

# AA HORIZONS 2021

YOUR LATEST NEWS FROM THE  
**AA PENSION SCHEME**  
— *YOUR FUTURE NOW*

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# CHAIRMAN'S WELCOME

Welcome to Horizons, your newsletter dedicated to the AA Pension Scheme (the Scheme). It's a great way for us to keep you up to date with the Scheme's management, developments and other pensions-focused news.

Your views on the newsletter and the service we provide to members are important to us, so we encourage you to get in touch with your feedback.

As always, we advise you to remain alert to the risk of scams in the pension environment. We encourage you to read the guidance on page 13 to be aware of the potential risks.

Also in this issue, we'd like to draw your attention to some information on how you can put yourself forward to be a Trustee of the Scheme.

Being a Trustee is an important and ultimately very rewarding job. As a Trustee you would work with your fellow Board members and external advisers, inputting on how best the Scheme should run and ensuring fellow pension members are provided with all the information they need, to ensure they understand their pension entitlement.

You might immediately think you're not 'the right sort of person' for the role, but we're looking for people with a wide range of skills and attributes – you don't need to come from a financial background. As a Trustee, you'll be given full training to equip you with the tools you need to carry out the role effectively. Further information on how to apply for this important job can be found on page 6.

We also encourage you to read pages 7 and 8 which gives you a reminder of some of the excellent tools available to help you to manage your pension. We strongly advise you to sign up to the secure login portal, provided by Aon, our Scheme Administrator. The portal gives you 24-hour access to information about your benefits and allows you to update your personal information. So, if you're not already registered, please do so!

We hope you enjoy this issue of AA Horizons. Remember, we'd love to hear your feedback, so get in touch using the contact details on the back page.

**Steve Delo**  
**Chair of Trustees**



# WHO'S WHO?

The Trustee Board comprises of the following members:



**Steve Delo**  
(Chair)

Steve is the Independent Chair of the Trustee Board. He's Chairman of PAN Trustees, an award-winning independent trustee firm, and a former President of the Pensions Management Institute. He has twice been named 'Independent Trustee of the Year' by Engaged Investor and has been listed as one of the Top 50 people in pensions by Pensions Insight.

His 30+ years pensions career includes senior roles in scheme management, consulting, asset management and, for the last 14 years, trusteeship. Steve is a prominent accredited independent trustee sitting on defined benefit (DB) and defined contribution (DC) scheme boards and specialises in the governance of large-scale pension arrangements. He has chaired our Scheme since 2016.



**Lewis Jones**

Lewis has worked for the AA since 2005, having spent the first 18 months as a temporary help, as things were separating from Centrica's ownership. At the end of 2006, an opportunity to go full time came up and he took it. Other than a short spell in Internal Audit during the Saga days, Lewis has worked in the Financial Shared Service, primarily looking after the cash and banking activities and since 2015, the payroll team too. In essence, if actual money has to be moved in or out of the business for any part of any of the AA businesses, it comes through an element of Lewis' team. He's a qualified accountant and before the AA, he worked in a number of businesses, specialising in projects to introduce IT into companies that own and operate ships. Lewis is an avid sports follower (rugby union and cricket in particular) and is a regular attendee at the more obscure music festivals.



**Mike Sullivan**

Mike has been a Trustee of our Scheme for about three and a half years, before that he was the Secretary of the Scheme Trustees as well of Head of Pensions at the AA for four years. Prior to this he held positions with responsibility for pensions for a number of different companies. In fact, he has worked in the pensions industry since he started work! Mike has several qualifications relating to Pension Scheme Trusteeship and at one time was the President of the Pensions Management Institute – which is the body that represents pensions professionals in the UK. He strongly believes that saving into a pension scheme is an excellent way for people to prepare for their later life and to be able to maintain a reasonable standard of living when they stop working.



**Steve Millman**

Steve joined the AA in the old Routes section, based in Bristol in 1989. He quickly became involved with representing his colleagues in the trade union, and in 1998 was appointed to the position of full time Union Field Officer. He has since retained this position through the formation of the AADU in 2005, and then the IDU and onward to joining with Community union. Steve was first elected as a Member Nominated Director of the Scheme in 2012, keeping a union presence on the Trustee Board that goes back many years previously. In his down time, Steve is a keen sportsman, still playing regular hockey and cricket despite his advancing age! He lives in Bristol with his wife Shelagh, having been left in an empty nest by his two boys who have both gone to Bournemouth University.





**Jay Stewart**

Jay is currently Pricing Director for the AA's Insurance broking business, with responsibility for the Company's Pricing, Counter Fraud and Credit capabilities. He joined the AA in 2012, having previously worked as an actuary for Groupama Insurances where he looked after Pricing and Reserving for Motor, Personal Accident and Travel insurance. Since becoming a Trustee Director for the Scheme in September 2016, Jay has been actively involved in (and currently chairs) the Investment Committee. It oversees the investment strategy and monitoring performance of the Scheme's broad range of investment managers. When not at work or spending time with family, Jay can often be found flying his glider over the Hampshire countryside.

We're currently looking for two new Member Nominated Trustees. Further information on how you could be involved can be found on page 6.

The following professional advisers support the Trustees:

- **Actuary:**  
Aon
- **Administrators:**  
Aon
- **Auditor:**  
Crowe
- **Investment Consultants:**  
Aon
- **Legal Advisers:**  
Hogan Lovells
- **Communications Advisers:**  
Concert, a Buck company



# MEMBER NOMINATED TRUSTEE DIRECTOR (MNTD) ELECTION

## Fancy a new challenge? Join our team and help run the AA Pension Scheme!

As our Trustee team continues to grow and evolve, we're excited to be looking for two new Member Nominated Trustee Directors (MNTDs) to join the team.

The main responsibilities of an MNTD broadly speaking, are:

- To make sure that the AA Scheme is well governed, is safe and secure;
- To make sure the Scheme meets legal requirements;
- To ensure members are paid their pension correctly and on time; and
- To keep the Scheme running as efficiently and effectively as possible.

We want to be as inclusive as we can be and encourage more diversity on the Trustee Board. We see the benefit that diversity brings to the team and as such, we welcome applications from members with a wide range of skill-sets and backgrounds.

As an MNTD, you'll be required to attend meetings with your Trustee colleagues throughout the year. Trustee Board meetings will normally be booked up to a year in advance to help make sure you can attend.

You would have already received a letter from us with details on how you can put yourself forward, but for more information on how to apply, please visit our website at **[www.AApensions.com](http://www.AApensions.com)**

We want to make the application process as easy as possible for all our members, so we have produced fully accessible supporting documentation. If you'd like documentation in large print, or need any further assistance with your application, please contact the Scheme using the contact details on the back page.

# YOUR ONLINE TOOLS

## The AA Scheme website

Remember that you can visit the AA Scheme website for all the information you might need about your pension with the AA.

The website hosts bite-size information to help you understand your options.

There's also a section for those who are already receiving their pension – it details the payment dates and other useful information for pensioners.

Don't delay and visit **www.AApensions.com** today!

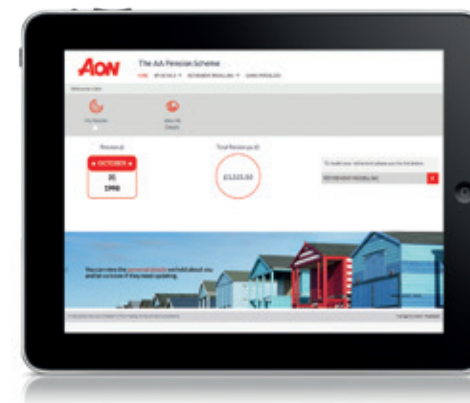


## Your pension portal – sign up now!

We also strongly encourage you to register for the AA pension portal, which is provided by our Adviser, Aon.

We're constantly looking at ways we can improve the services we offer to members of the Scheme. That's why we've introduced an online retirement option modelling tool, to help you with your retirement planning.

The modelling tool is designed to help you understand your retirement options from the Scheme. You can see the maximum pension you'll receive from the Scheme at your normal retirement date. You can also see the reduced pension you'll receive if you take the maximum cash lump sum.



## How do you register?

**Step 1** – Visit **www.pensionline.org/aapensions/default.aspx**

**Step 2** – Enter your Pension Reference ID – this is the seven-digit figure you can find on any pensions correspondence you've received from us\*

**Step 3** – Provide your National Insurance Number

As part of this process, you'll also be asked to choose a set of security questions and provide answers to them; these are important to ensure the portal is 100% secure and only accessible to you.

\* If you don't have your Pension Reference ID, please contact the AA Pension Scheme Administration Team on 0345 850 6406.

# SCHEME NEWS

## Update on Guaranteed Minimum Pension (GMP) Equalisation

The outcome of a court case in 2018 (involving Lloyds Banking Group) requires that certain pensions built up between 17 May 1990 and 5 April 1997 – known as GMPs – should be made equal between men and women. This process is known as GMP equalisation.

The Trustee is considering how best to comply with these requirements, but it is a complex process (including an ongoing exercise to reconcile GMP amounts with those held on HM Revenue and Customs records).

The Trustee will update members when a course of action has been agreed. In the meantime, you should note that any uplift required for GMP equalisation has been accounted for in any transfer value illustration requested from the Scheme.

Please note, that only members who were active members in the Scheme at some point during the period between 17 May 1990 and 6 April 1997 of the Scheme will be affected by this. For members who earned GMPs between those dates, a small uplift may be required in some (but not all) cases.

## Your Scheme Funding Update is coming...

We're currently busy working with our Scheme Actuary on your Scheme Funding Update. This document will show you the funding position of the Scheme, showing the assets that have been built up over the years from the contributions received and investment returns. It'll also include the liabilities – the estimated amount that is needed to pay all benefits earned by members including those who have left the Scheme and the existing pensioner members. If the Fund has fewer assets than liabilities, it's said to have a 'shortfall'. If the assets are more than the liabilities, this means there's a 'surplus'.

The Scheme Funding Update will be published on the AA Scheme website in April 2022, so keep a look out for it!







# PENSION NEWS

## Retirement Living Standards – What's your idea of a comfortable retirement?

The Pensions and Lifetime Savings Association (PLSA) has produced a Retirement Living Standards website, designed to help you understand the cost of the kind of retirement you wish to have.

Research has shown that 51% of people focus on their current needs and wants at the expense of providing for their future and only 23% of people know how much they need to save for retirement.

The Standards are pitched at three levels:

### 1. Minimum

**£10,900 per year for a single person and £16,700 for a couple** which would cover a holiday in the UK, eating out once a month and some affordable leisure activities twice a week.

### 2. Moderate

**£20,800 per year for a single person and £30,600 for a couple** which would provide, in addition to the minimum lifestyle, a two-week holiday in Europe and eating out a few times a month.

### 3. Comfortable

**£33,600 per year for a single person and £49,700 for a couple** which would achieve both the minimum and moderate lifestyles, plus extra luxuries such as spa days and theatre trips and those important holidays.

These amounts would fund these lifestyles for people living outside London. These amounts also assume that people are living mortgage/rent- free in retirement.

If you want to learn more about what the PLSA says about how much to save for retirement, visit [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)

## Scammers are targeting pension pots of all sizes – make sure you know how to spot the signs

Pension scammers are targeting people like you, with the average victim losing £91,000.

Recent market research also found that despite 68% of people claiming they were confident they could spot the signs of a pensions scam, only 28% realised that a free pension review was a sign of a scam and just 40% knew to be wary of opportunities to transfer their pension.

Scams are much harder to spot than you might think – they use sophisticated methods such as credible websites, testimonials and glossy brochures designed to make their offer look like ‘the real deal’.

To help you spot a scam, here are some telltale signs to look out for:

1. Being offered a free pension review out of the blue;
2. Being offered guaranteed higher returns — claiming they can get you better returns on your pension savings;
3. Being offered help to release cash from your pension, even though you're under 55;

4. High-pressure sales tactics — scammers may try to pressure you with ‘time-limited offers,’ or even send a courier to your door to wait while you sign documents; and
5. Unusual investments which tend to be unregulated and high risk.

Why not test how scam smart you are by taking a quiz online? Visit [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart) to find out.



Always remember... if it sounds too good to be true, it probably is!

## MoneyHelper

The Money Advice Service, The Pensions Advisory Service and Pension Wise have merged to become ‘MoneyHelper’. The new organisation provides money and pensions guidance to make it quicker and easier for you to find the right help.

Visit their website [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) and click on ‘Pensions & retirement’ to learn more.

Not only can you access information on pensions, you can also help improve your overall financial wellbeing in areas such as:

- **Benefits** – Universal Credit, housing or if you're a carer;
- **Family and care** – long-term care, death and bereavement or becoming a parent;
- **Everyday money** – insurance, banking, budgeting or credit; and
- **Much more...**

There's also a live chat facility where you can speak to someone directly, or you can complete a helpful form for pensions guidance, and someone will get back to you.

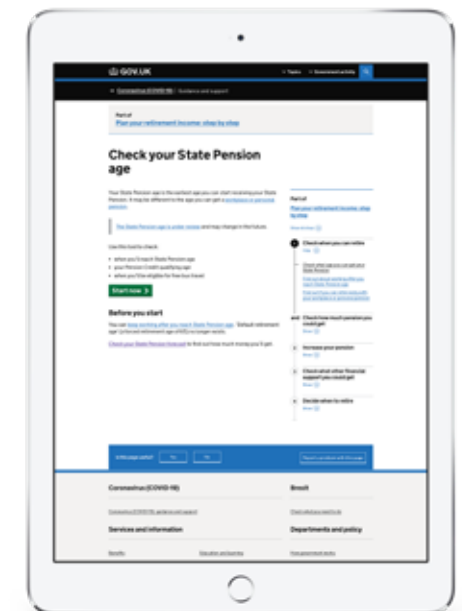
You can access the form at [www.moneyhelper.org.uk/en/contact-us/pensions-guidance/pensions-guidance-enquiry-form.html](http://www.moneyhelper.org.uk/en/contact-us/pensions-guidance/pensions-guidance-enquiry-form.html)

## New minimum and State Pension age (SPA)

The earliest age you can currently take your pension savings is age 55 (unless you're in ill-health).

In 2020 the Government confirmed that this would increase to age 57, alongside the increase to the SPA to 67, between 2026 and 2028. From then on, the minimum pension age in the tax rules would remain ten years below SPA. The SPA is planned to increase to 68 between 2044 and 2046.

You can find more specific information on this by using the SPA calculator at [www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age)





# FURTHER INFORMATION

## Get in touch with your AA Pension Scheme Administration Team

If you have any further questions or wish to tell us any changes to your details, such as your address or bank account information (which must be provided in writing) please use the following contact details.

**Email:** AA.pensions@aon.com

**Phone:** 0345 850 6406  
(during office hours: Monday - Friday, 8.30 am to 5.00 pm)

**Address:** The AA Pension Scheme  
Aon  
PO Box 196  
Huddersfield  
HD8 1EG

## Useful websites

**[www.gov.uk/browse/working/workplace-personal-pensions](http://www.gov.uk/browse/working/workplace-personal-pensions)**

For Government initiatives and information about retirement and pensions. You can also get help finding pension contact details for previous pension schemes you've lost contact with, through the Pension Tracing Service, and find out information about what State Benefits you might receive.

**<https://register.fca.org.uk/s/>**

Confirm that a financial adviser or firm is registered and appropriately authorised by the Financial Conduct Authority (FCA) to give regulated financial advice on pensions.

**[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)**

The Pensions Ombudsman deals with complaints and disputes which concern the administration and management of occupational and personal pension schemes.

**[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)**

The Pensions Regulator may intervene in the running of pension schemes where trustees, managers, employers or professional advisers have failed in their duties.