



NEWSLETTER

ISSUE NO 66

MAY 2018

Website : www.impact.org.uk

The Retail Price Index debate continues ...

A little over 12 months ago the National Council were considering a Consultation document, or its official title, Green Paper which had recently been published by the Department of Works and Pensions entitled 'Security and sustainability of Defined Benefit Pension schemes.' The document covered a wide cross-section of ideas to improve the legislative and regulatory framework of the industry. However the area that provoked most attention from Council was a suggestion to allow schemes to override or amend their Pension scheme rules to be able to change the measure of inflation used to calculate annual increases.

The paper put forward the argument that whilst they did not believe there was a case for 'across the board' cuts in indexation on affordability grounds, but as both the Public sector and State Pensions had switched to the Consumer price index (CPI) in 2011, should the rest of the industry make a similar move on the grounds of 'rationality and fairness'?

Whilst this viewpoint had received some support from certain elements of the Pension industry, it did not receive a very favourable response from the National Council and our submission to the consultation process reflected our views accordingly.

This was followed in December by news that British Telecom (BT), the UK's largest private sector pension scheme, was seeking High Court approval to change from the Retail Price Index (RPI) to CPI (or another alternative index). The case concerned the interpretation of the scheme rules for calculating pension increases and the BT lawyers argued that RPI had 'become inappropriate' and was no longer relevant for the purpose. The case concluded in January this year with the court ruling against British Telecom as it had in a similar case brought by Barnardo's in 2016. BT has since decided to appeal the judgement to be scheduled for later this year.

Cont

RPI update cont

No sooner had the dust settled our news feeds were reporting a speech made by Mark Carney, the Governor of the Bank of England where he called for the Retail Price Index to be abandoned as it had become 'outdated and unreliable'. His views were supported by Baroness Ros Altmann, a former Pensions Minister who called it "a sensible idea", although she did recognise that members in a RPI linked pension scheme would need to be suitably compensated thereafter.

In March, following the Green paper Consultation exercise and subsequent review process, the Secretary of State for Work and Pensions presented a White Paper to Parliament entitled 'Protecting Defined Benefit Pension Schemes'. For your information, White Papers are policy documents produced by the Government that set out their proposals for future legislation.

On the question of Inflation indexation, the White Paper concluded:

'We are committed to protecting members' pension benefits, and are presently ruling out measures which would override provisions in scheme rules and allow employers, or schemes, to change the measure on inflation used to calculate annual increases. However, we will continue to monitor developments in the use of inflation indices'.

Whilst the majority of Defined Benefit Pension schemes still use RPI as their primary inflation index, there appears to be growing pressure to seek an alternative measure.

Rest assured, The National Council will have this item on their radar ...

An apology from the Editorial Staff

Due to the Late cancellation of the Pension Fund Consultative meeting in April, we are unable to include the usual meeting reports and the associated information updates in this issue.

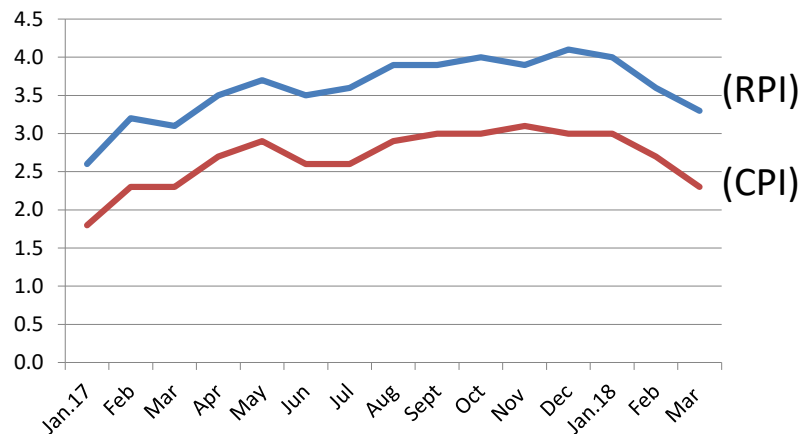
We shall be rescheduling the National Council meeting once we have received a new date for the PFCC meeting.

Please accept our sincere apologies, but we can assure you that normal service will be resumed in the Autumn.

Inflation Update

The graph compares the rate of inflation each month measured by CPI and RPI indexation

% Increase



The Imperial Pension increase from April 2018 is 4.12%

The March inflation rate was recorded as 3.3% which following the fall in the Retail Price index (RPI) in both January and February this year and with forecasts projecting the rate to continue to fall during the coming months, the outlook is far more positive.

Readers will be interested to know that our pension increase of 4.12% was based on the December 2017 RPI index which was the **highest RPI inflation rate recorded since Dec 2011!!!**. The increase puts us ahead of inflation for the first time since March 2016.

Company News



In March, Imperial Brands announced the disposal of a range of other tobacco products (OTP) including roll your own brands, tubes, tips, cigarette papers and other accessories in the USA. The Press release explained that the sale would allow the Company to concentrate on driving revenue growth in the USA from its core US tobacco brands as well as its next generation products.

The drive behind next generation products continues and in May, the Company, via its subsidiary Fontem Ventures, announced the launch of its new pod-based vaping device **myblu** in France, Germany and Russia. The product had been initially launched in both UK and USA markets and the Company anticipate further market launches before the end of this financial year.

How safe is my data?

With all of the current talk about data security and the forthcoming GDPR data security legislation, the Editor thought it worthwhile having DMB, who manage IMPAC's subscriptions, provide some details about the subscriptions management system they run for us.

What do you use our data for?

The IMPAC Membership list is held on a fully tailored system on a secure web server. The system records the subscription payments and donations made by members and is only used to:

- 1) Send out notices inviting members to renew their subscription
- 2) Circulate copies of our newsletter – by email to save cost to people happy to receive it in this format and by post
- 3) Distribute notices to members about forthcoming IMPAC meetings
- 4) Provide a number of reports to assist the management of our business – available to members of the National Council of IMPAC

At this point I would like to make it very clear that there is no danger of the system or data being used or accessed for any other purpose.

What data do you hold?

The data held covers the contact details of each member, their membership and payment records and limited pension information (their pension status, any spouse dependent and fund number).

Last autumn we upgraded the software on which the system is based and moved the system to an even more secure web server platform, as a result of a higher level of protection becoming available. As a further safeguard for IMPAC members, we also decided to no longer retain the bank details of members on the system which will ensure even greater levels of security.

The software itself is designed by our sister company, BPI Associates, who have provided a range of subscription management systems for a number of blue-chip publishing companies and even two Government departments.

In addition to the technical expertise above, IMPAC's membership records are handled by our Dimity Castellano, who is absolutely assiduous in the care and attention she gives everything. She is our final 'management weapon'; she misses nothing!!

I hope that this has provided you with the necessary re-assurance that we act in your best interests.

Iain Pulley, The Data Management Bureau

Open meetings

The new initiative of organising open meeting in Glasgow, Stirling and Bristol took place last Autumn.

The structure of the meeting was largely based on the regular Nottingham format with Neil Hopkins and Chris Jackson presenting on a range of topics concerning the Pension fund as well as a more in-depth look at the Triennial valuation results.

The attendances in Scotland were very encouraging and we have agreed to make it an annual event.

However, the Bristol attendance was a little disappointing, but we hope to see an improvement later this year when we stage the Annual General meeting in Bristol for the first time in several years.



Nottingham experiment with guest speakers

Open meetings have been a regular feature for Nottingham members for many years and are generally attended by about 50 members. In addition to the usual Council and PFCC feedback presentations, Chris Jackson and John Kenton have been inspirational in developing the social and networking aspects of their meetings and more recently they have introduced guest speakers to talk on a range of topics which they believe should be of interest to members. Members are welcome to come along. Contact John Kenton for details.



The Scottish Pensioners Christmas lunch

Once again our annual lunch was very well attended with more new guests joining us for the first time as well as our regular attendees. Unfortunately Ray Paterson who does most of the organising was unable to attend due to hospitalisation. Many thanks to Ray and Catherine for their organisation. The 4 course lunch was followed by a raffle and a quiz. Many thanks to David for both the quiz and photographic skills



Forthcoming Events

Impac Annual General meeting: Bristol

Tuesday 26th June 2018 at 2.00pm

at the Bristol Bowls Club, 198 South Liberty Lane, Ashton Vale, Bristol

More information is included in meeting notification pack

If you require more information email: helpline@impac.org.uk

Next Open meeting: Nottingham

The next meeting will be in October 2018 . Date and time TBA

Wollaton Park Community Association, Harrow Road, Nottingham

For more information about the meeting contact John Kenton, or email: helpline@impac.org.uk

Next Open meeting: Glasgow

Wednesday 24th October 2018 at 1.00pm

at Garfield House Hotel, Cumbernauld Road, Stepps

For more information about the meeting email: helpline@impac.org.uk

Next Open meeting: Stirling

Tuesday 23rd October 2018 at 1.00pm

at the Mayfield Centre, Sunnybank Road, St Ninians

For more information about the meeting email: helpline@impac.org.uk

Contact Details

Members Helpline

Contact us by post:

Helpline,
PO Box 10486,
Oxton,
NG24 9NL

Or by Email

helpline@impac.org.uk

The National Council has decided to replace the network of regional contacts with one single 'helpline' in order to better co-ordinate and to provide a more consistent service.

The aim is to provide assistance to members where we can.

However, it should be made clear that we are unable to provide any advice on financial matters and we would recommend that you speak to a financial adviser or accountant.

Contact the Editor

Please write to

The Editor. P. O. Box 10486, Oxton, NG24 9NL

Or Email: editor@impac.org.uk

Contacts	Name	Email address	Telephone
Chairman	Neil Hopkins	Neil@impac.org.uk	01159 653969
Secretary	Elizabeth Brimmell	elizabeth@impac.org.uk	01761 453926
Treasurer	Stephen J Grant	Stephen@impac.org.uk	01912 893944

Update our records

BPI – our membership agency	Imperial Pension Fund Office
<p>IMPAC, c/o DMB 18a Reynards Road Welwyn Herts AL6 9TP Email: impac@dmf.org.uk Telephone: 01438 840247 <u>For changes to IMPAC membership details.</u></p> 	<p>Imperial Tobacco Pension Fund P O Box 3242 Winterstoke Road Bristol BS3 9GY Tel. 0117 9530000 Fax. 0117 9632860 Please note - All enquiries to the Pension Fund Office <u>in writing please.</u></p> 

