



NEWLETTER

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Company proposal to disband the Pension Fund Consultative Committee

In a surprise announcement the UK HR manager, who was attending her first meeting on behalf of the Company, formally tabled a proposal which stated that the Company would cease to convene the Pension Fund Consultative Committee (PFCC) meeting in future, and as a result the Committee would therefore be disbanded with immediate effect.

In response, Bob Chamley, spokesperson on behalf of Employee and Pensioner delegates on the Committee immediately requested an extraordinary meeting of the Committee to be scheduled later in the year in order to allow him time to prepare a 'considered response' to the proposal. This was accepted.

The Company explained that the rationale for the proposal was that there had been significant changes to the legal and regulatory environment relating to Pensions and this, combined with the rules of the fund, now afforded members much greater protection. The Company also felt that a much wider range of information was now easily accessible to fund members and as a result the benefits gained by holding the forum did not warrant the high workload, cost and logistical efforts required to run the twice-yearly meeting.

The meeting originated in the early 1990s and the Committee consists of representatives from all stakeholder groups associated with the Pension Fund. In addition to the regular meetings, the PFCC also received a full report and presentation from the Scheme actuary after each Actuarial Valuation.

The main role of the committee is to act as a forum to discuss a wide range of Pension Fund matters and is considered to be an integral part of the Fund's communication policy. The PFCC activities are reported by the Fund management in the Annual Pension Fund Report published each year.

Whilst discussions on the proposal are ongoing we do not wish to comment further at this stage. However, whilst recognising that management has been faced with a heavier than usual workload this year, it is hoped that a satisfactory long term solution can be found at the next meeting.

Chairmans corner

The last twelve months has seen four changes of personnel on the Trustee board, a new HR manager for the UK market and in July this year, the Pensions Manager Simon Lewis left the company due to health problems.

Whilst we have become accustomed to a steady turnover of personnel associated with the Fund, with so many changes in such a short space of time, one might expect that the Fund may well be faced with continuity issues.

Therefore, it is extremely disappointing that the Company has chosen this time to propose that we discontinue the Pension Fund Consultative Committee (PFCC) which has provided a common forum for all Fund stakeholders to meet and discuss pension issues as well as providing a platform for pensioners to voice their opinions to Pension Fund management .

The twice-yearly meetings of the PFCC are conducted in a very constructive and business-like manner and as a result we take full advantage of the regular forum which also provides stakeholders with the opportunity to meet with the Scheme Actuary and discuss the outcome of the Triennial Valuation reviews.

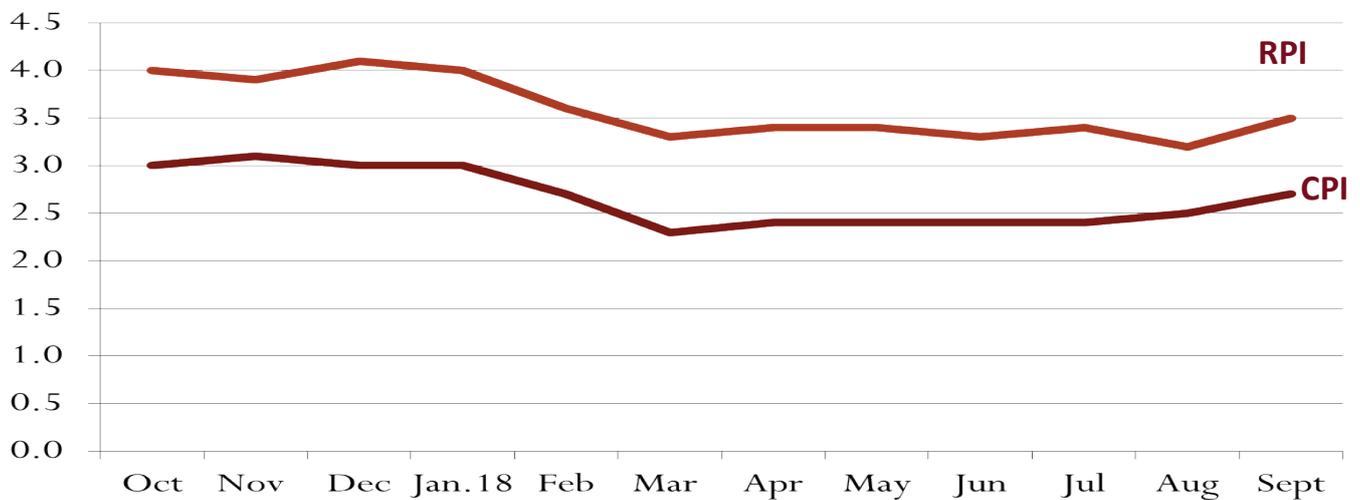
IMPAC attaches great value and importance to these meetings, and has ensured that the knowledge and understanding of Pension Fund issues has been cascaded to 'grass roots' membership through the newsletter, website and our open meetings.

Rest assured, I will ensure that The National Council provides every assistance to develop a robust response to this proposal to be presented at the Extraordinary meeting later in the year.

Finally, I am sure you will join me in sending our best wishes to our President, Norman Ferguson who is undergoing a course of chemotherapy at the moment.

Neil Hopkins

Inflation Update



The graph compares the rate of inflation each month measured by CPI and RPI indexation as published by the UK Government Statistics Office.

The Imperial Pension increase in April 2018 was 4.12%, so this has allowed us to effectively stay ahead of inflation all summer.

Whilst the trend would suggest that it will remain around 3%, like Brexit, it would be foolish to predict the final outcome.

Company News

In a trading update that was issued at the end of September, the Company stated that the tobacco



business had achieved much stronger results in the second half of the year. The Company was also pleased with the progress of next Generation product (NGP) business with growing revenues and sales of *myblu* building in key vapour markets.

The Company also confirmed that the ongoing cost optimisation savings were slightly above their original expectations of £100 million.

The divestment programme announced earlier this year was also on track with the Company disposing of a further 10% stake in Logista S.A realising proceeds of £235 million.

The preliminary results for the Financial Y/E 30th September 2018 will be announced on 6th November 2018

Pension Fund Consultative Committee (PFCC) update

The 56th meeting began with a formal request for an Extraordinary PFCC meeting to be scheduled later in the year to provide a considered response to the Company proposal to discontinue the Consultative Committee meetings, which was agreed.

Phil Hughes explained that Simon Lewis had left the company at the end of July and that he was taking over the responsibilities of Pensions manager and Secretary to the Trustee Board again until a replacement could be appointed.

Matters arising

Phil Hughes circulated 'Deeds of Amendment' relating to the Pensionable Pay Cap which was introduced last year for inclusion in the Trust Deed and Rules handbook held by each Committee member.

It was explained that there had been a delay in the completion of the Pension Fund Annual report for year ended 31 March 2017 and whilst a copy of the full report had been circulated to PFCC members, the short form report sent to pensioners would be included with the circulation of the Gazette in November.

The schedule of redundancy waiver payments and benefit improvement costs had been updated and was circulated to the meeting.

Trustee Board

The meeting was presented with details of the four new appointments to the Trustee Board, in particular Mr David Fripp, who was the first independent Company Nominated Trustee. David joins the board with a wealth of experience in the funding of Pension schemes and has a particular interest in Investments and the implementation of risk management strategies. It was reported that David has already been a very positive influence on the Fund's Investment Committee of our Pension Fund.

Retail price Increase (RPI)

In response to an question raised by IMPAC delegates earlier in the year, Phil Hughes re-iterated the scheme rules relating to the annual pension increase of the Fund and the protection afforded members of our scheme.

Whilst there had been press speculation concerning the future of the RPI index earlier in the year, in July, the chief executive of the Statistics Authority, John Pullinger, had stated that RPI may well be 'reformed within the next decade', but it would need very careful consideration which will take time.

PFCC Update cont...

Fund Value

The value of the Fund as end of March 2018 was £3,931 million and had grown by over £600 million or 18% since the Triennial Valuation (March 2016). The meeting heard that the return on investment for last year was 5.4%, although the returns this year had been affected by the uncertainties surrounding the activities of a certain Donald Trump and of course Brexit!!!

The meeting was also briefed that the Investment Committee was now adopting a lower risk investment strategy and had revised the 'benchmark' allocations given to the various asset classes, most notably equity holdings. The Fund's investments were being re-organised which should provide enhanced security for members benefits .

National Council Centenary

100 Not Out !!!



Members of the National Council pictured shortly after completing the 100th National Council meeting convened by the IMPAC organisation

Forthcoming Events

2019 Annual General meeting: Nottingham

Tuesday 25th June 2019 at 2.00pm at Nottingham Mechanics Institute

3 North Sherwood Street, Nottingham NG1 4EZ

More information is included in meeting notification pack

Next Open meeting: Nottingham

The next meeting will be at 10.00am on Tuesday 16th April 2019 at

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

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

Scottish Christmas Party 2018

Wednesday 5th December 2018 at 12.30 pm

at the Whitevale Bowling Club, Whitevale Street,
Dennistoun Glasgow G31

Tickets available from Colin Martin, 48, Cardowan Drive, Stepps, Glasgow
Tel 0141 779 3796

Tickets £12.00 each. Cheques payable to C. Martin.



Annual General Meeting

The IMPAC AGM will be returning to Nottingham in June 2019 but will be held at The Nottingham Mechanics Institute in the City Centre.

The National Council is very grateful to John Kenton who has spent a considerable amount of time researching alternative venues for future meetings in and around the Nottingham area. The final choice met

both our cost criteria and with its city centre location, possesses excellent transport links. The choice was approved by the vast majority of members attending the Spring Open meeting earlier this year and a bookings has been made for Tuesday 25th June 2019.

Council also implemented two further improvements to the AGM process this year by adding additional information in the notification document which included the Treasurer's report which was to be presented at the meeting. In addition, the AGM notification was distributed to members at the same time as the Spring newsletter which combined with lower venue costs saved IMPAC approximately £3,000.

Whilst on the subject, this year's AGM took place in Bristol as part of a National Council initiative to promote interest and support for IMPAC by organising a series of events in the area. The Open meeting and presentation which took place last November offered some encouraging interest, however, the attendance at the AGM in June was very disappointing and has caused the National Council to re-think its approach.

IMPAC has over 1000 members in the Bristol area and we would be delighted to hear your thoughts and suggestions please...



We welcome feedback

Please write to
The Editor. P. O. Box 10486,
Oxton, NG24 9NL
Or Email: editor@impac.org.uk

Your
Questions...
Comments...
Suggestions...

Contact Details

Members Helpline

Contact us by post:

Helpline,
PO Box 10486,
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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

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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</p> <p><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</p> <p>Please note - all enquiries to the Pension Fund Office <u>must be in writing please.</u></p> 