

The Value of IMPAC

When the parent company, Imperial Group, was taken over in 1986, small groups formed in Nottingham, Bristol and elsewhere in the Tobacco Division to keep watch on what might happen to the Imperial Tobacco Pension Fund.

These watchdogs eventually came together, taking the name of the Nottingham group, 'Imperial Pensioners Action Call' and their vigilance bore fruit in a lasting way when, in 1990/1991, significant changes planned for the Fund, which would not have been in the interests of its members, were stopped by the High Court.

Since then, IMPAC has grown further in stature. It has the respect of the Company and remains dedicated to defending and advancing the interests of all members of the Fund.

Some idea of its influence and achievements is given below:

1). Actuarial Triennial Valuations:

The 1998 and 2001 valuation reports contained 20 pages; the most recent valuation reports have extended to over 40 pages.

This increased detail is a direct result of IMPAC questioning the Actuary, the Company and the Trustees and some changes to Legislation. The situation now is that the Actuary meets with the PFCC and representatives from IMPAC and explains the Triennial Valuation in "Lay" terms. The Actuary is very aware that full explanations have to be given of what assumptions are made and that they will be subject to questioning.

2). Pension Fund Consultative Committee:

The PFCC is comprised of 7 IMPAC Members, 7 Employee Representatives, 2 Pensioner Representatives (Bristol and Glasgow) and 6/7 Company Representatives, generally headed by the Human Resources Director. At PFCC meetings the Company are aware that we will not sit back and accept changes without them being challenged.

IMPAC puts forward several items for each meeting's agenda.

3). PFCC Employee Representatives:

Those in IMPAC, who sit on the PFCC, have the respect, confidence and co-operation of the Employee Representatives.

In recent years Trade Union Representatives have shown increased vigilance in reviewing pension issues. More than ever, they fully realise the importance of pension security.

Within the Pension Fund the ratio of pensioners to employees is 20:1.

IMPAC has become an ally to employees.

This is important to both sides with all the changes within Pension Legislation that are currently going on.

Both sides have to work together to ensure that the Company and the Trustees are adhering to what is required of them, even if at times, our immediate interests may be different.

4). The Company and Trustees;

They are now aware of being watched very closely by IMPAC and that we are prepared to challenge them at every turn when and if we see fit.

IMPAC has access to, both a 'Pension Fund' Lawyer and Actuary, who are both well versed with our Fund and they are available to us, if we do need to seek Legal and/or Actuarial advice. These Professionals, are of course, completely independent of the

Company and the Fund and are therefore in a position to give us a totally unbiased and independent opinion on matters that we may ask of them.

5). Occupational Pensioners Alliance (OPA)

IMPAC is a member of OPA, which represents many similar occupational pension scheme associations.

OPA collates all the news/reporting from Government Ministers, Businesses and European Union Legislation, Insurance and Investment Bodies, etc. to keep us up to date with what is happening within pension matters. OPA also arrange and fund lobbying in Parliament on pension issues and legislation.

This information is obtained from National and International Pension matters and is not purely about the ITL Fund.

This gives us an early warning of issues with Pensions, State and Occupational.

6). Widow/Widower Pension:

With IMPAC involvement, the Spouse's pensions were increased from ½ pension to 2/3rds.

7). Monetary Benefit:

Everyone who was under 80 years of age in 1990 is a minimum of 2% a year better off(continuous) as a result of the High Court Case.

8). Trustee Elections:

As an organisation IMPAC fields and supports nominees. Without IMPAC nominees, would be “stand-alone” pensioners and more than likely without adequate resources. They would have no formal contact with Pensioners and no mechanism to provide any, other than the Pensioners' Gazette. These individuals would operate in complete isolation with no support from an active pensioners group like IMPAC or external legal support. Pensioners therefore, would be totally unaware of the proceedings of the Board of Trustees

IMPAC's Role Today:

IMPAC remains the 'External Guardian' of the Fund, and must be alert and ready to challenge on issues that arise from the Trustees, the Company or the Government, that might affect our pensions.

To this end it is vitally important that we strive to maintain and increase membership of IMPAC, so that IMPAC can rightly say that it represents the voice of the majority of Imperial Pensioners, and clearly demonstrates to the Trustees and Company that the rights of Imperial Pensioners will be defended if necessary by recourse to a fighting fund to at least cover some of the possible legal costs if legal action needs to be considered.

IMPAC's vigilance over the years has been recognised by both the Trustees and the Company and has led to a greater willingness to provide information and open discussion.

1st March 2010