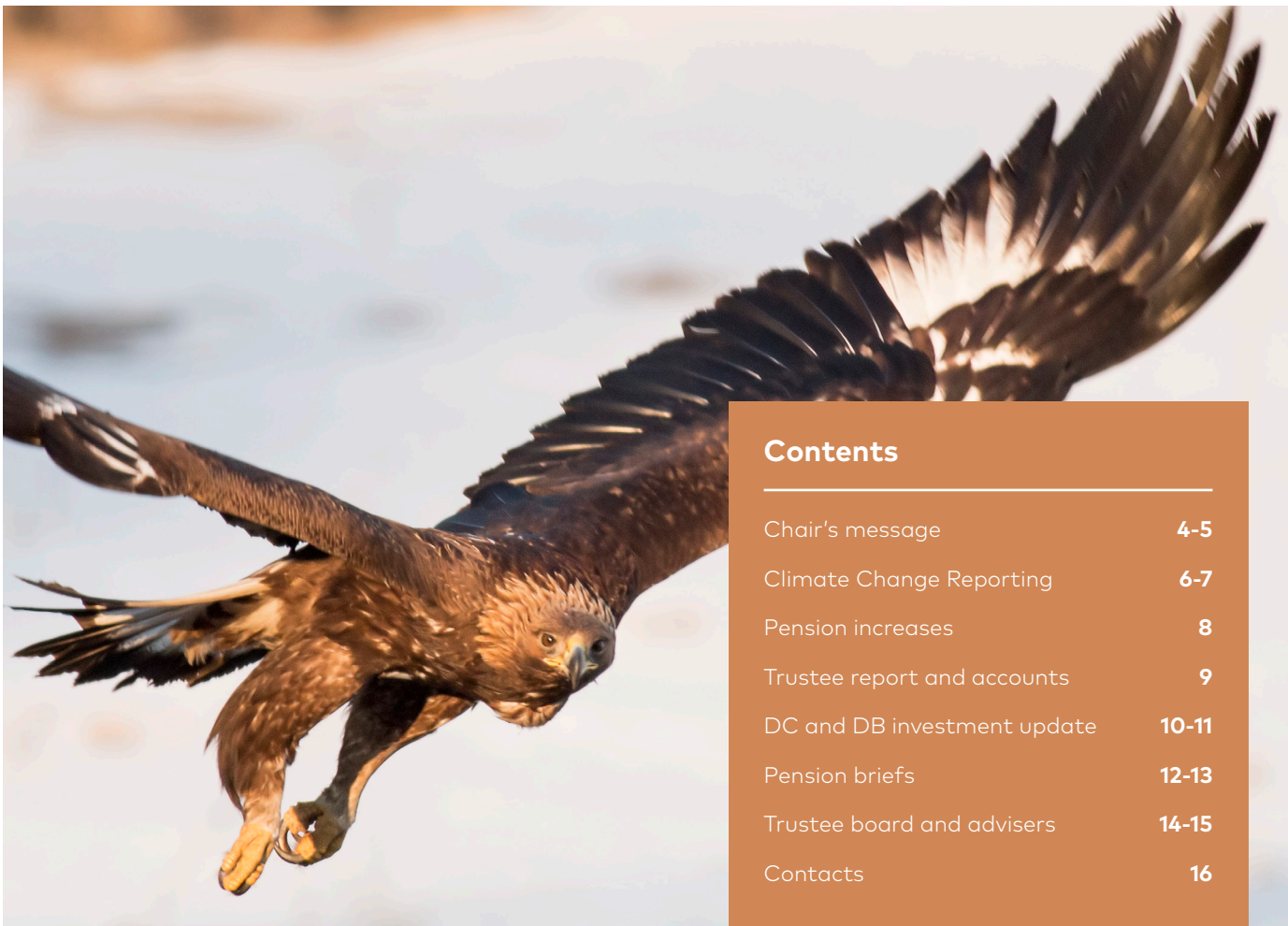


# Pension News

**Issue Nº 8**  
Winter 2023


**wood.**



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**Your Wood  
pension is not  
just a benefit; it's  
a key resource  
for securing your  
financial future.**

# Chair's message...

Welcome to the 2023 edition of Pension News, the annual newsletter for members of the Wood Pension Plan.

As we approach the end of the year, I wanted to take a moment to reflect on the progress we've made and the path forward for the Wood Pension Plan.

In summary, 2023 has been a year of both challenges and opportunities for Defined Contribution (DC) pension funds. Market volatility, regulatory changes, climate considerations, and an increased focus on member engagement and retirement planning have shaped the landscape for DC pension schemes. The evolving landscape underscores the importance of adaptability, prudent investment strategies, and a commitment to helping members secure their financial futures in an ever-changing environment.

The Defined Benefit (DB) section of the Plan is now in surplus as a result of a combination of market movements, careful investment management and the contributions paid by the Group, plus action has been taken to reduce the investment risk to lessen its impact on the funding position. Surplus in your pension means less reliance on the company to support your retirement benefits as there are sufficient funds held in the Plan to meet all the liabilities (member pensions and other benefits) in the future. 2023 is a valuation year for the Plan. A valuation is a financial assessment that determines the funding status of a defined benefit pension scheme.

Our valuation is conducted every three years by the Plan's actuary and is a critical tool for ensuring the security of pension benefits and the financial sustainability of the scheme. The formal results of the valuation will be shared with members once it is agreed with the company.

You may have seen in the Company's Annual Report and Accounts that the group is currently working closely with the Trustee to agree a preferred direction regarding the future of the plan. Options being assessed include moving to a buy-in insured basis and eventual buy-out with a third party as soon as is reasonably practical, or to continue to run the plan on for a limited number of years which could potentially generate further surplus. Any further surplus that might arise from running the scheme on could benefit both the Group and pension members, but it would be important to ensure appropriate safeguards for the funding position.

The Trustee have a fiduciary duty to act in the best interests of the Plan members and beneficiaries. We are currently reviewing the proposals suggested by the Company for the future strategy of the Plan, but the safeguarding of member benefits now and in the future is the primary consideration for the Trustee in any agreement that may be made with the Company.

## **Member Education and Retirement Support**

This year, as part of our commitment to enhancing member engagement and empowering better retirement planning, we introduced a series of online pension education sessions for all our active and deferred members and face to face sessions in office locations. These sessions covered essential topics such as how pensions work, the significance of saving for retirement, understanding the Wood Pension Plan, retirement planning, investments, pension-related taxation, and exploring "what if" scenarios.

In addition, we provided tailored sessions for our members aged 55 and over, focusing on pre-retirement planning. These sessions delved into topics like defining positive financial wellbeing, setting a solid course for your future, tax considerations, making the most of lump-sum payments, understanding your pension options, managing property and legacy matters, and knowing when to seek professional assistance.

We are delighted to report that approximately 650 of our members actively participated in these sessions, and the positive feedback we've received has been truly inspiring. Supporting our members in gaining a deeper understanding of their pensions and retirement planning, while emphasising the importance of saving for retirement, is a priority for the Trustees.

We're excited to announce that these valuable sessions will return next year, with additional sessions in the pipeline that will delve into topics related to DC Investments and DB schemes. Our commitment to equipping our members with the knowledge and tools to make informed retirement decisions remains unwavering, and we look forward to continuing this journey together. Your Wood pension is not just a benefit; it's a key resource for securing your financial future.

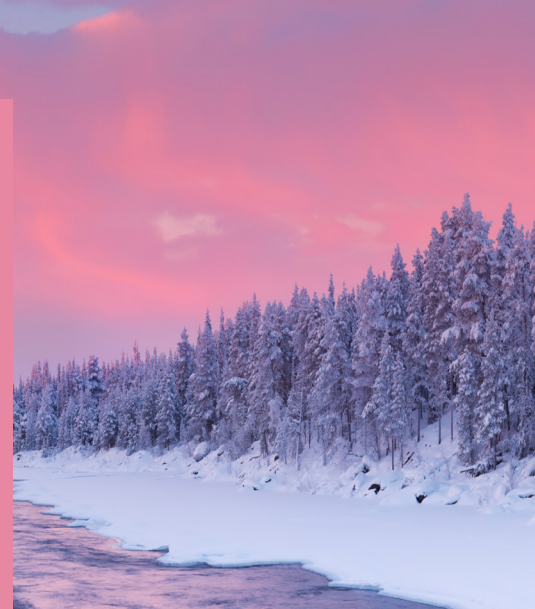
# The Wood Pension member Website

[woodplc.com/ukpensions](http://woodplc.com/ukpensions)

Why not take a look at our website. It has lots of valuable pension information and education material to help you understand the types of pensions you have.

You can also log in to view your member account, where you will find all the information you need about your individual pension, here:  
[woodplc.compendiahosting.co.uk](http://woodplc.compendiahosting.co.uk)

If you need help logging in, please contact us.



## DB section - GMP Equalisation and Conversion

Further progress has been made by the Plan this year towards the task of equalising members' Guaranteed Minimum Pensions. As you may recall from previous communications, GMP was accrued as a result of a member being contracted out of the Additional State Pension prior to 1997. A High Court ruling known as the Lloyds judgement has required all affected UK Pension schemes to act to ensure members' GMP pensions are at least equal to an equivalent pension if it had been calculated based on the opposite gender. The Plan is also undertaking a conversion exercise which means converting a member's entire pre-1997 pension into new pension elements that do not include GMP. This is intended to simplify the Plan's pension increases in future. Conversion will not have any effect on pensions earned after 5 April 1997. Following completion of this exercise for AMEC Pensioners, in 2024 we will be recalculating pensions for all affected Foster Wheeler and John Wood members. Following completion of the consultation with these members, letters will be issued confirming any uplift in pension and change to the pension increase structure. An annual sweep up will then take place to capture new retirements.

## Climate Defence

One of the key elements shaping the landscape of pension management in recent years has been the increasing importance of environmental, social, and governance (ESG) factors, especially in light of the global focus on climate change. In this context, I'm pleased to share with you that the Plan has taken significant steps to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The TCFD framework provides a comprehensive and standardised approach to disclosing climate-related financial risks and opportunities. It enables pension schemes to assess and disclose climate-related information in a clear and consistent manner, which is crucial in today's world where environmental considerations have a profound effect on long-term investment strategies.

You can find our first TCFD report. In the reporting to members page on the Plan website.

## Finally

In this edition of our newsletter, you will find important industry updates, a summary of the Annual Report and Accounts for the year ending 31 March 2023, as well as investment updates for both sections of the Plan. There are also a number of general pensions news articles which may be of interest to you.

As ever, we are keen to hear your thoughts about the newsletter. If you have any comments or suggestions, please get in touch using the contact details on page 12. I encourage you to stay informed and actively engage with your pension to make the most of it.

Wishing everyone a safe and happy festive season.



**Mervyn Walker**  
Trustee Chair

# Spotlight - Climate Change Reporting

In 2015, the Taskforce for Climate-Related Financial Disclosures (TCFD) was established to promote transparent reporting of organisations' climate impact. The TCFD's recommendations aim to increase information availability, guide change, and minimise global warming effects. New regulations from October 2021 require reporting aligned with TCFD guidelines.

Our TCFD report reflects collaboration between Wood Pensions Trustee Limited, their Investment Managers, and Advisors. It evaluates the Plan's impact on climate change, covering both Defined Benefit and Defined Contribution sections.

The report outlines how the Plan integrates Climate-Related Risks and Opportunities (CRROs) and analyses the potential impacts on Plan funds of climate change scenarios' under four pillars: Governance, Strategy, Risk Management and Metrics and Targets.

This inaugural report covers the year 2022, with future reports evolving as increased climate-related data becomes available and the corporate sustainability momentum grows.

The full report is available in the reporting to members page on the Plan website.

## Why is TCFD important?

### Protecting Your Investments:

TCFD encourages companies to disclose information about how they are addressing climate-related risks and opportunities. By having access to this information, we can make more informed decisions about where to invest your pension funds. This helps protect and enhance the long-term value of your investments.

### Ensuring Long-Term Sustainability:

Climate change poses significant challenges to businesses worldwide. TCFD reporting encourages companies to assess and disclose how they are adapting to these challenges. This focus on long-term sustainability aligns with our goal of ensuring that your pension fund remains robust and capable of providing for your retirement needs.

### Managing Risks:

TCFD emphasises the importance of understanding and managing climate-related risks. By incorporating climate risk assessments into our investment strategy, we aim to take account of potential negative impacts on the performance of your pension fund. This proactive approach is important for safeguarding your financial future.

### Seizing Opportunities:

Climate change also presents opportunities for businesses, particularly those that are proactive in adapting to a low-carbon economy. TCFD encourages companies to identify and disclose these opportunities. By being aware of such opportunities, we can make strategic investment decisions that align with emerging trends and capitalise on sustainable and responsible investment options.

### Transparency and Accountability:

TCFD promotes transparency in reporting. This means you can have confidence that the companies in which your pension fund is invested are being transparent about their climate-related practices. Transparency fosters accountability and ensures that companies are held to high standards in managing climate-related risks and opportunities.

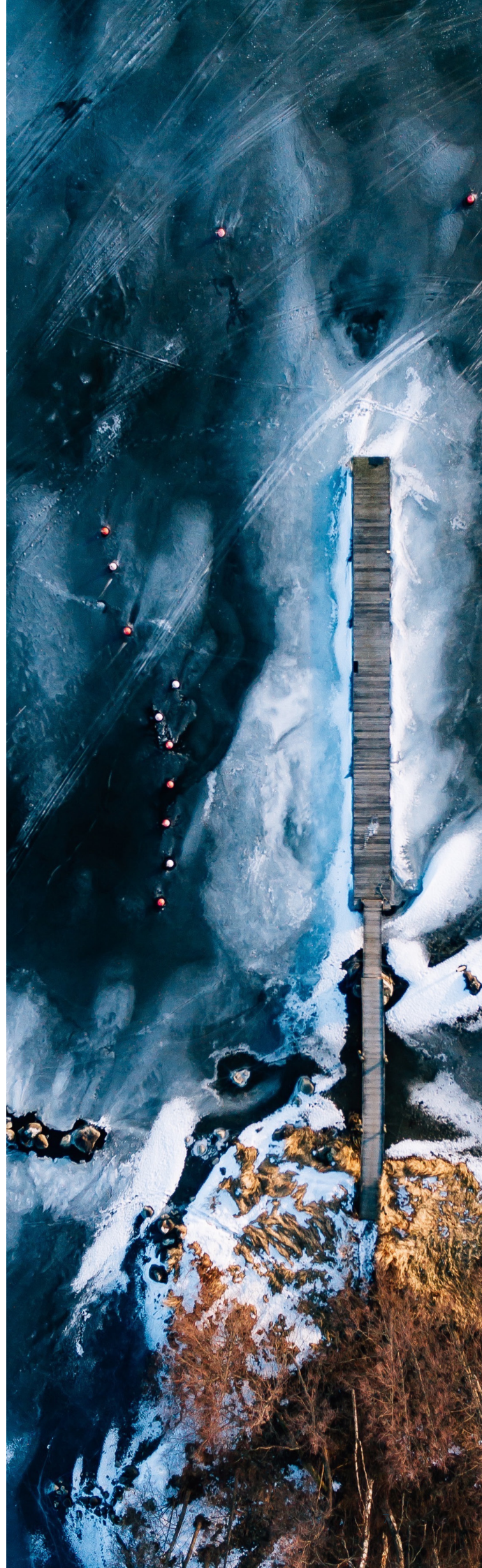
### Meeting Regulatory Expectations:

TCFD emphasises the importance of understanding and managing climate-related risks. By incorporating climate risk assessments into our investment strategy, we aim to minimise and take account of potential negative impacts on the performance of your pension fund. This proactive approach is essential and important for safeguarding your financial future.

Our commitment to the TCFD framework signifies our dedication to understanding and managing climate risks and opportunities within our investment portfolios. We believe that integrating climate-related considerations into our decision-making processes is not just a moral obligation but also essential for the long-term financial health of our members.

In the coming years, we will work to integrate TCFD principles into our investment strategy, risk management, and disclosure practices. This will ensure that your pension scheme remains resilient in the face of climate-related challenges and capitalises on the opportunities presented by the transition to a more sustainable global economy.

As we move forward, our focus will not only be on enhancing our investment strategies but also on providing our members with the tools and information necessary to make informed decisions regarding their pension plan. We'll continue to emphasise transparency, sustainability, and responsible stewardship of your assets



# Pension increases

## Former Amec DB Section - Pensions to rise in January 2024

The Trustee has approved the rate of increase for pensions in payment and deferred pensions under the former Amec DB section. The increase is effective from 1 January 2024.

Pre-1997 pensions have been equalised and converted and into two elements of pension:

- A fixed pension, which does not increase
- An increasing pension, which increases each year by a fixed 5%.

(Pensions for a small number of members have not yet been equalised and converted, specifically members who retired within 2023, these members' pensions will be converted in 2024 ).

The Plan rules provide for pension earned post April 1997 and prior to 1 January 2008 to be increased by price inflation up to a maximum of 5% a year and pension earned since 1 January 2008 to be increased by price inflation up to a maximum of 2.5% a year. Active members who left or retired from the Plan during 2023 receive a pro-rotta increase.

The rate of increase is set by reference to the Retail Prices Index (RPI) for the 12 months ending September 2023. The RPI published in October 2023 showed an increase in price inflation of 8.90% for the year ending September 2023. The RPI published in October 2022 showed an increase in price inflation of 8.9% for the year ending September 2023 and is therefore capped as shown below.

	Pre January 2008	Post January 2008 service
Pensions in payment	5%	2.5%
Deferred pensions	5%	2.5%

## Former Foster Wheeler DB Section - Pensions to rise in April 2024

For the former Foster Wheeler DB section, increases are effective at 1 April 2024. Increases are applied to the pension in the following way:

- The rate of increase is set by reference to the Consumer Prices Index (CPI) for the 12 months ending December 2023. This figure will be published in January 2024.
- Pension accrued prior to 5 April 1997 - any increases are discretionary and can only be granted with the agreement of the Company
- Pension accrued between 6 April 1997 and 5 April 2005 is increased in line with CPI up to a maximum of 5%
- Pension accrued after 5 April 2005 is increased in line with CPI up to a maximum of 2.5%.
- GMP earned after 5 April 1988 is increased by the lower of 3% or CPI for the year ending 30 September 2023. The CPI published in October 2023 showed an increase in price inflation of 6.7% over this period so the increase will be 3%.

- There are no increases applied by the Plan to the GMP earned before 5 April 1988.

## GMP Equalisation and Conversion of Pre 1997 benefits

Foster Wheeler members will go through the GMP equalisation and conversion exercise for Pensioner members with Pre 1997 benefits in 2024. Members were consulted with regarding converting their entire pre-1997 pension into new pension elements which do not include GMP in July 2023 and the equalisation date has now been confirmed as 30 September 2023.

## Former John Wood Group DB Section - Pensions to rise in April 2024

For the former John Wood Group DB section, increases are effective at 1 April 2024. Increases are applied to the pension in the following way:

- The rate of increase is set by reference to the Retail Prices Index (RPI) for the 12 months ending September 2023.
- Pension accrued prior to 5 April 1997 - any increases are discretionary and can only be granted with the agreement of the Company
- Pension accrued between 6 April 1997 and 30 June 2005 is increased in line with RPI up to a maximum of 5%. The RPI published in October 2022 showed an increase in price inflation of 8.9% for the year ending September 2023 so the increase will be 5%.
- Pension accrued after 1 July 2005 is increased in line with RPI up to a maximum of 2.5%. The RPI published in October 2023 showed an increase in price inflation of 8.9% for the year ending September 2023 so the increase will be 2.5%.
- GMP earned after 5 April 1988 is increased by the lower of 3% or CPI for the year ending 30 September 2023. The CPI published in October 2023 showed an increase in price inflation of 6.7% for the year ending September 2023 so the increase will be 3%.
- There are no increases applied by the Plan to the GMP earned before 5 April 1988.

## GMP Equalisation and Conversion of Pre 1997 benefits

John Wood members will go through the GMP equalisation and conversion exercise for Pensioner members with Pre 1997 benefits in 2024. Members were consulted with regard to converting their entire pre-1997 pension into new pension elements which do not include GMP in July 2023 and the equalisation date has now been confirmed as 30 September 2023.

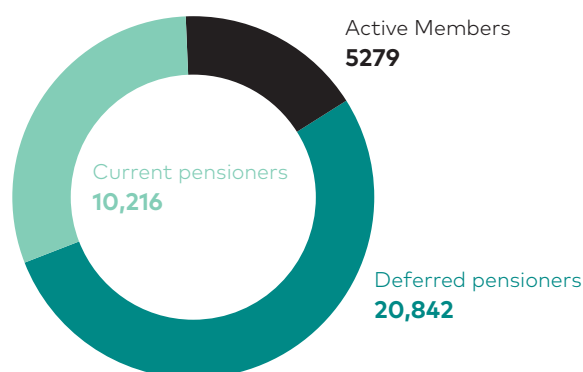
# Trustee report and accounts

The 2023 and previous years Trustee Report and Accounts are available on the Wood Pension Plan internet site:

[www.woodplc.com/ukpensions](http://www.woodplc.com/ukpensions)

The Plan's Trustee Report and Accounts is an important document that gives you, the members, a detailed look into the financial and operational aspects of our pension scheme. This report, released yearly, provides a clear breakdown of the money coming in, the expenses, and the overall financial health of the scheme, including investments. It also talks about any changes in funding and outlines the steps taken by the trustees to keep our pension scheme in good shape. You'll also find information on how the scheme is governed, whether we're meeting regulatory requirements, and important decisions made by the trustees. This report is a key tool for transparency and helps build trust between the trustees and you, our valued members.

## Membership Statistics as at 30 September 2023



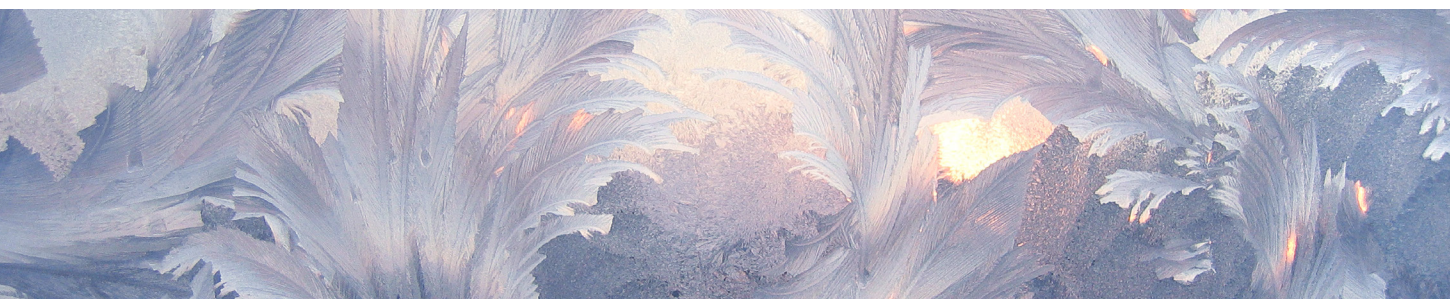
Included in the Report and Accounts is the Chair's annual governance statement. The Pensions Regulator (TPR) expects the Chair's statement to "...provide a meaningful narrative of how, and the extent to which, the governance requirements have been complied with." The statement covers our range of DC investments, internal controls, fund charges transaction costs and value for members, as well as how the Trustee maintains its own knowledge and understanding to ensure the Plan is governed effectively. Also included is the Statement of Investment Principles (SIP) and a statement explaining how the SIP has been implemented.

## Summary Fund Accounts

For the year ended 31 March 2023				
	DB	DC	Total	Total
	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
<b>Contributions and benefits</b>				
Employer	30,000	50,123	80,123	69,792
Employee	-	-	-	2
Transfers in	-	886	886	4,045
Other Income	-	1,524	1,524	2,695
	<b>30,000</b>	<b>52,533</b>	<b>82,533</b>	<b>76,532</b>
Benefits paid or payable	(106,218)	(4,979)	(111,197)	(108,850)
Payments to and on account of leavers	(10,171)	(21,330)	(31,501)	(38,510)
Administrative expenses	(3,806)	(274)	(4,080)	(5,042)
	<b>(120,195)</b>	<b>(26,583)</b>	<b>(146,778)</b>	<b>(152,402)</b>
<b>Net (withdrawals)/additions from dealings with members</b>	<b>(90,195)</b>	<b>25,950</b>	<b>(64,245)</b>	<b>(75,870)</b>
<b>Returns on investments</b>				
Investment income	48,959	77	49,036	49,286
Investment management expenses	(3,457)	-	(3,457)	(5,056)
Change in market value of investments	(707,220)	(20,171)	(727,391)	40,902
<b>Net returns on investments</b>	<b>(661,718)</b>	<b>(20,094)</b>	<b>(681,812)</b>	<b>85,132</b>
<b>Transfers Between Sections</b>	<b>1,944</b>	<b>(1,944)</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in the fund during the year</b>	<b>(749,969)</b>	<b>3,912</b>	<b>(746,057)</b>	<b>9,262</b>
<b>Net assets of the Plan at start of year</b>	<b>3,042,308</b>	<b>520,481</b>	<b>3,562,789</b>	<b>3,553,527</b>
<b>Net assets of the Plan at end of year</b>	<b>2,292,339</b>	<b>524,393</b>	<b>2,816,732</b>	<b>3,562,789</b>

The reduction in the Net assets over the year has been matched by a reduction in the plan's liabilities resulting in a surplus position at 31 March 2023.

# DC section - investment update



## DC Section - Investment Update

The management of the DC investment platform remains under the stewardship of Scottish Widows and Mercer Workplace Savings (MWS) on behalf of the Plan Trustee. MWS oversees a diverse array of funds, amalgamating some to form a composite fund into which member contributions are allocated. On a quarterly basis, the Trustee conducts performance and risk-based reviews, scrutinising various aspects of the investment strategy, including:

1. - Performance (net of fees) relative to fund benchmarks, objectives, inflation measures, and peer groups for the default arrangement.
2. - Evaluation of investment manager research ratings published by MWS, which encompasses an assessment of each manager's environmental, social, and governance (ESG) capabilities and the integration of these factors into investment processes.
3. - Analysis of member experience along the de-risking trajectory.
4. - Risk analysis, including the volatility and experience of capital loss ("drawdowns") within the strategy.

At the conclusion of 2022, the Trustee, in collaboration with its DC investment consultant Isio, conducted a thorough review of MWS's default investment strategy due to concerns about previous years' performance. While the Trustee found alignment in their investment beliefs, dissatisfaction was expressed regarding the performance of the default fund. Since then, investment returns over 2023 have improved and as of June 30, 2023, the 'growth' element of the default arrangement increased by 4.8%, and the 'retirement' phase increased by 2.2%. Despite these positive trends, the Trustee acknowledges that these increments fall below inflation and market comparators.

MWS has communicated its intention to implement changes to the default investment strategy in 2024, with anticipated enhancements to fund performance. The Trustee is currently engaged in a comprehensive analysis of these proposed modifications.

It is imperative to bear in mind that defined contribution pensions constitute a long-term investment, subject to periodic volatility. Nevertheless, positive returns are expected over the extended term.

For members who opt to self-select their funds, recent fluctuations underscore the importance of regularly reviewing fund selections. Considerations should include when you want to retire, fund withdrawal preferences, risk tolerance, and responsible investing principles. Additional information on investing is available in the investment guide and fund factsheets on the Plan website, including details on investment profiles, returns, charges, and carbon impact metrics recently incorporated to facilitate an informed assessment of the climate impact associated with chosen investments.

The Trustee maintains a strong focus on the Plan's ESG credentials. According to the most recent MWS report, the multi-asset fund ratings far exceed their respective comparators. ESG ratings for Equity funds and the Multi Asset Growth fund are detailed in their respective fund factsheets, allowing members to gauge the reduction in carbon intensity compared to the 2019 baseline level. Further information on carbon intensity is also available in the Plan's TCFD report.

Actively contributing members are encouraged to routinely review their contribution levels, as modest adjustments can significantly affect retirement funds. Given the Company's matching contributions up to certain levels, and the salary exchange mechanism, these considerations are especially pertinent. Comprehensive details on the Plan's contribution structure and instructions for effecting changes can be found on the Plan's website.

# DB section - investment report

The objective of the Trustee is to achieve sufficient return on the DB investments to ensure that the DB section can pay future benefits as and when they fall due.

## Strategy

The Trustee, guided by its investment adviser XPS, has established a low risk investment strategy considering factors such as Plan liabilities, long-term funding objectives, and risk/reward characteristics. The strategy involves a target allocation of 50% to cashflow-matching assets and 50% to liability-matching assets (LDI), aiming to offset movements in liabilities caused by interest rates and inflation and shifting away from growth assets. During the reporting period, the value of the Plan's assets reduced significantly, mainly as a result of the impact of interest rate and inflation movements on the LDI assets, but this was accompanied by a larger decrease in the value of the Plan's liabilities, resulting in an improvement in the funding position.

The Plan engages with multiple investment managers, both through pooled vehicles and segregated arrangements. The Trustee conducts thorough due diligence before appointing new managers and regularly reviews and updates the Statement of Investment Principles, ensuring compliance with regulatory requirements, including Section 36 of the Pensions Act 1995. The document also highlights the Trustee's approach to risk management.

## Investment Summary for year

Company	Asset Class	Asset Allocation %	Fund Return %	Benchmark Return %
<b>Equities</b>		<b>0.3%*</b>		
<b>Property</b>		<b>2.9%</b>		
LaSalle Core Property	Property	1.8%	-11.3%	-15.4%
LaSalle Inflation Linked Property	Property	1.0%	-10.9%	17.0%
<b>Credit</b>		<b>48.9%</b>		
AXA IM Buy & Maintain Credit	Credit	16.4%	-11.2%	-10.2%
Royal London UK Buy & Maintain Credit	Credit	15.3%	-12.0%	-10.2%
PGIM Buy & Maintain Credit	Credit	17.2%	-9.2%	-10.2%
<b>LDI</b>		<b>47.9%</b>		
BlackRock LDI	LDI	47.9%	-40.0%	-43.6%
<b>Total Assets</b>		<b>100%</b>		
Cash		0%		

\*This is a residual holding that is expected to be sold in the near future.

The overall performance of the DB Section investments over one-year and three-year periods ended 31 March 2023 was as follows:

	Year to 31 March 2023	3 Years to 31 March 2023
Scheme	-22.2%	-6.7%
Benchmark	-25.8%	-7.1%

Subsequent to the year end, gilt yields have risen which has reduced the value of the Plan's LDI hedging and buy and maintain credit assets. From 31 March 2023 to 31 August 2023, total Plan assets declined from c£2.3bn to c.£2.1bn. This fall in asset value has been accompanied by a fall in the value placed on the Plan's liabilities.

# Pension briefs

## Member Nominated Trustees (MNTs)

We are pleased to confirm that Mr Fraser Leith, an active employee at RHI was appointed, and Mr Philip Gladman was re-appointed as Member Nominated Trustees in April 2023. The Trustee would like to thank those members who put forward nominations, for their time and interest in joining the Board of Trustee Directors.

## Our Address

In January 2023 our pension administration team moved just around the corner and is now located in Booths Park 1, Chelford Road, Knutsford, Cheshire, WA16 8QZ. Please ensure that all correspondence is addressed to the Wood Pension Team so that your query can be handled promptly.

## Pension and Finance support and Guidance

We want to ensure you have all the tools and resources to make informed decisions about your pension and financial well-being. The government offers a valuable tool called the Midlife MOT, designed to provide guidance for individuals in their midlife stage, including insights on pension planning. Additionally, Money Helper, a government-backed service, offers free, impartial advice on various financial matters, including pensions. These resources empower you to assess your financial situation, plan for the future, and make the most of your pension. Feel free to explore these tools, and if you have any questions or need assistance about your Wood Pension, our team is here to help you.

<https://jobhelp.campaign.gov.uk/midlifemot/home-page/>

<https://www.moneyhelper.org.uk>

## Pension Scams

Pension scams often involve attractive offers that aim to persuade you to transfer your pension pot (or release funds from it).

Pension scams often include:

- a guaranteed better return on your pension savings
- high-pressure sales tactics
- unusual investments, which tend to be unregulated and high risk
- complicated structures, so it isn't clear where your money will end up
- several groups (some of which may be based overseas) all taking a fee, which means the total amount deducted from your pension is significant

Early pension release scams

You should be very wary of any scheme offering to help you release cash from your pension before you're age 55. It's almost certainly a scam.

Generally, you can only take money from your pension when you're 55 or older except in certain cases, such as ill health. This age will increase to 57 from 2028.

If you're worried about money and want to use your pension to repay debts, contact a free debt adviser first to find out what your options are. Use MoneyHelper's debt advice locator tool to find free debt advice near you.



## Pension Dashboards

Last year we noted that Pension Dashboards were due to be available to the general public sometime towards the end of 2023 into 2024. The Government have now delayed this until 2026.

The dashboard will allow you to monitor contributions, assess investment performance, and gain insights into your projected retirement income with ease, across all of your pension accounts.

As we work towards the launch, we encourage you to stay tuned for updates. Once the pension dashboards are available, we will provide you with detailed information on how to access and make the most of this valuable tool.

## Expression of Wish Forms

You can now update your expression of wish and nominate your beneficiaries online through the Wood Pensions Portal, we encourage you to log in regularly and ensure that your nominations are kept up to date.

## Transferring other Pensions into the Plan

Current active members of the DC section can, if they wish, amalgamate previous pensions into the Plan.

The Wood Pensions Portal has the forms needed to start the process to transfer a pension from a previous pension or transfer your pension to a new provider. Alternatively, please email [pensions@woodplc.com](mailto:pensions@woodplc.com) and our team will be able to support you. The process to transfer pensions can take some time as the pensions team at Wood is required by legislation to perform numerous checks to help prevent members from being scammed, so please allow plenty of time if you wish to make a transfer.

## Useful Pensions Terminology\*

What do these pension terms mean?

**DC** - With a Defined Contribution (DC) pension (sometimes called money purchase) you build up a pot of money that you can use to provide an income in retirement. Unlike defined benefit schemes, which promise a specific income, the income you might get from a defined contribution scheme depends on factors including the amount you pay in, the fund's investment performance and the choices you make at retirement.

**DB** - If you have a defined benefit (DB) pension scheme, the amount you receive on retirement is based on how many years you've been a member of that employer's scheme and the salary you've earned during your employment. It is not linked to the amount you pay in contributions or investment performance.

**Annuity** - An annuity provides you with a regular guaranteed income in retirement. You can buy an annuity with some or all of your pension pot. It pays income either for life or for an agreed number of years.

When you use money from your pension pot to buy an annuity, you can take up to a quarter (25%) of the amount as tax-free cash. You can then use the rest to buy the annuity – and the income you get is taxed as earnings.

Annuities are sold by insurance companies.

**Drawdown** - Flexible retirement income is often referred to as pension drawdown, or flexi-access drawdown and is a way of taking money out of your pension pot to live on in retirement.

It can give you more flexibility over how and when you receive your pension. You can take up to 25% of the pot as a tax-free lump sum. The rest of the pot remains invested, giving it the potential for investment growth. You can then decide if you want a regular income, or amounts as and when you need them.

**PCLS** - Pension Commencement Lump Sum, this is the 25% tax free lump sum you can take when your DB pension comes into payment (subject to Lifetime Allowance restrictions).

**UFPLS** - Uncrystallised funds pension lump sums, allow for the withdrawal of all funds as a lump sum, 25% of which is tax free (subject to Lifetime Allowance restrictions).

**Expression of Wish/Nominating beneficiaries** - Some death benefits from the Plan, such as the return of your retirement account, are paid under the discretion of the Trustees of the Plan. By nominating your beneficiaries, and keeping them up to date so lump sums can be paid swiftly and free of inheritance tax. You can update your beneficiaries on the Pensions Portal

**Lifetime Allowance** - The lifetime allowance is the limit on how much you can build up in pension benefits over your lifetime while still enjoying the full tax benefits. There have been changes to the Lifetime Allowance this year and you can find out more at [MoneyHelper.com](http://MoneyHelper.com)

**Annual Allowance** - While there's no limit on the amount that can be saved into your pensions each tax year, there is a limit on the total amount that can be saved each tax year with tax relief applying and before a tax charge might apply. The limit is currently £60,000.

\*extracts from Money Helper Website

# Trustee board and advisers

## Company-appointed Trustee Directors

Mervyn Walker  
Independent Trustee Chair

Carolan Dobson  
Independent Trustee Director

Bill Setter  
Group Financial Controller, Wood

Claire Yule  
President, Reward & Mobility & P&O Group Functions,  
Wood

Garry Lloyd  
Pensioner (former Director of Pensions for Wood)

## Member-nominated Trustee Directors

Phil Gladman  
Pensioner (ex-Foster Wheeler)

Matthew Reading  
Active member

Roger Thetford  
Deferred and Pensioner member

Fraser Leith  
Active member

## Advisers

Elaine Hanna  
Vice President Retirement, Wood

Amanda Reid  
Pension Scheme Secretary

Michael Kelly  
Actuary, Mercer

Karen Hancox  
Auditor, Grant Thornton

Ben Gold  
DB Investment Adviser, XPS

George Fowler  
DC Investment Adviser, Isio

Richard Black  
Legal adviser, Gowling WLG LLP

Matt Cooper  
Covenant adviser, PWC

## Committees

All standing committees have been disbanded apart from the Benefit Committee which consists of Phil Gladman, Matthew Reading and Amanda Reid.





The authors or contributors to Pension News are solely responsible for any opinions expressed and publication in Pension news does not necessarily imply that such opinions are in accordance with those of the Trustees.

Information is believed to be correct at the time of going to press but no liability is accepted for errors or omissions.

**Contact us:**

Wood Pensions, 1 Booths Park, Chelford Road,  
Knutsford, Cheshire WA16 8QZ Tel: +44 (0)1565 683295

Email: [pensions@woodplc.com](mailto:pensions@woodplc.com)

[woodplc.compendiahosting.co.uk](http://woodplc.compendiahosting.co.uk)

[woodplc.com/ukpensions](http://woodplc.com/ukpensions)