ARCHAEOLOGICAL ORGANISATIONS PENSION SCHEME

NEWSLETTER 5

October 2023

See https://aops.org.uk/newsletters/ for our four earlier newsletters

The 12 months since our last newsletter have seen major changes within all aspects of the running of AOPS. Separately, but necessarily closely affecting the Scheme, the long-standing setup of the Welsh Archaeological Trusts is about to change, as the four Trusts will, at the beginning of April 2024, merge as the **Trust for Welsh Archaeology (TWA)**.

We intend to produce a short newsletter early next spring to keep you up-to-date with progress on the merger, and to give you general information on the structure and staffing of TWA.

Professional administrator and actuary

The change that most directly affects Scheme members is that of its professional administrator and actuary – responsible for the safekeeping of all member records, their ongoing future pension calculations and the payment of current pensions, as well as the triennial actuarial valuation.

The AOPS trustees appointed Quantum Actuarial as administrator and actuary in 2019, succeeding Aviva who had been carrying out the work (originally as Norwich Union) since the inception of the Scheme in 1976.

All members will recently have had letters notifying them that the Scheme trustees have now appointed **First Actuarial** to take over from Quantum with effect from 1 October 2023. Contact details for First Actuarial are given in their letter but for convenience they are reproduced towards the end of this newsletter under the 'How we protect your data' heading.

AOPS trustee board

Two years ago, in Newsletter 3, we informed AOPS members that because of the increasing requirements of the regulatory framework governing pension schemes, the four Trusts had appointed 20-20 Trustees to provide a professional trustee to the AOPS board to support the volunteer lay trustees.

Earlier this year the takeover of 20-20 Trustees by a larger, more geographically-remote firm prompted a decision by the four Trusts, with the support of the three lay AOPS trustees, to seek a different professional trustee body. A procurement process has led to the recent appointment of **Independent Governance Group** (IGG), who have recently opened a Bristol office, as our professional trustee – we are delighted to welcome their nominated representative, Dan Gilmour, to our board.

Dan has 11 years' experience of the pensions industry and is already well-acquainted with AOPS thanks to his advising us on our covenant with the WATs while with his previous employer.

The Scheme trustees are therefore currently:

Neil Maylan - member-nominated trustee and Chairman
Judith Holland - employer-nominated trustee
Jenny Britnell - member-nominated trustee
Independent Governance Group - employer-nominated trustee

The position of the employer-nominated trustees will be revisited once the merger of the four Welsh Trusts is completed.

IGG will also be running the Scheme's secretarial services – arranging and recording meetings, dealing with financial matters and co-ordinating contact between the Scheme trustees and their various advisers.

AOPS finances now and in the longer-term
One of the main responsibilities of the Trustees is to monitor the finances of the Scheme to make sure there's enough money to pay all the benefits earned by members. An unexpected outcome of the financial crisis of September and October 2022 was an improvement in the Scheme's financial position. To consolidate these gains and help us reach our investment objectives, the trustees have resolved to move the AOPS investment portfolios from the current three investment houses to a single investment platform more tailored to our future needs. The transfer and future management of these funds will be undertaken by First Actuarial's investment team.

2024 triennial valuation
The Scheme's next triennial valuation will take place as at 6 April 2024. The funding position of the Scheme will be reviewed, and a new recovery plan and Schedule of Contributions will be agreed by the trustees and TWA.

Website
As highlighted in earlier newsletters, the Scheme now has its own website**,** at www.aops.org.uk. Access to the site is not password protected, so only general information is available there. You will find a copy of the Scheme's *Statement of Investment Principles*, *Privacy Policy*, *Newsletters*, forms and contact details.

How we protect your data
The Scheme trustees have responsibility to ensure that the actions we and our advisers take protects Scheme members, and that we don't unintentionally cause a cyber or data issue for you and / or the Scheme. The importance of keeping member data secure is of utmost importance to us and we have cyber and data policies in place to understand how it is protected. One of the fundamental principles of the General Data Protection Regulations (GDPR) is ensuring that data is only used for its identified purpose and is stored securely, as well as minimising its sharing and use.

Historically, many member interactions have come via the trustees, but with data protection so high on everyone's agenda we have reconsidered how we operate.

It is intended that, as administrator, First Actuarial should be solely responsible for carrying out all member activities, such as retirements, change of bank details, and postal or email addresses. Please send all requests or changes of information direct to:

Clair Beattie
First Actuarial LLP
Fosse House
192 High Street
Tonbridge
Kent, TN9 1BE
01732 207 500
clair.beattie@firstactuarial.co.uk.

The forthcoming merger will necessarily involve changes of email contact details for Judith Holland and Jenny Britnell. We will notify you individually once the new email addresses are finalised. Past and future email correspondence between us and AOPS members will be securely stored on the new TWA server, in accordance with the AOPS privacy policy.

Protect yourself from pension scams
Losing retirement savings to a fraudster can ruin people's lives, both financially and emotionally. Scammers try to persuade savers to transfer their entire pension pot, or to release funds from it, by making attractive-sounding promises they have no intention of keeping.

Anyone can be the victim of a pension scam, no matter how financially savvy they think they are. During the first five months of 2021, more than £2.2 million was lost to pension scammers, according to Action Fraud. The average loss per person was nearly £51,000 – more than double the figure for the previous year.

Scammers' tactics appear to have become more sophisticated and harder to spot since the pandemic. And the true scale of the crime is likely to be much larger, as some victims are reluctant to realise that they have been scammed, while others don't realise until years later.

Here are some of the key things to watch out for to help keep your pension safe:

- Be suspicious of unexpected offers
- Always check who you are dealing with
- Don't feel rushed or pressured to make financial decisions
- Take impartial advice from a Financial Conduct Authority (FCA)-registered adviser before making any decisions

Protecting your pension if you decide to transfer

To try and combat pension scams and as a result of new requirements in the Pensions Act 2021, the trustees and First Actuarial now have to look very carefully at any requests to transfer out.

There's now a traffic light system for low, medium and high-risk transfers, and, as administrator, First Actuarial must check whether any flags are identified. If an amber flag is identified, they will contact you directly to explain their concerns and they may require you to make an appointment with MoneyHelper for a *Pension Safeguarding Guidance* appointment before being able to let the transfer go ahead. If they have serious concerns and identify a red flag, they have the power to block transfers that have all the signs of being a scam.

These new measures may mean that your transfer could take longer than you expect, so it's important to talk to First Actuarial early on and provide all of the information they request, to minimise any delays.

The State Pension

The maximum flat rate State Pension increased to £10,600.20 a year from April 2023, following a record-breaking increase of 10.1 % as announced in last year's Autumn Statement.

The amount you will get will depend on your National Insurance record. You can get a forecast of how much you might get from www.gov.uk/check-state-pension

A change to the normal minimum pension age

At the moment, Government rules allow you to access your pension from age 55 - although the pension you receive will be adjusted to account for its longer payment.

However, from April 2028 new rules come into force which increase the earliest age you can take your pension to 57.

So, if you're starting to think about when and how you want to take your pension from the Plan, you may want to explore whether you may need to reconsider your plans.