tell the Trustee who you would like to receive the payment. For the reasons above, the Trustee is not bound by law to follow your wishes, but it will usually act on them unless there is good reason to do otherwise. The form also helps the Trustee to make a relatively quick decision at what would be a time of great distress for your family.

You may have already sent us a form, but please take the time to consider if it is still up to date. If your personal circumstances change – if you marry, divorce, register or dissolve a civil partnership, or become a parent – it may affect who you want to name on your form.

If you need to send us a new expression of wish form, go to the 'Member forms' section of the Scheme website, where you can download a blank form. You should return your completed form to the Aon Hewitt Brush team. Their contact details are on page 15. Alternatively, if you cannot access the website, the team will be happy to send you a form in the post.

If you are currently receiving a Scheme pension

You must let us know as soon as possible if there is a change to your bank or building society details. If you need to update your details, please contact the Aon Hewitt Brush team.

If you are changing your bank account, we ask that you do not close your old bank account until you have received confirmation from the Aon Hewitt Brush team of the date from which your pension payments will be sent to your new bank account.

Protecting you and your data

Keeping your personal information up to date helps us to make sure your pension is being paid correctly.

We regularly write to members to check that we are contacting the right person and ensure our records are up to date. If you receive a letter from us about this, don't worry. All you need to do is complete the form provided and return it to us as soon as you can. The form must be completed in the presence of someone who is of a professional standing within the community (other than a relative), e.g. Teacher, Postmaster, Bank Manager, Doctor, Pharmacist, Librarian, Faith Leader, Justice of the Peace, Care Home Manager, Job Centre Manager or Police Officer.

You may receive a letter up to once a year, so even if you have recently completed a form you should still complete and return any later forms we send you.

Please remember that if you do not respond within the timescales stated on the letter, this may lead to your pension being suspended.

Scheme Data Review

Although the administrators endeavour to ensure your data is up-to-date, it is important that you also play your part in informing the Trustee of any change (such as an address change or change to your marital status) so that records can be updated without delay. You can update your personal details by contacting the Aon Hewitt Brush team (contact details are on page 15).

Taking independent advice

If you are thinking of making any changes to your pension arrangements (for example, transferring your benefits to another scheme if you are a deferred member), you should consider taking professional financial advice. The law does not allow the Trustee or your employer to advise you on what might be best for your situation.

If you feel you need advice, you should consult an independent financial adviser (IFA). If you do not already use an IFA, **www.unbiased.co.uk** can give you details of an adviser in your area.

The Money Advice Service website has a range of information, including where to look for financial advice and questions to ask potential advisers.

Website: **www.moneyadviceservice.org.uk**
Telephone: **0800 138 7777**

You generally have to pay for financial advice; so ask the adviser about their charges. You should also check that any adviser you are thinking of using is qualified and authorised to advise you. You can check whether an adviser is registered with the Financial Conduct Authority (FCA) by looking on their website, **www.fca.org.uk**.

AVCs

While you were an active member of the Scheme, you may have paid Additional Voluntary Contributions (AVCs). If you are a deferred member, your AVC account will continue to be invested until your retirement. Scheme AVC accounts are held with a number of providers such as Friends Provident, Equitable Life and London Life. You may still receive information from these providers if you hold an account with them.

The Trustee Directors have chosen a range of investment funds to be made available from Friends Provident. If you hold an AVC account with Friends Provident, you should currently be receiving a statement of your investments each year. Friends Provident now also allow members to access their fund information online. If you wish to register for this service, please visit the website below and follow the register instructions:

http://www88.friendsprovident.com/membersite/

Your choice of investment funds for your AVC account may have a significant impact on the size of the account available to you at retirement. It is therefore important that you regularly review your investment choices and consider the various options available to you.

Please note that neither the Scheme's Trustee nor the administrators are able to advise you on the best investment choices for you. 'Taking independent advice' on the left for details of where you can obtain advice if you require it.

At retirement, everyone with Defined Contribution (DC) savings (including DC Additional Voluntary Contributions (AVCs)) now has access to free impartial guidance. This service, called 'Pension Wise', is accessible online, by telephone or face-to-face. Certain bureaus of the Citizens Advice Service provide the face-to-face guidance and telephone guidance will be provided by The Pensions Advisory Service. Telephone and face-to-face sessions will need to be booked in advance, in order to give you time to gather information and prepare. The guidance will be tailored and personalised, but will not recommend specific steps, products or providers. Visit the Pension Wise website, **www.pensionwise.gov.uk**, or call **0800 138 9344** to book a telephone appointment with an adviser.

If you have AVCs, more information about how to access the guidance will be provided closer to your retirement. To prepare for it, make sure you collect information about your previous and current pension plans, other savings, debt and financial commitments, and ideas on your likely budgets together with current and future outgoings.

Accessing your AVCs flexibly

At your retirement date, you may be able to take your AVCs in a mix of the following ways:

- Take them as cash. Depending on the amount of cash taken, some or all of it will be tax-free and the remainder will be taxed at your marginal rate.
- Purchase an income drawdown product from a provider outside the Scheme to keep funds invested and to take programmed withdrawals throughout your retirement.
- Buy an annuity (pension) if you want regular, guaranteed income throughout retirement.

Read the highlights at **www.gov.uk/government/news/ pension-reforms-eight-things-you-should-know**.

Your options will be communicated to you as part of the retirement process. Please note that the new flexibility at retirement and the 'Pension Wise' service are only available to members with DC type benefits.

TAX ALERT! When you're considering what to do with your AVCs at retirement you should carefully consider the tax implications.

The year in brief

Accounts summary

This table shows the key figures from the full audited Scheme accounts, which you can find in the latest annual report, dated 31 December 2014. You can download a copy of the full report from the Scheme website. Alternatively, copies are available from the Aon Hewitt Brush team – see page 15 for their contact details.

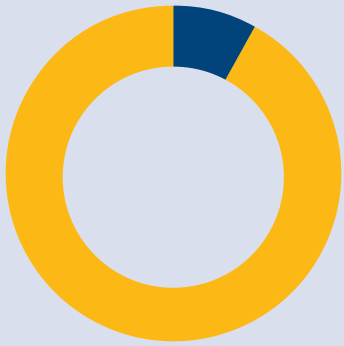
	2014	2013
	£000	£000
What came in		
Company contributions	4,850	2,426
Income from investments	2	2
Group transfer in from the FKI Scheme*	1,236	164,958
Total income	**6,088**	**167,386**
What went out		
Pensions	559	98
Tax free cash sums to retiring members	1,966	866
Death benefits	4	71
Payments relating to leavers	889	489
Fees and expenses	654	358
Total outgoings	**4,072**	**1,882**
Fund value at the start of the year	**168,396**	**0**
Total income	6,088	167,386
Less total outgoings	(4,072)	(1,882)
Increase in value of investments	29,342	2,892
Fund value at the end of the year	**199,754**	**168,396**

* *The group transfer in 2013 represents the net assets transferred from the FKI Group Pension Scheme. The transfer value was made up of £163,571,515 of investment assets, cash of £835,171 and £1,386,754 of AVC investments. During 2014, an additional £1,235,595 of AVCs was transferred from the FKI Group Pension Scheme.*

The next annual report, dated 31 December 2015, is scheduled to be signed by the Trustee and published during summer 2016.

Member profile

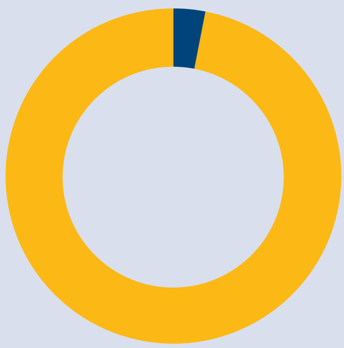
There were 1,603 members of the Scheme at 31 December 2014. The charts show the types of member making up that number.



31 December 2014

Pensioners: 130

Deferreds: 1,473



31 December 2013

Pensioners: 50

Deferreds: 1,566

Investment update

The Trustee has appointed a number of investment managers to carry out its chosen investment strategy and has delegated all day-to-day decisions on the Scheme's investments to these fund managers. Spreading the assets across different managers and global locations can remove some of the risk to the Scheme of one manager or regional market performing badly.

The Trustee – with the help of its investment adviser – reviews its chosen fund managers' performance and overall suitability on a quarterly basis. The Trustee also monitors each manager's voting and corporate governance activity. When choosing investments, the fund managers are required (by law) to take into account social, environmental and ethical considerations in making their investment choices.

The Trustee Directors meet each of the equity fund managers in person at least once a year.

Every quarter, with the help of their advisers, the Trustee Directors review their investment strategy. You can find the Trustee's statement of investment principles – the official document setting out its chosen investment strategy – on the Scheme website.

When making decisions on investment strategy, the Trustee Directors follow independent guidance in areas such as effective decision-making, setting objectives and measuring performance (the 'Myners Principles'). The Trustee Directors monitor their compliance with these Principles on an annual basis.

At the end of the year, the Scheme's investments were spread across the assets shown in this chart:

2014	
Index-linked gilts	42.9%
Equities	31.7%
Corporate bonds	25.4%

The following table shows the performance of each fund over the 12 month and 3 year periods to 31 December 2014. Some of the Scheme's assets were invested in Legal & General's Over 15y Index-Linked Gilt fund in 2013 and these assets have not been invested long enough for the 3 year figures to be available. Similarly, Morgan Stanley has only been investing the Scheme's assets long enough for the 1 year figure to be available.

Manager	What they were investing in	Their performance over the period to 31 December 2014 (%)			
		Return over one year		Annual average return over three years	
		Fund	Benchmark	Fund	Benchmark
Invesco	UK Equities	10.9	1.2	15.9	11.1
Majedie	UK Equities	3.7	1.2	16.6	11.1
Morgan Stanley	Global Equities	6.6	4.9	-	-
Legal & General	AAA-AA-A Bonds Over 15y Index	19.9	19.9	10.0	10.0
Legal & General	Over 15y Index-Linked Gilts	27.3	27.3	-	-
Legal & General	Over 5y Index-Linked Gilts	21.4	21.4	7.1	7.1
Total Assets*		17.9	16.2	-	-

Performance includes returns prior to the demerger and is shown gross of fees.

Total Assets performance incorporates the performance of mandates that were held over the relevant periods but have now been terminated.

Pensions news

Changes to State Pension

The earliest you can get your State Pension is when you reach your State Pension Age. Visit **gov.uk/calculate-state-pension** to check your State Pension Age. This tool calculates the date you will reach your State Pension Age, under current legislation, based on gender and date of birth.

As you may be aware the State Pension system is changing. You will be eligible to claim Basic State Pension and Additional State Pension if you reach State Pension Age before 6 April 2016. If you reach State Pension Age on or after this date you'll claim the new State Pension.

How much State Pension will I get?

The amount you will receive is based on your National Insurance (NI) record, it will be no less than the amount you'd have received on the last day of the current scheme (5 April 2016). This assumes you have the minimum number of years (10 years) on your National Insurance record to get any State Pension.

People might get more or less than the full new State Pension. Those that have built up a certain amount of Additional State Pension will get a higher amount, while those that were contracted out before 6 April 2016 for a significant time will probably get less.

Contracted out or contracted in?

- **Contracted out**

  If you have been contracted out you would have been making NI contributions at a reduced rate or receiving a rebate into your pension pot (in a DC scheme).

  The new system makes a reduction in the flat-rate pension in the same way a 'contracted out-deduction' would have been made from your Additional State Pension under the old system.

  If you've been contracted out but carry on working for a number of years after 2016, making full-rate NI contributions, you will carry on building up further State Pension until you reach the full flat rate.

- **Contracted in**

  The new rules will mean that no-one will lose any Additional State Pension they've accrued while contracted in. If you collect your State Pension in or after April 2016, the government will make two calculations.

  The first will be your State Pension entitlement under the current rules. The second will be the amount of State Pension you would be entitled to under the new post-2016 rules. Whichever value is the highest is called your 'foundation amount' and if this is more than the new maximum flat-rate State Pension, you will receive the higher amount.

A pension forecast

You can request an estimate of the State Pension you'll get when you reach State Pension Age via the Government website **https://www.gov.uk/state-pension-statement**. The forecast currently available provides you with an estimate of what you can expect in terms of your State Pension based on your NI contributions. The statement breaks it down into what you'll get as part of the Basic State Pension and what you would get as Additional State Pension.

A new calculator will be available once the change to a single State Pension comes into force (April 2016). The pension statement will also tell you exactly when you will reach the State Pension Age and can claim your pension.

Pensions taxation

Tax changes: reduction to the Lifetime Allowance

The 2015 Budget announced a reduction to the Lifetime Allowance. The Lifetime Allowance is the total amount of pension savings that an individual can build up within registered pension schemes during their lifetime.

The Budget confirmed that the Lifetime Allowance would reduce from £1.25 million to £1 million, with effect from 6 April 2016, and that it would then increase in line with inflation from 6 April 2018 onwards. If the Lifetime Allowance is exceeded, tax will be charged on any savings over the limit.

Anyone with pension benefits in excess of £1 million (equal to a final salary pension of £50,000 a year) may elect for transitional protection. Legislation for both the reduction in the LTA and the protection regimes (Fixed Protection 2016 and Individual Protection 2016) will be delivered in the Finance Bill 2016. As a result it will not be possible for members to apply for protection until after April 2016.

HMRC have stated that individuals who want to rely on Fixed Protection 2016 will need to start thinking about what arrangements they need to make to stop accruing benefits after 5 April 2016. It has also confirmed the application process for the protection regimes 2016 will be online and will require the member (or their authorised representative) to provide similar information and declarations as for Fixed Protection 2014 and Individual Protection 2014.

Changes to the Annual Allowance (AA)

What is the AA? This is the maximum amount by which the value of pension savings can increase in any year without attracting a tax charge. The AA is currently £40,000 p.a.

From 6 April 2016, individuals who have "adjusted income" (which includes net income such as earnings and the value of any pension savings) for a tax year of greater than £150,000 will have their AA for that tax year restricted. The way that the tapering will work is that for every £2 of income that exceeds £150,000, £1 of AA will be lost. There is a cap to the tapering of £30,000, which means that the minimum tapered AA is £10,000 for individuals with adjusted income of £210,000 or more a year.

Those with income (excluding pension contributions) below £110,000 will not be subject to the Tapered AA.

As a consequence of the new taper provisions, the period over which the Scheme's pension savings are measured changes so that it is aligned to tax years. To accommodate the changeover, tax year 2015/16 is split into two periods, firstly 6 April 2015 to 8 July 2015 and then 9 July 2015 to 5 April 2016. There is transitional protection for members who might otherwise be affected by the alignment according to tax years.

Most employees will not be affected by these changes and will be able to continue saving as much as they can afford, as well as receive tax relief on the contributions they pay. However, if you think you may be affected, you may want to consider consulting an independent financial adviser.

Be aware of scams!

Members are being approached by 'unregulated' providers with tempting investment and cash offers for their pension savings. This type of offer could be a scam, so check carefully before making any decisions. These offers may sound legitimate but they typically offer unusual investments like overseas property or biofuel, promising high returns but not making you aware of the high risks and downsides.

Early access to your pension savings may sound tempting, but usually you can't access pension savings before age 55 unless you are seriously ill. So make sure you check your facts before you make an irreversible decision. If you'd like more information or want to report pension fraud, contact The Pensions Advisory Service, using the details on **www.pensionsadvisoryservice.org.uk** or Action Fraud on **0300 123 2040**.

Being taken in by one of these scams is likely to result in you being poorer in retirement, and could mean you face substantial tax charges.

There are certain things to look out for: website promotions, in-home visits from 'introducers', cold calls, text messages or adverts encouraging you to transfer your pension to a new arrangement for a cash payment or loan.

The Pensions Regulator has a booklet 'Scammed out of his savings - don't be next' which you can download free of charge from **www.thepensionsregulator.gov.uk** (look at the 'Individuals' section for links to information about pension scams).

If you think you have been made a pension scam offer you can report it to ActionFraud on **0300 123 2040**.

Don't rush into it; remember that your Scheme pension is very valuable. The right decision for you will depend on your circumstances and retirement needs, your future plans and appetite for future investment risks. Consider your choice carefully and make sure you take financial advice from a reputable adviser.

Taking independent advice

If you are thinking of making any changes to your pension arrangements, you should consider taking professional financial advice. The law does not allow the Trustee or your employer to advise you on what might be best for your situation.

If you feel you need advice, you should consult an independent financial adviser (IFA). If you do not already use an IFA, **www.unbiased.co.uk** can give you details of an adviser in your area.

If you are a deferred member and are considering a transfer, and your transfer value is over £30,000, from 6 April 2015 there is a legal requirement for you to take advice from an authorised and impartial financial adviser. The Government wants to help ensure members do not make decisions they may regret later. You will therefore be asked to provide evidence of having taken advice before a transfer value in excess of £30,000 can proceed.

Money Advice Service

The Money Advice Service website has a range of information, including where to look for financial advice and questions to ask potential advisers.

Website:
www.moneyadviceservice.org.uk

Telephone: **0800 138 7777**

You generally have to pay for financial advice; so ask the adviser about their charges. You should also check that any adviser you are thinking of using is qualified and authorised to advise you. You can check whether an adviser is registered with the Financial Conduct Authority (FCA) by looking on their website, **www.fca.org.uk**.

Who's who

Trustee news

There has been a change to one of the Company-Nominated Directors of the Scheme, with Ben Hewitson replacing Wayne Pearson on the board.

The Trustee is responsible for running the Scheme in line with its Rules and current pensions law, while looking after the best interests of its members. The Trustee Directors have a broad understanding of pensions and investment issues. They appoint professional advisers to assist them in areas where specialist knowledge is needed.

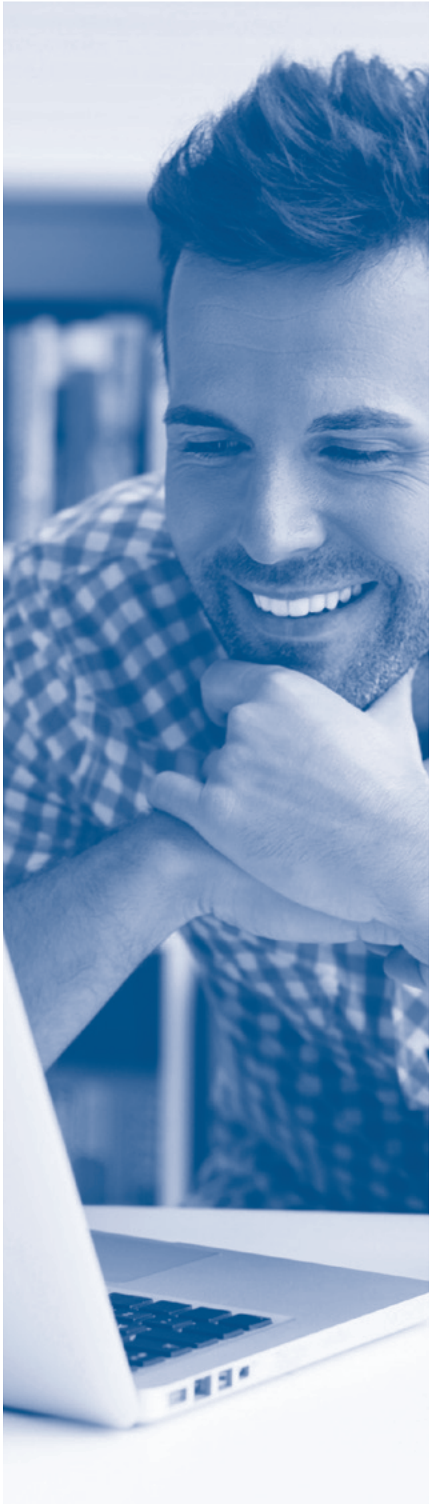
The Trustee Directors and their advisers meet quarterly to monitor the Scheme's compliance with legislation and its own Rules, and keep track of the Scheme's investments and administration. In line with best practice, the Trustee Directors formally assess their own performance at regular intervals, and undertake training when required to fill any gaps in their knowledge.

The current Trustee Directors are:

Michael Duncombe	Independent (Chairman)
Garry Barnes	Company-appointed
Glen Dallard	Member-nominated
Ben Hewitson	Company-appointed
Gary Peters	Member-nominated
Andrew Pidgeon	Member-nominated
Ted Rutter	Independent

The Trustee's advisers are as follows:

Actuary	**Alka Shah, Aon Hewitt Limited**
Administrator	**Aon Hewitt Limited**
Auditor	**Ernst & Young LLP**
Investment managers	**Invesco Fund Management Limited**
	Legal & General Assurance (Pensions Management) Limited
	Majedie Asset Management Limited
	Morgan Stanley Investment Management Limited
Legal adviser	**Squire Patton Boggs (UK) LLP**
Pensions manager / Secretary to the Trustee	**Ian Emery, Aon Hewitt Limited**



The Aon Hewitt Brush team

Here are the contact details for the Scheme's administrators at Aon Hewitt:

The Brush Group (2013) Pension Scheme
Aon Hewitt
PO Box 196
Huddersfield
HD8 1EG

Phone: 0345 268 8475

E-mail: brushpensions@aonhewitt.com

You can contact the team if:

- you have any questions about the contents of this newsletter or your benefits
- any of your personal details change or you need to update your expression of wish form
- you are a deferred member and would like to know the transfer value of your benefits or would like to request a retirement quotation.

You can also ask the team for copies of the following Scheme documents:

- Trust Deed and Rules
- Statement of investment principles, which explains how the Trustee invests the Scheme's assets
- Schedule of contributions, which shows how much money is being paid into the Scheme by the company
- Annual report and accounts, which shows the Scheme's assets and income and expenditure each year. (The latest accounts available are for the year ended 31 December 2014.)
- Latest actuarial valuation, as at 31 December 2013.

Alternatively, you can download these documents from the Scheme website – **www.brushpensions.co.uk**.