



THE NINETEENTH IMPAC AGM WAS HELD IN BRISTOL ON 19TH MAY 2010.

A well attended AGM was held at the BAWA in Bristol on the 19th May 2010. The guest speakers were Will Mather, the Group Pensions Executive and Phil Hughes the new Pension Fund Manager. For the third consecutive year Midland Region won the President's Trophy for the highest annual percentage increase in membership. Recruitment remains a high priority for IMPAC not only sustain numbers but to increase overall membership. IMPAC's National Chairman would like to thank all those members attending the AGM; in particular those who travelled long distances to support the meeting.

Members not attending are advised that item 7 on the Agenda was withdrawn. Item 7 was a National Council Motion for the adoption of the changes to the Constitution listed in the Notification of AGM. At the Council Meeting that preceded the AGM London and South East, Scotland and Western Regions representatives voiced objections to certain proposed changes to the Constitution and it was decided to withdraw the motion from the AGM proceedings. The Regional Chairmen will now address these objections and submit revisions to Council for approval before the AGM in 2011 when the membership will be given the opportunity to vote on the proposed changes.

Photographs taken at the AGM are on pages 7 & 8.

CHANGES TO OUR FUND RULES.

At the PFCC Meeting on the 24th March 2010 the Company made the important announcement of changes to the pension arrangements for new employees. In effect the Defined Benefits, or final salary scheme, will be closed on the 30th September 2010 to new employees and will be replaced by a Defined Contributions Scheme allowing employees the opportunity to invest in financial products of their own choice. Their monthly contributions will be augmented by monthly contributions from the Company. The combined contribution goes directly into an external investment fund managed by a life insurance company to provide the employee's future pension. This Defined Contribution Scheme commences on 1st October 2010 giving current employees the opportunity to join the existing Defined Benefits Scheme before it closes. It is considered that the number of new members joining the new Scheme after the 30th September 2010 will be small but it is not without some financial attractions.

The closing of the Defined Benefits Scheme within our Fund should bring a measure of increased security to existing pensioner members. The implications of this change are being studied by IMPAC and the Employee Representatives and will be discussed further at the PFCC on the 16th September 2010. See page 3.

A NEW MEMBERSHIP AGENCY.

After careful consideration earlier this year the National Council decided to contract a UK based Membership Agency, BPI Associates, in Hertfordshire to replace SAMAX who are based in Spain. The details of the new Agency are on page 5. The transfer of the IMPAC Database was accomplished on the 21st May 2010. National Council are aware that some members will have experienced some difficulties and noticed a delay in the March/April renewals. IMPAC Officers have been working hard to effect a smooth transition and by the time you read this all commissioning problems will have been overcome. Future day to day queries with BPI Associates and contractual arrangements will be managed by the National Liaison Officer Philip D Dobson. The article on page 5 gives contact details.

CHAIRMAN'S CORNER

The news of recent months has been dominated by the unexpected arrival of our new-fangled coalition form of government. I am writing just as the interim Budget proposals have been announced and it is clear that we are now entering a very different political phase. It is difficult to argue against putting the much weakened national finances back in order. Getting the timing right is the tricky bit and it is worrying that Europe, our big export market, and in particular Germany with its huge trade surplus, is also cutting back. Much lower growth would wreck the Government's assumptions.

So what does it all mean for pensioners? Tough budget measures probably mean that we will have low interest rates for longer, not good news for savers. The new Coalition does however seem to be very aware of the problems of pensioners. The new arrangements to increase State Pensions by at least 2.5%, or to match the higher of average earnings or the Retail Price Index is quite an extravagant promise unfortunately diluted by the change to the Consumer Price Index in 2012. It offers pensioners protection whether we have inflation or deflation. The much publicised Lib Dem inspired increase of £1,000 in personal tax allowance sadly does not apply to those over 65. Although they receive special higher allowances you could argue that their relative position has weakened and hopefully this may be addressed in future budgets as it is intended to increase the allowance further to £10,000.

The other big event was the closure (from October) of the Imperial Tobacco Fund to new entrants. This is still very much the subject of discussion at the Pension Fund Consultative Committee. Our early conclusion is that this proposal is modestly beneficial to existing pensioners. Historically most of the cost of new entrants has been absorbed by the Fund, and this will cease. We are currently taking independent legal and actuarial advice on the detail including, for example, the use of future surplus to help pay employer contribution to the new scheme. It is indeed sad that from October not all employees will have the same benefit, as this has

created a strong company 'ethos' in the past.

Most importantly of all, we are now some 3 months on from the big triennial valuation of the Fund at end March 2010. Our new lady actuary will have her team crunching the numbers and producing a very detailed report which will reach IMPAC in mid December. All expectations point towards a substantial deficit, so that the Fund will need to be 'topped up' probably by an annual payment over, say, ten years by Imperial Tobacco. The likelihood of a deficit was no doubt a factor in the decision to close to new entrants, as current benefits are very expensive and could not be absorbed by a fund in deficit.

We are indeed privileged that IMPAC is given early sight of the valuation. This enables us to take our own independent legal and actuarial advice and allows a constructive dialogue to follow amongst ourselves and at the consultative committee meetings. Our ability to influence the outcome is minimal but our existence ensures that the voice of the pensioner is heard. Next January will be a very busy month for your National Committee.

The catastrophic events involving BP in the Gulf of Mexico have clearly damaged their shareholders for many years to come. The last Pension Fund Report showed BP as the second largest equity holding (after Royal Dutch Shell) and comprising 1% of the Fund at end March 2009. No doubt the next report out shortly will give us more detail. The events are tragic, but our Fund is very highly diversified and the impact should be seen in perspective. It will not affect the current valuation at end March 2010, given the timing, but is clearly bad news for many income seeking investors, both here and in USA.

As I write, England have today scraped into the last sixteen in South Africa, the sun is shining at Wimbledon and Graeme McDowell, who attended the same obscure school as your Chairman (40 years later!) near Portrush in N. Ireland, has just fought off Tiger Woods to become the US Open Champion.

We need something to offset all this austerity!

Norman Ferguson

INSIDE ITG

ITG has a new Chief Executive Officer, Alison Cooper, following the retirement of Gareth Davis on 13th May. These last few months have seen large movements in share prices on the stock exchange. ITG has not been immune to these ups and downs. We wish the new 'hand on the tiller' every success in this volatile world. All members of the ITL Pension Fund are looking to our sponsoring company to remain a key player in the world of tobacco and prosper. Our Fund is dependent on its support through any difficult times ahead.

2010 PFCC MEETINGS

The first PFCC Meeting of 2010 was held on the 24th March when the surprise announcement was made by the Company about the changes to the rules of our Fund. These proposed changes are reported on below. Not all are comfortable with this but generally it offers improved security to existing members. PFCC Members were given the opportunity to consider these proposed changes at the next PFCC Meeting on the 16th September or sooner if required.

MORE CHANGES TO OUR FUND

In 2002 the Company announced that new entrants to our Fund would have to pay contributions and their benefits would be different from pre 2002 members. Since then over 200 employees have joined our Fund. At the PFCC on the 10th March the Company announced that employees joining our Fund after 1st October 2010 would do so on a Defined Contributions (DC) basis. This means the closure of the final salary or Defined Benefits (DB) scheme on 30th September 2010. There will be no changes for current members whether employee, deferred or pensioner.

However no change comes without implications. It does mark the end of an era and now leaves the Company's Pension Scheme with three categories for active members. How the financial inter relationship works remains a question for members to ask of the Company. The forum for any questions is the PFCC. IMPAC have sought actuarial and legal advice

on the implications and will be putting questions to the Company on your behalf before the next PFCC Meeting on 16th September. Clarity on the detail of the funding and provision of pensions for DC members is a key issue.

If you have concerns or specific questions please contact your Regional Chairman or PFCC Representative.

It's worth noting that retired non-IMPAC members do not have a mechanism to voice any concerns they may have.

Meanwhile outside political forces are again interfering in Occupational Pension Funds. Brussels are seeking to move the goal posts on valuation rules for Occupational Schemes. They are advising a move to more investment in bonds and the like and away from equities. On the face of it we might concur since all Funds should be looking to the long term, not quick fixes. However those deep in deficit like BT will not like being told not to take risks to dig themselves out of their pensions hole.

Here at home there is a move to direct all Occupational Fund annual increases to be in line with CPI not RPI unless the Fund's Trustee Rules explicitly require RPI increases. Rule 23 of our Trust Deed and Rules requires annual pension increases to be made in line with RPI and any change to this rule would have to be agreed by the Board of Trustees.

This year's valuation of our Fund should produce interesting reading in the report due in December.

BRAIN TEASER No. 12

What is the next letter in the sequence:

J A S O N?

NEXT COUNCIL MEETING

The next Council Meeting will be on 1st September 2010. The most important items for discussion will be the proposed changes to our Fund, the adoption of CPI by the government for annual pension increases and the current Triennial Valuation. Other items include the revision of the IMPAC Constitution and recent upheavals in the financial world market particularly BP.

THE 2010 AGM

This year's AGM at the BAWA in Bristol in May was well attended. The meeting welcomed guest speakers Will Mather and Phil Hughes. President Michael Smedley presided over the proceedings and invited the speakers to give their address before the routine AGM business. The attentive audience took the opportunity to proffer several questions.

There was a good local turnout from Bristol and once again a coach load of Midland Region members made the journey from Nottingham. They were rewarded by Neil Tilson receiving the President's Trophy for achieving the highest percentage regional recruitment over the previous 12 months. This was the third year running that Neil had achieved this success. The National Officers voted in were Norman Ferguson, Chairman, Michael Staal, Secretary and Victor Smithson Treasurer. IMPAC funds remain healthy due to Michael Staal's stewardship of our investments and Victor Smithson's financial control. The AGM is always an occasion for the usual reunion of former work colleagues. The AGM is an important date in the IMPAC calendar and a chance for members to comment upon or clarify the objectives and values of IMPAC.

The 2011 AGM will be in Nottingham in May and arrangements are already in hand to prepare for that event.

THE LIFE OF O'REILLY?

Miss O'Reilly read yet again the letter from the Council about re-cycling. The intention was to introduce yet another 2 more bins. One for kitchen waste and one for bottles and the like. Life was stressful enough for her and sister Tilley without spending even more time worrying about what rubbish goes exactly where.

The arrival of a bunch of travellers on the local Common was bad enough. The authority seemed well empowered to dictate what piece of rubbish went where and the consequences of getting it wrong but when it came to protecting council tax payers from the invasion of their common land they were 'out foxed'. Already residents were being warned to pay extra heed to locking doors and windows and keeping garden furniture out of site for fear of theft.

"Ignore the best summer for a decade – stay indoors!" was the official message. Sister Tilley had already got the 'wind up' and was nervous of any knock on the door. Meanwhile rubbish was piling up on the Common and even more travellers were turning up in their untaxed uninsured 4x4s and lorries.

Feeling depressed Miss O'Reilly reflected upon the previous weekend when she had the misfortune to fall victim to an attack of severe back pain just after getting up. Unusual for her; but what to do? It was Saturday morning. She rang her local surgery but was transferred automatically to a local Emergency Services. After a serious grilling on symptoms (and some sympathy) in order for any medical attention she was told to get to Emergency Services somehow to see a doctor. But how to get there? They had no car and public transport was out of the question. It crossed her mind to pretend she was a traveller. Maybe they would send an ambulance or the like. Perhaps she should dial 999 and go to the local A&E. Being one of the 'old school' of course Miss O'Reilly did neither. Tilley rang a kindly elderly neighbour. He agreed to bring his car around and help Miss O'Reilly into the back seat. She lay down and hung onto the hand grips in the roof until she arrived at the local Emergency Services building. The doctor prescribed some serious medication and dismissed her to another torturous ride home. After a couple of days it was all under control – until the next time.

Thank goodness for good neighbours Miss O'Reilly thought and so much for the so called caring bureaucratic authority – except of course when it comes to re-cycling.

QUIZ ANSWERS.

The answers to the Quiz in IMPACt 43.

Correct order of the names was: Brighton – Orient - Hull - Cardiff – Crewe - Forfar – Wednesday – Arsenal - Motherwell - Doncaster - Bolton - Brechin - Oldham – Fulham - Stockport - Montrose - Falkirk - Dumbarton - Luton - Wrexham - Coventry – Newcastle - Blackburn - Ayr - Walsall - Hearts - Southend - Millwall - Sunderland - Palace – Queen of the South - Watford - Norwich - Leeds - Preston - Meadow Bank - Chester - Lincoln -Blackpool – Reading.

THOSE WINNERS AND US LOSERS!

Well the general election results revealed many winners and losers. Post the election the political horse-trading finished up with the forming of a coalition between the Conservatives and Liberal Democrats. The success or failure of this style of government is anybody's guess. What we are in no doubt about is the massive debt facing us all.

Moves are being made to cut waste. Waste comes in many forms but the end game has to be salary cuts and jobs losses in the Public Sector and limiting the size of their redundancy payouts and pensions. This is new territory for many and consequently the battle lines are now being drawn up to protect jobs and pensions.

As ITL pensioners; most stand to benefit from the guaranteed increases in state pensions, but we all lose out on other benefits and suffer the increase in VAT to 20% on 1st January 2011.

MP's still haven't got the message about expenses and continue to push for a relaxed approach with up front cash loans of £4,000 and scrapping the need for receipts. Whatever happened to the public service ethos?

On the bright side we might get our right to be ill at the weekend and see our Doctor. Not because of concerns for the needy but because A&Es are inundated with people seeking routine medical help putting pressure on staff trying to deal with emergencies. We'll see.

Losing out on the change to Digital? The real reasons for ditching FM are still being sought; meanwhile the coalition presses on with Labour's plans oblivious to our cries of protest. Well at least they can happily replace all their domestic and car radios on expenses. Sorry; at our expense.

MEMBERSHIP AGENCY

As reported on page 1 IMPAC now has a new Membership Agency. The transfer of the Membership Database from SAMAX was problematic resulting in delays to the issue of renewals and other difficulties. Hopefully by now all will be back to normal. The new Membership Agency, BPI Associates, took over on 21st May 2010.

They are based in Hertfordshire email: impac@bpiassociates.co.uk

The new Membership Liaison Officer, Philip

Dobson will be IMPAC's prime contact with BPI Associates. Any queries can be emailed via the IMPAC web site. Alternatively you can contact one of your Regional Officers.

Please keep your Pension Fund Numbers and names of Spouse or any nominated Dependant flowing in. For those on the Internet this can be done via the IMPAC website www.impac.org.uk or write to:

IMPAC c/o 106a High Street, Codicote, Hertfordshire SG4 8XE..

Please note that when completed standing order should be sent to IMPAC c/o 106a High Street, Codicote, Hertfordshire SG4 8XE **not** to your Bank. Standing order forms are available on the IMPAC web site for downloading or from their Regional Recruitment Officer.

IMPAC WEBSITE www.impac.org.uk

The web site is undergoing some changes in appearance. The Latest News page is the first to be re-vamped. Regional Chairmen are responsible for keeping their sections up to date Your comments, favourable or otherwise, are always appreciated.

ELECTRONIC MAIL.

The number of members opting for electronic communications continues to increase. You need only contact BPI Associates at impac@bpiassociates.co.uk or the Editor at tony@impac.org.uk to be placed on the list. To protect your privacy email addresses are not disclosed in email communications.

OCCUPATIONAL PENSIONERS' ALLIANCE

National Secretary, Michael Staal attended the OPA AGM on the 29th May as IMPAC's representative. He reported that the organisation Unite that was competing with the Trade Union over the same name is now renamed National Federation of Occupational Pensioners. This body includes the Post Office, BT, British Steel Corporation and from now on any individual occupational pensioners of other funds who may wish to join.

The web site www.opalliance.org.uk is always worth a visit to read OPA's daily updates on pension related matters and view the latest membership list.

BRAIN TEASER No.12 Answer

The next letter in the sequence is JASON. is D. July, August, September, October, November & December. Our thanks to Johnston Hall.

NATIONAL INFORMATION

President – Michael J. Smedley
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tele. 01275 372535

email norman@impac.org.uk

Secretary – Michael Staal
tele. 0208 9522838.

email lmstaal@impac.org.uk.

Treasurer – Victor H Smithson
tele. 0115 9250358

email victor@impac.org.uk

Pensioner Elected Trustees

Robin Aspinall

tele. 0208 9691639

email robin@impac.org.uk

Allan Russell

tele. 01764 664805

email allan@impac.org.uk

Pension Fund Office

tele. 0117 9530000

fax. 0117 9632860

Inland Revenue Office (ref. 794/BIT3)

tele. 0845 302 1483

REGIONAL INFORMATION

Eastern Region – Chairman Eddie Mason
tele. 01482 642087

email eddie@impac.org.uk.

If you have any questions about our Pension Fund or IMPAC contact Eddie, or Secretary David Dukes tele. 01652 6232137 or email david@impac.org.uk.

Ipswich based members are now represented by Committee member Terry Hiskey tele. 01473 424280

London & South East Region – Chairman Barry Lewis tele./fax. 020 84646054.

The 2010 AGM will be held on Monday 18th October at Friend's House, 173 - 177 Euston Road, London. Pensioner Elected Trustee, Robin Aspinall, has again agreed to address the meeting on the latest developments within our Pension Fund. Formal notification of our AGM will be issued nearer the date.

Any questions or comments on Pension Fund

or IMPAC matters to Barry or Secretary Brian Fox tele. 01580 830849
email brian.r.fox@btinternet.com.

Midland Region – Chairman Derrick Wragg. tele. 01773 789435
email derrick@impac.org.uk

The next Open Meeting will be held on Thursday 30th September 2010 at the Wollaton Community Centre at 10:30. All welcome. Report on the PFCC to be held on 16th September 2010.

If you have any questions about our Pension Fund or IMPAC contact Derrick or email Secretary, Tony Lowe, at tony@impac.org.uk.

North East Region – Chairman Leslie T Rome. tele. 01661 871509
email les@impac.org.uk.

If you have any questions about our Pension Fund or IMPAC contact Les or Secretary Bill Richmond tele. 01661 842143.

North West Region – Chairman Anthony Macadam. tele. 01517 224807
email anthonymac@impac.org.uk.

If you have any questions about our Pension Fund or IMPAC contact Anthony or Secretary, Warren Ryland, tele. 01514 262685
email warran@impac.org.uk.

Scotland Region – Chairman Simon Andrews. tele. 01334 828779
email simon@impac.org.uk.

If you have any questions about our Pension Fund or IMPAC contact Simon, or Secretary Colin Martin tele. 0141 7793796 or email colin@impac.org.uk.

Western Region – Lady Chairman Helga Hincks. tele. 01458 210024
email helga@impac.org.uk.

If you have any questions about our Pension Fund or IMPAC contact Helga or Secretary Alan Bowering tele. 01179 502434
email acbimpacwr@sky.com.

Overseas - Brian Fox is the UK co-ordinator for all our Overseas Members Brian's email address is brian.r.fox@btinternet.com.

LETTERS TO THE EDITOR.

Your views on pension matters and any new ideas for IMPACT, are always welcome. Contact the Editor, Tony Lowe at The Cedars, 7 Leahurst Road, West Bridgford, Nottingham NG2 6JD. You can fax on 01159147337 or email tony@impac.org.uk.



IMPAC President Michael Smedley opens the AGM.



Midland Region's Recruitment Officer Neil Tilson receives the President's Trophy for the third year running from Michael Smedley.



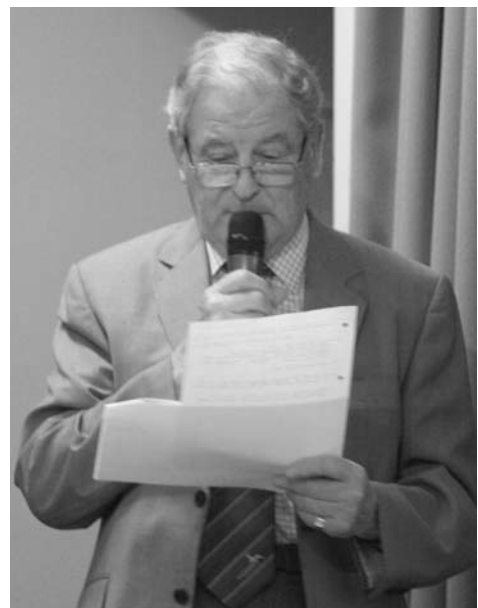
National Secretary Michael Staal takes the minutes.



National Chairman Norman Ferguson addressing the meeting.



Group Pensions Executive Will Mather addressing the meeting



National Treasurer Victor Smithson giving his financial report.



Pensions Manager Phil Hughes answering member's questions.



Vic: L to R Victor Smithson, Iain Pulley (MD of BPI Associates) and Phil Dobson take a break from a Membership Agency meeting in Northampton. Photograph by Tony Lowe also attending the meeting.

QUIZ CUBICLE

Answers will be published in the next IMPACT.
If you can't wait - visit the IMPAC web site
www.impact.org.uk or contact the Editor.

MINDBENDER QUIZ – PART 1

The given number is the clue to the coded phrase.

- | | | |
|----|-------------------|-------|
| 1 | W.O.A.U. = 1 | ..... |
| 2 | B.O.C.I.A.M. = 2 | ..... |
| 3 | C.I.A.F. = 3 | ..... |
| 4 | T.A.L. = 3 | ..... |
| 5 | L.O.A.M.S. = 3 | ..... |
| 6 | Q.I.A.G. = 4 | ..... |
| 7 | P.O.A.B.T. = 6 | ..... |
| 8 | W.O.H.T.E. = 6 | ..... |
| 9 | W.O.T.W. = 7 | ..... |
| 10 | D.O.T.W. = 7 | ..... |
| 11 | S.O.A.F.P.P. = 7 | ..... |
| 12 | B.F.S.B. = 7 | ..... |
| 13 | L.O.A.S. = 8 | ..... |
| 14 | P.I.O.S.S. = 9 | ..... |
| 15 | P.I.A.F.T. = 11 | ..... |
| 16 | M.I.A.Y. = 12 | ..... |
| 17 | S.O.T.A.F. = 13 | ..... |
| 18 | L.I.A.B.D. = 13 | ..... |
| 19 | T.I.A.G.S. = 13 | ..... |
| 20 | M.O.A.D.M.C. = 15 | ..... |
| 21 | H.O.A.G.C. = 18 | ..... |
| 22 | N.O.A.D.B. = 20 | ..... |
| 23 | B.O.A.S.T. = 22 | ..... |
| 24 | H.F.T. = 24 | ..... |
| 25 | D.H.S. = 30 | ..... |

AGM photographs by courtesy of Midland Region Committee Member Michael Severn.

IMPACT is the official Newsletter of IMPAC. The Editor reserves the right to edit any contribution or letter. Particular views expressed by individual members may not reflect IMPAC's policy as agreed by the elected Council.