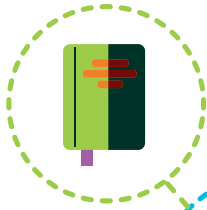


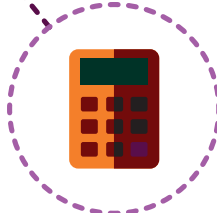
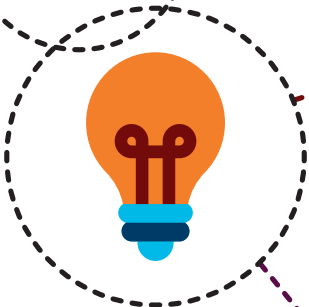
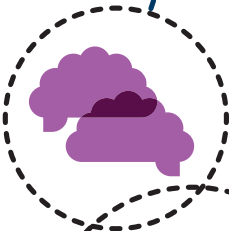


The Institution of
Engineering and Technology



KNOW YOUR PENSION 2021

Your newsletter for the
Institution of Engineering
and Technology
Superannuation and
Assurance Scheme



News - what's
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TRUSTEES

The assets of the Scheme are held in trust for the benefit of members and are managed by the Trustees of The Institution of Engineering and Technology Superannuation and Assurance Scheme.

Philip Whittome
Independent Trustee (*Chair*)

Simon Edwards
Employer Nominated Trustee

Steve Hammond
Member Nominated Trustee

Elizabeth Hartree
Member Nominated Trustee



ARE YOU ON THE MOVE?

Please remember to let the Scheme Administrator know if you move home, so that we can keep in touch with you and make sure your benefits are paid on time.



YOUR DATA

If you would like to find out more about how we use your personal data please follow the link to the Hymans Robertson Trust Centre:
www.hymans.co.uk/information/trust-centre/

IN THE KNOW

The Chair of Trustees shares a personal update on the Scheme.

Dear Member,

As explained in more detail in the summary funding statement on pages 8 and 9, I am delighted to report that there has been a significant improvement in the Scheme's funding level over the last few years, largely due to the Scheme's assets performing better than expected, and by the end of 2020 the Scheme had reached the landmark level of over 100% funding on what is known as the "Technical Provisions" basis (often referred to as the "ongoing" basis). Although this is not fixed in stone, and the funding level can still continue to fluctuate to a limited extent, this represents a major milestone in the long-term development of the Scheme.

Two triggers were hit on the Trustees' long-planned de-risking flight path in December 2020 and February 2021, and the Scheme's assets were subsequently transitioned over two stages into a substantially de-risked portfolio as set out on page 10, a low-risk asset allocation with the vast majority of Scheme assets invested in government and other bonds, as well as insured annuity policies which cover members' benefits in full, and only a small allocation to riskier shares. This means that the security of members' benefits is even stronger than before.

The IET continues as ever to support the Scheme and the Trustees. Following confirmation that the Scheme was fully funded as at 31 March 2021, the Trustees released the IET from a long-standing charge over part of the Charity's reserves, which has been backing the Scheme over the years before full funding was achieved.

I would also like to draw members' attention to the danger of pension scams as set out on page 4 – the fraudsters out there are trying ever harder to con you out of your hard-earned pension savings, so don't be caught out!

Finally, please also see attached a copy of the Scheme's updated Data Privacy Statement for your information.

Yours sincerely,
Philip Whittome
Trustee Chair

KNOW THE LATEST NEWS

The last few years have been full of change within the field of pensions. Here's some news that we want to share with you.

PROTECT YOUR PENSION SAVINGS

The relentless activity of organised criminals continues apace, with scammers developing increasingly sophisticated ways of tricking even the most financially savvy investors out of their life savings.

Action Fraud, who specialise in tackling cyber-crime, has issued a new warning in response to reported losses of around £1.8 million to pension fraud in the four months to April 2021 alone. Please remember these simple steps to protect yourself from pension scams:

1. Reject unexpected pensions opportunities, such as free pension reviews or investment opportunities for your pension savings.
2. Check your financial adviser is on the Financial Conduct Authority (FCA) register of authorised financial advisers. You can do this online at <https://register.fca.org.uk> or by ringing the FCA on 0800 111 6768.
3. Don't be rushed or pressured into a decision.
4. Be suspicious if you're contacted out of the blue about an investment opportunity.
5. Watch the video on the FCA's ScamSmart website at www.fca.org.uk/scamsmart.



Criminals are also cloning websites. Carefully cross check website addresses and look out for the padlock next to the URL.

For more detailed advice, go to www.actionfraud.police.uk or ring Action Fraud on 0300 123 2040.

INTRODUCING MONEYHELPER

If you are looking for help with any aspect of your personal finances, including your pension, you may find **www.moneyhelper.org.uk** a useful place to start.

MoneyHelper is a new Government-backed service which brings together three financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise.

MoneyHelper aims to make your money and pension choices clearer; to cut through the jargon and complexity, explain what you need to do and how you can do it. It is free to use and provides impartial guidance and can recommend further, trusted support if you need it.

You can also ring MoneyHelper free on 0800 011 3797, Monday to Friday 9am to 5pm.

The logo for MoneyHelper, featuring the word "Money" in blue, a stylized pink arrow pointing right, and the word "Helper" in blue, all enclosed within a dashed green circle.

Money
Helper

KNOW THE FINANCES

We receive regular payments from the Institution which we invest and use to pay benefits. Here is a summary of the money we received, and the payments we made, over the last Scheme year.

INSTITUTION CONTRIBUTIONS

Contributions are paid into the Scheme by the Institution, as agreed at the actuarial valuation, in order to remove any shortfall in funding.

WHAT INCREASED THE SCHEME ASSETS

Institution contributions	£1,200,000
Other income	£1,834
Investment income	£3,835,675

SCHEME MEMBERSHIP

2020



2021



- Members who have not yet retired
- Pensioners

To see how we manage the Scheme's funds, see "Know the investments" on page 10.

ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2020

£173,324,913

Value at 31 March 2020



£5,037,509

What increased the Scheme assets



£15,037,993

What reduced the Scheme assets



£163,324,429

Value at 31 March 2021

Please note - the Scheme assets listed in the accounts may differ slightly from those in the actuarial valuation as they were calculated using different methods.



WHAT REDUCED THE SCHEME ASSETS

Pension payments	(£4,210,519)
Retirement lump sums	(£333,976)
Death benefits	(£49,376)
Annuities purchased	(£25,746)
Individual transfers out	(£154,232)
Change in market value of investments	(£10,205,231)
Administration and investment fees	(£58,663)
Other Payments	(£250)

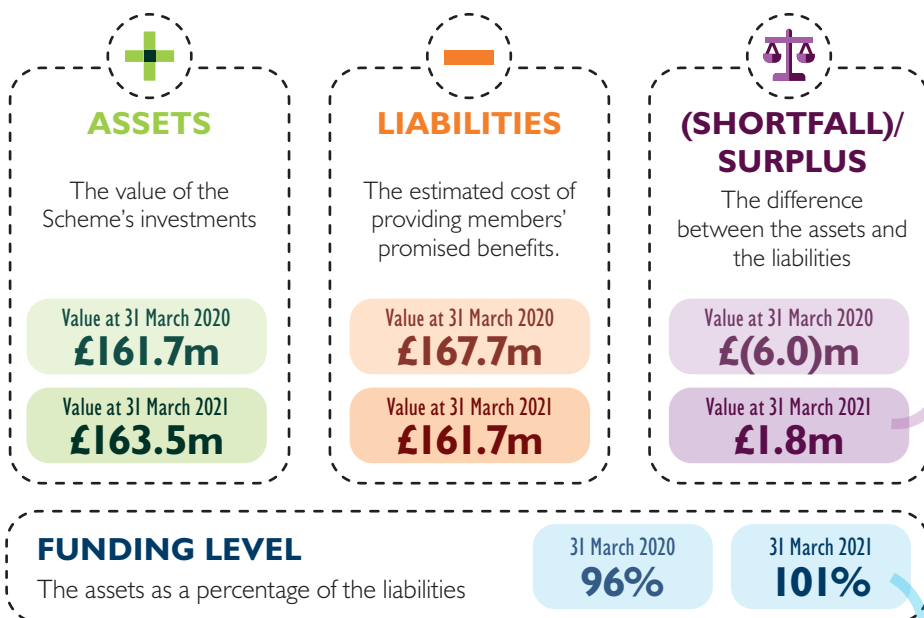
PENSION PAYMENTS

During the 12 months to 31 March 2021, benefits of £4,773,849 have been paid out of the Scheme. These benefits include pension payments, retirement lump sums and transfer value payments. If you want to read the full breakdown of the Scheme's finances, you can ask the Scheme Administrator for a copy of the Scheme's Reports and Accounts (see page 12).

KNOW THE FINANCES

HOW IS THE SCHEME DOING?

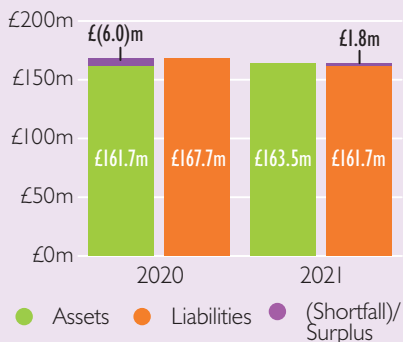
The Trustees must make sure the Scheme has enough money to pay members' benefits both now and in the future, and so every three years a full valuation of the Scheme is undertaken, with annual checks in between. These calculations are carried out by an Actuary appointed by the Trustees. Here is a summary of the funding positioning at the last valuation and how this compares with the annual updates.



As you can see as at 31 March 2021 the Scheme had a surplus with 101% of the money it needed to pay all benefits due now and in the future. As long as the Institution continues to support the Scheme, your benefits will be paid in full when they become due.

The primary drivers of the increase in the funding level have been contributions from the Institution and strong investment returns caused by the rebound from the initial COVID slump in markets.

The Scheme's financial position



These valuations are only a snapshot in time, and as market conditions change, it's perfectly normal for the funding level to fluctuate over time. If the funding level is 100% or more, that means there was enough money to pay the benefits as and when they are due to be paid.

As part of the 31 March 2020 valuation of the Scheme, the Institution agreed to make contributions of £1.2m per year until 30 June 2026. The contributions will next be reviewed as part of the 31 March 2023 valuation.

As at 31 March 2021, the Scheme had a funding level of 101% and so was in a healthy financial position with enough funds to meet its commitments to members.

PROTECTING YOUR BENEFITS

As part of the valuation, the Actuary also works out how much money the Scheme

would need if the Institution could no longer support it, the Scheme were to be wound up and the Trustees secured members' benefits by buying an insurance policy.

Securing benefits in this way is expensive. The estimated cost to ensure that all members' benefits could be paid in full if the Scheme wound up on 31 March 2020 was £200.3m, resulting in a shortfall of £38.6m compared with the value of the assets on the same date. If there is not enough money in the Scheme to buy out all the benefits with an insurance policy, the Institution would have to make up the shortfall.

For cases where a company goes out of business and doesn't have the money to pay the benefits promised, the Government has set up the Pension Protection Fund (PPF) which can pay compensation to members. You can find out more about the PPF on its website: www.ppf.co.uk.

Please note that the inclusion of this information does not imply that the Institution or the Trustees are thinking of winding-up the Scheme. It is simply required to form part of our report.

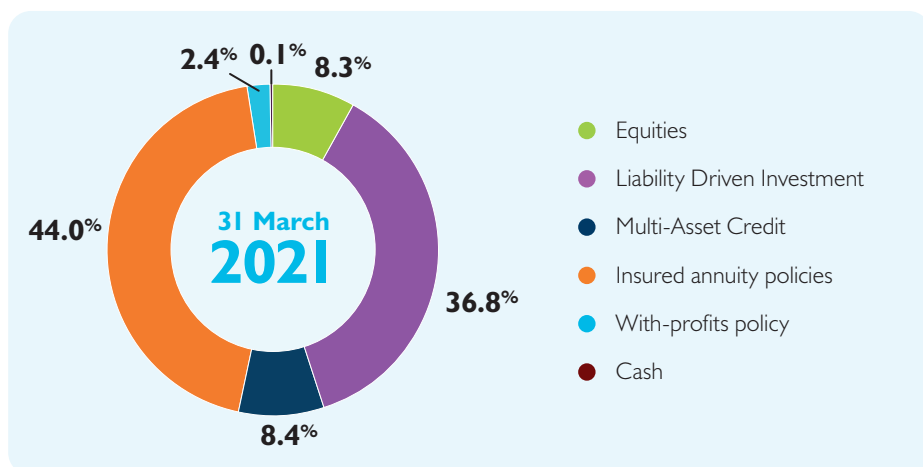
THE LEGAL BIT

Legally, we have to confirm that the Institution has not taken any surplus payments out of the Scheme in the last 12 months and that there has been no intervention from The Pensions Regulator to use its powers to modify the Scheme, or to impose a direction, or a schedule of contributions.

KNOW THE INVESTMENTS

OUR INVESTMENT STRATEGY

The Scheme's investment strategy is set by the Trustees after taking appropriate independent advice. The Scheme's assets were allocated to the following investment types:



The Trustees and their investment advisor have considered Environmental, Social and Governance criteria when setting the investment strategy for the 2020/21 year and will continue to do so.

More information about our investment strategy is published in our Statement of Investment Principles. Copies of all the Scheme's documents are available upon request from the Scheme Administrator.

KNOW THE JARGON



JARGON BUSTER

ACTUARIAL VALUATION

An investigation by an Actuary into the ability of a defined benefit pension scheme to meet its liabilities. This determines the funding level and the recommended Institution contribution rate.

ASSETS

Investments such as equities, gilts, property and cash.

WITH-PROFITS POLICY

The With-Profits Policy invests in a broad range of assets including equities, property, bonds and cash. The Policy pays out profits, or 'bonuses' when the investments are performing well.

BONDS

A form of loan to a company or government – the borrower pays interest and pays back the loan when it matures (bonds issued by the UK Government are called gilts).

EQUITIES

Shares in a company which are bought and sold on a stock exchange.

FUNDING LEVEL

This is the relationship between the value of a scheme's investments and its liabilities at a specific date.

LDI

This is short for liability-driven investments which aim to meet the Trustee's investment objectives by reducing the volatility in the funding level.

LDI addresses interest rate and inflation risks by investing in a range of assets that closely match the behaviour of the pension liabilities.

MULTI-ASSET CREDIT

The Multi-Asset Credit Fund invests in a range of bonds and other credit assets, rather than just one type of investment. This gives an element of diversification that you don't get when investing in a single asset class.

WANT TO KNOW MORE?



SCHEME INFORMATION

If you would like any more detailed information about the Scheme, you can ask the Scheme Administrator for a copy of various documents including:

- the trust deed and rules
- actuarial valuations
- the schedule of contributions
- the statement of investment principles

The Scheme Administrator is:

✉ Hymans Robertson LLP
45 Church Street, Birmingham
B3 2RT

📞 0121 212 8144

@ iet@hymans.co.uk

FIND OUT MORE AT WWW.GOV.UK

If you want to find out more about pensions and general financial matters, then the UK Government's website is a useful source of information, and it's worth having a browse.

You may want to find out your State Pension age, which you can do so at www.gov.uk/state-pension-age.

Or if you're already in retirement, you can check if you qualify for Pension Credit.

All you need to do is go to www.gov.uk, and type 'pension credit' into the search field, or type any other keyword you want to find more information on.

NEED HELP TRACKING DOWN A LOST PENSION?

The Pension Tracing Service may be able to help you free of charge.

🌐 www.gov.uk/find-lost-pension

📞 0800 731 0193

📞 Textphone: 0800 731 0176

When you call, it is a good idea to have some information to hand – such as your National Insurance number, the name of the company you worked for, and the dates you worked there.