RNIB Retirement Benefits Scheme

Member Newsletter – Autumn 2023

Dear Member,

Welcome all to this RNIB Pension Trustees' Newsletter.

Since our last Newsletter in May last year, we have had changes to the Board of Trustees managing the RNIB Retirement Benefits Scheme (which we refer to as the RNIB RBS). I succeeded Ian Maybury as Chair of the Trustees in October 2022 after joining the Board in January 2022. I would like to thank Ian for his tremendous enthusiasm and commitment to serving Scheme members during his 7 years as Chair and I hope to be a worthy successor.

We have also seen major worldwide events which have had an impact on company share prices, rates of inflation and interest rates – which all have an impact on investment markets.

Despite all these events, I am pleased to let you know that the Scheme was in surplus, just, as at 31 March 2023.

You can read more about all of the changes in Trustees, the latest funding position of the Scheme and other relevant information in this Newsletter.

In our last Newsletter, we provided a brief explanation of the Scheme and the benefits it is designed to provide. If you need a reminder or further information about the Scheme, visit the 'Benefits of working at RNIB section' on our website, where you can access a range documents related to the Scheme.

To access impartial and useful information about any financial matters, visit the Government's Money Helper website at moneyhelper.org.uk or seek advice from a qualified financial adviser, as pension scheme trustees are not authorised to offer personal financial advice to members. For pensions information at moneyhelper.org.uk, select the Pensions and Retirement section, where you will find the Pension Wise pages.

We hope that you find the Newsletter informative, useful and of value to you in understanding your pension benefits at RNIB.

If you have any questions about your pension at RNIB or you would like to see a particular subject covered in a future communication, please contact the Scheme Secretary, at pensionreview@rnib.org.uk .

Thank you on behalf of the Trustees.

Andrew Evans
RNIB RBS Chair of the Trustees

Meet the Trustees

The RNIB Scheme operates with a Trustee board of five Trustees, three of whom are nominated by the RNIB, and then we have two Trustees who are nominated by members of the Scheme, known as Member Nominated Trustees or MNTs.

The Investment Committee and Trustee Board each meet at least every quarter to discuss Scheme matters and make important decisions with input from our advisers to protect members' interests in the Scheme.

As you will be aware we held a member-wide ballot in May 2022 to appoint two new MNTs. You chose to appoint Jessica Holifield and Nick Perry as the new MNTs, Jessica and Nick were formally appointed on 22 June 2022.

The following table lists the current Scheme Trustee Board. The table has three columns and six rows. The first row contains headings:

Name	Role	Background
Andrew Evans	Chair of the Trustees; Employer nominated	Professional Trustee, not a Scheme member
Gareth Davies	Chair of the Investment Committee; Employer nominated	Independent Trustee; not a Scheme member
Stuart Fox	A member of the Investment Committee; Employer nominated	Chief Financial Officer, RNIB RNIB RBS member
Jessica Holifield	Member Nominated	Director of Legal and Governance, RNIB RNIB RBS member
Nick Perry	A member of the Investment Committee; Member Nominated	RNIB RBS pensioner member

Defined Benefit (DB) Section

This section of the Scheme provides a pension which is calculated using your period of service in the Scheme up to 31 March 2019 and your current salary up to a salary limit or cap of £23,250 p.a.

What is happening in the DB Section?

The defined benefit (DB) section of the Scheme closed on 31 March 2019, so members no longer accrue new benefits in this section and employee contributions are no longer paid to this section. RNIB, as the sponsoring employer, may still be required to make contributions to the DB section towards any deficit calculated through the actuarial valuation.

An actuarial valuation is carried out every three years and this allows the Trustees to agree a funding plan with RNIB to support the pension benefits due to members over the long-term. As reported in our last newsletter in May 2022, as at 31 March 2022 the approximate funding position was projected to be 102.4%, which is a small surplus. There was a reduction in the funding level shown in initial calculations as at 31 March 2023 using the same actuarial basis as at 31 March 2022 and this led to the Institute paying contributions to the Scheme from 1 July 2023 to 30 September 2023.

The Scheme's actuarial advisers, Aon, completed the full triennial actuarial valuation as at 31 March 2023 on 29th September which showed that the Scheme had moved back into surplus with a funding level of 100.1%. Consequently, the RNIB is not required to make any further contributions to the Scheme as long as the Scheme continues to be fully funded on the basis adopted for determining contributions. The Trustees will continue to monitor the funding level on a regular basis.

Investing the DB section assets

In the DB section, we hold a fund portfolio currently valued at over £180 million. This portfolio is principally held in investment funds that follow the value of equity and bond markets across the world.

However, the past 12 months have been a difficult and volatile time for global equity and bond markets. The disruptive effects of Russia's invasion of Ukraine have contributed to rising inflation. Central banks across the world have been increasing interest rates to combat inflation, and this has negatively impacted equity and bond prices.

The majority of the portfolio's funds are invested in Corporate and Government bond assets, which most closely reflect the valuation of the Scheme's pension liabilities. This is aimed to protect the valuation level of the DB section and reduce the financial burden placed on RNIB. [already said this]

Over the last 12 months, the value of the DB section portfolio assets has been affected by falling equity and bond prices. This has impacted the Scheme's funding level and to compensate, RNIB recommenced contributions to the DB section from 1 July 2023 at £208,000 per month and continued to pay contributions at this rate until completion of the actuarial valuation as at 31 March 2023 in late September 2023. As there was a small surplus, the Trustees did not require further contributions from RNIB beyond this date. As Trustees, we are comfortable that the financial covenant of RNIB is strong and is able to make contributions to the Scheme.

Responsible investing

As Trustees, we are required to prepare a Statement of Investment Principles or SIP to explain the approach we take towards the investment of the DB and DC section assets and our approach towards responsible investing on Environmental, Social and Governance (ESG) principles.

If you would like to know more about how we monitor the funds available, take into account ethical and ESG factors or how our investment managers have voted in relation to the Scheme's' equity funds, you can read more in our Implementation Statement in the Pension Document Library. There is a Statement for each section of the Scheme.

Defined Contribution (DC) Section

This section of the Scheme is an investment-related section. The Defined Contribution (DC) section is a long-term investment program for RNIB employees to accumulate a pension pot in the future to support your retirement.

Contributions

In the DC section, both you and RNIB make contributions, as a percentage of your monthly salary to an investment fund, which is administered and invested by Legal and General. The advantage of pension contributions is that your contributions are invested free of income tax and national insurance.

Matched contribution rates are offered by RNIB which are shown in the table below.

The table consists of four columns and five rows. The first row contains headings:

Contribution level	Employee contribution	RNIB contribution	Total contribution
Level 1	4%	5%	9%
Level 2	6%	8.5%	14.5%
Level 3	8%	11%	19%
Other	Above 8%	11%	11% plus employee contribution above 8%

Should you wish to review or change your level of contributions to the DC section, please complete a DC choices form to confirm your chosen contribution rate. You can find the DC Choices form at **DC Section Choices Form - Existing employees.docx (sharepoint.com)**.

Default investment strategy

You have a selection of investment options in the DC section. Members who join the Scheme and do not choose an investment option are placed into the Cash Targeting Lifestyle, known as the Default strategy.

We recognise that most members do not want to make active investment decisions and instead will invest in the Default strategy. The default lifestyle strategy is designed to allocate your funds across a diversified portfolio of global equity markets and asset classes, with a reducing risk profile as you approach your selected retirement age.

Diversification across asset classes, regions and sectors remains the most prudent way for investors to navigate the risks of war, higher inflation, equity price volatility and economic uncertainty.

How it works

The strategy consists of three funds, and its investment mix changes over time as you approach retirement, aiming to provide more growth in the early years and more certainty for your pension pot in the later years. The three component funds are:

1. L&G Low Carbon Transition Global Equity Index Fund (Low Carbon fund)
2. L&G Multi-Asset Fund
3. L&G Cash Fund

The Default strategy uses a mix of these three funds depending on the number of years prior to your chosen retirement age.

When you are more than 15 years from retirement your fund is allocated 100% to the Low Carbon fund. There is then a staged switch of fund allocation over the next 10 years to the Multi-Asset Fund and when 5 years from retirement, a further staged switch of fund allocation from Multi-Asset Fund to the Cash Fund. At your chosen retirement date, your fund is 75% allocated to the Cash Fund and 25% allocated to the Multi-Asset fund.

This is designed to protect the value of your pension pot from unwanted volatility in investment markets in the run-up to your selected retirement age.

A table showing each of these funds 'performance over the year and three years to 31 March 2023 is provided below. The first column shows the component fund of the default strategy. The second column shows the performance figure for that fund after allowing for fund charges.

The table consists of three columns and four rows. The first row contains headings:

Fund	12 months to 31 March 2023	Three years to 31 March 2023 (annualised rate) p.a.
L&G Low Carbon	-4.7%	-*
L&G Multi-Asset	-5.5%	6.1%
L&G Cash	2.2%	0.8%

* The Low Carbon fund was launched in April 2021 and therefore does not yet have three-year performance data.

Whilst these performance figures look disappointing, the default strategy as a whole has broadly achieved its performance objectives over the past year and three years; it has protected members close to retirement from the worst effects of the volatility seen in investment markets.

What is my selected retirement age, and is it important?

The default retirement age for both sections of the Scheme is age 65. You can start claiming your pension, tax efficiently in the UK, from age 55 to 75.

If you claim your DB section pension earlier than age 65, you will see a reduction applied to your pension to allow for earlier payment. This is because you should then be receiving your pension for a longer period than if you started to take it at age 65.

If you aim to access your DC section funds before age 65, a reduction will not be applied. You need to ensure that you have updated your selected retirement age with Legal and General, so that the Default strategy works for you, to allocate your funds correctly to coincide with your chosen retirement age.

If you choose to access your DC section funds earlier than age 65 and you have not updated your selected retirement age, your funds in the Default strategy may still be invested in higher risk assets, which could lead to more volatility in the amount of the pot at a time when you will no doubt be wanting to plan carefully for your retirement.

Conversely, if you choose to access your DC section funds later than age 65 and you have not updated your selected retirement age, the Default strategy will have moved your funds into a significant allocation to cash assets by age 65. So your fund may not be invested appropriately for you as the investment growth may be too low, eroding the value of your benefits.

How do you change your selected retirement age?

The easiest way to change your selected retirement age is through the Legal and General "My Account" service online. The option to change your retirement age is available on the Summary page you visit as soon as you login.

If you haven't registered, all you need is a valid customer reference number starting with 2. This number is included in the e-certificate that L&G sent to your RNIB email address soon after you joined the DC section.

If you don't have your login details to hand, please call the Legal and General Member Support Helpline on 0345 070 8686. You will need to know your National Insurance number when you call for security purposes.

Unfortunately the My Account service is not fully accessible to the necessary standards, so you can also contact L&G through the Secure Message Centre by email at employerdedicatedteam@landg.com, or call the Member Support Helpline on 0345 070 8686.

Self-Select funds

There is a range of Self-Select funds available if you feel confident in choosing and managing your own investment allocations; you can choose which funds to use and the allocation to each fund.

An Investment Guide, with a full list of the funds available in the DC section and the factsheets for each fund is available in on the pension section on YourRNIB at **RNIB pension investment guide.docx (sharepoint.com)**.

Please note:

Please remember that the future investment growth of your pension pot is not guaranteed. The value of your pension pot will fall and rise in line with the price of the fund(s) used for your investment choice.

We cannot provide members with any investment advice, However, we would like to make members aware that investing for retirement should be seen as a long-term journey.

Pension scams

Trustees, pension providers and administrators are expected to raise awareness of pension scams for members and beneficiaries of their schemes.

Please be aware of pension scams – they do exist, and pension savers have lost money – please see The Pension Regulator's webpage for more information or visit https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423_pensions_consumer_leaflet_screen.ashx.

The Pension Schemes Act 2021 introduced obligations on Trustees and Scheme managers to ensure specific checks are carried out before complying with a member's request to transfer their pension. These additional checks may extend the time it will take to transfer your funds elsewhere.

You should speak to an independent adviser authorised by the Financial Conduct Authority (FCA) before considering or making a transfer of your accrued pensions. You should visit the Money Helper website for help and guidance and access to an adviser through **the MoneyHelper website** – click here https://www.moneyhelper.org.uk/en/pensions-and-retirement