

# Cambridge University Press Contributory Pension Fund

## Summary Funding Statement & Fair Processing Notice

May 2018

### Introduction

This statement is being sent to you on behalf of the Trustee of Cambridge University Press Contributory Pension Fund.

The main purpose of this document is to update you on the financial development of the Fund. We have also provided extra information about the Fund, its operation and an update on pension news.

As you will be aware, Janet Bulloch retired last year and following her retirement the responsibility for the day-to-day administration of the Fund passed to the University's Pensions Office, who should be your first point of contact for any queries about your pension.

The other purpose of the document is to provide important information about how the Trustee processes your personal information, including the Fair Processing Notice required under the General Data Protection Requirements (GDPR) which come into effect on 25 May 2018.

### Who looks after the Fund?

Trustee	
Press CPF Limited	
Trustee Directors	
Mr Simon Baynes	Mr William Bowes
Mr Stanley Webster	<i>(resigned 07/03/2018)</i>
Mr John Haslam	Mr John Allan
Ms Kim Lester	<i>(resigned 07/03/2018)</i>
<i>(resigned 24/10/2017)</i>	Mr Roger Astley
Ms Fiona Kelly	<i>(appointed 07/03/2018)</i>
<i>(appointed 24/10/2017)</i>	Ms Cathy Armor
	<i>(appointed 07/03/2018)</i>
Fund Administrator	
Kevin Taylor	
Administration office	
University of Cambridge Pensions Office, Greenwich House, Madingley Rise, Madingley Road, Cambridge, CB3 0TX Email: <a href="mailto:cuppensionsonline@admin.cam.ac.uk">cuppensionsonline@admin.cam.ac.uk</a>	
Investment Fund Managers	
Legal & General Investment Management Baillie Gifford Life Ltd CBRE Barings Investment Management Limited Hermes Apollo	
Fund Actuary	Auditor
Keith Williams, FIA First Actuarial LLP	Crowe Clark Whitehill LLP
Legal advisers	Investment Managers
Addleshaw Goddard	Barnett Waddingham LLP

### How the Fund operates

Cambridge University Press ("the Press") pays contributions to the Fund so that the Fund can pay benefits to its members.

The money to pay for members' benefits is held in a fund, separate from the Press. It is not held in separate funds for each individual member.

There has not been any payment from the Fund to the Press since the date of the last statement. Legislation would only permit a payment to the Press once the Fund had enough assets to secure the accrued benefits with an insurance company.

### How much money does the Fund need?

Estimates are carried out by the Fund Actuary on a regular basis. Using this information, we can agree with the Press the level of future contributions.

### Fund membership

At 1 January 2017 and 1 January 2018, the membership of the Fund was:

	2017	2018
Active members:	82	74
Deferred pensioners:	225	212
Pensioners:	554	559
<b>Total membership:</b>	<b>861</b>	<b>845</b>

### Actuary's report

The last full actuarial valuation of the Fund was carried out as at 1 January 2016 and annual funding updates were carried out as at 1 January 2017 and 1 January 2018. At those dates, when viewed as a continuing scheme, the funding positions were:

£000's	2016	2017	2018
Value of assets	129,521	146,238	157,550
Value of liabilities	143,710	150,858	153,363
<b>Surplus/(Shortfall)</b>	<b>(14,189)</b>	<b>(4,620)</b>	<b>4,187</b>
Funding level	90%	97%	103%

Based on the results of the 2016 valuation, the Press has agreed to pay additional contributions of £1.3m per year from 1 January 2017 to 31 December 2019, followed by £2.17m per year from 1 January 2020 to 31 October 2021, increasing at 2.9% each year.

The annual funding update showed that on 1 January 2018, the funding of the Fund continued to be progressing better than expected. The funding level was estimated to be 103%, with a surplus of £4.2m.

Since the previous statement (as at April 2017), the funding position of the Fund has improved. The main reasons for this are that contributions were paid by the Press to reduce the deficit, and that a higher than expected return was achieved on the Fund's assets.

The next formal actuarial valuation of the Fund is due as at 1 January 2019, with the results of that valuation known by no later than 1 April 2020.

As part of the actuarial valuation, the law also requires an assessment to be made of the extent to which the assets would cover the liabilities of the Fund if the Fund were to start to wind up. The last valuation, as at 1 January 2016, showed that the Fund's assets represented approximately 48% of the cost of securing the Fund's benefits with an insurer.

If the Fund were to wind up, the law requires the Press to make a payment to the Fund that would enable us to secure 100% of members' benefits with an insurance company. At 1 January 2016, the estimated amount required to achieve this was £139m. Inclusion of this information does not imply that the Press is thinking of winding up the Fund.

In the extremely unlikely event that both the Press and the University become insolvent, the Pension Protection Fund (PPF) might be able to pay compensation to members. For details of the compensation payable by the PPF, please refer to the PPF website at [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk).

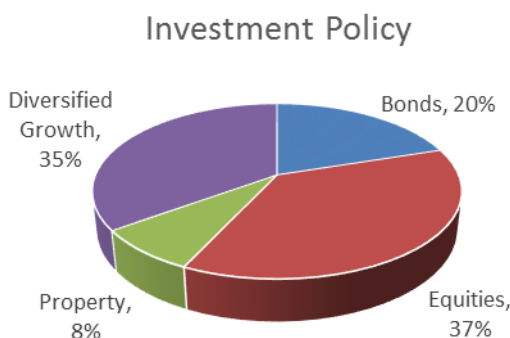
### The importance of Press and the University

The Principal Employer of the Fund is the Chancellor, Masters and Scholars of the University of Cambridge. Cambridge University Press acts on behalf of the University in relation to the Fund. Our objective is to be able to pay the pensions both now and in the future. The Fund is able to rely on the University's financial strength (and associated triple A rating) to:

- pay future running expenses of the Fund; and
- meet any funding shortfall.

### Investments

The policy of the Fund is to hold the following investment classes. The Fund's investment policy is set out in the Fund's Statement of Investment Principles.



Within each investment class, we aim to hold a mixture of assets.

### The Pensions Regulator

The Pensions Regulator (TPR) is the UK Regulator for work-based pension schemes. TPR has certain powers it can use if it has concerns about a scheme's funding. It has not used any of these powers in relation to this Fund.

### Pension news

#### Limits to pension savings

The yearly pension savings you can make tax free are limited to the Annual Allowance (AA) and since 2016/17, the annual measurement period is the tax year.

The standard AA is £40,000. Where an individual has accessed their money purchase pension pot using the new flexibilities, there is an annual limit on the amount of contributions that can be made to a money purchase arrangement. The current annual limit is £4,000.

A reduced AA applies for individuals with taxable income over £110,000 before pension savings are taken into account. The AA will start to reduce once income allowing for pension savings exceeds £150,000. It will reduce by £1 for every £2 of income above £150,000, tapering down to £10,000 for those with income of £210,000 or more.

The pension savings you can make tax free over your lifetime are limited to the lifetime allowance (LTA). From 6 April 2018, the LTA is £1,030,000. If your pension savings are worth more than this when you take your benefits, you'll have to pay the LTA tax charge unless you have some form of LTA protection. Further details of the changes to the LTA, including protection, are available from HMRC's website:

<https://www.gov.uk/tax-on-your-private-pension>

#### Thinking of transferring your benefits?

Safeguards are in place for individuals with defined benefit pensions such as the benefits you have built up in the Fund. We are required to check that anyone wishing to transfer their defined benefit pension to another arrangement to access the new flexibilities has obtained advice from an independent financial adviser where the transfer value exceeds £30,000. The adviser must be authorised by the Financial Conduct Authority to advise on pension transfers. We are not required to check that advice has been obtained where the transfer value is at or below £30,000.

If you are thinking of leaving the Fund for any reason, you should consult a professional adviser, such as an independent financial advisor, before taking any action. You can find information about how to find an adviser at

<https://www.unbiased.co.uk/>

#### Same sex survivor pensions

The Supreme Court has ruled in the case Walker v Innospec that restricting same sex survivor pensions to a deceased member's pensionable service after 5 December 2005, as previously permitted by UK law, is discriminatory. The same rules must apply to the calculation of same sex survivor pensions as other survivor pensions, and with retrospective effect.

### State Pension

If you reached State Pension Age before 6 April 2016, you will continue to receive the basic state pension and any earnings-related pension.

If you will reach State Pension Age on or after 6 April 2016, you will be entitled to the new State Pension. Your State Pension will be based on your National Insurance record. There have been further changes to state pension age, affecting individuals born after 5 April 1960 and the Government has just proposed further changes affecting individuals born after 5 April 1970. To find out your state pension age and to obtain an estimate of your state pension, go to <https://www.gov.uk/check-state-pension>

### Lost pensions

If you have lost track of any pension savings built up elsewhere, there is a new tracing service available.

<https://www.gov.uk/find-pension-contact-details>

### Using your personal information

The Trustee and the Fund Actuary will only use your personal information for the administration and financial management of the Fund. It will only be shared with third parties where there is a legal obligation on us to do this or where it is necessary for the proper administration of the Fund. The attached Fair Processing Notice gives further information about the data the Trustee holds and how it is processed.

### Further information

The following documents are available on request:

- The Statement of Funding Principles
- The Statement of Investment Principles
- The Recovery Plan and Schedule of Contributions
- The Trustees' Annual Report and Accounts
- The full Actuarial Valuation as at 1 January 2016
- The shorter Actuarial Reports as at 1 January 2017 and 1 January 2018
- The Fund booklet

If you are not a pensioner, and have not received a benefit statement from the Fund in the last 12 months, you can ask for one. This will provide an estimate of your pension at retirement.

Please help us by ensuring the address on the Fund's records is up to date. If your address has changed or if you need anything further, please contact the Administration office.

## Fair Processing Notice

The Trustee holds and processes personal data about you and (if applicable) your spouse and dependants obtained either from you, your spouse or dependants, your employer or (if the Trustee does not have up-to-date contact details for you and are trying to locate you to arrange payment of your benefits) from a tracing agent. This data is held to be able to operate the Fund and administer your benefits in it. This means that the Trustee is a 'data controller' under data protection legislation, and has to inform you of certain information, which is set out in this notice.

In addition, the Fund Actuary (Keith Williams), and our actuarial advisers (First Actuarial) act as joint data controllers for the personal data that they use. This privacy notice also covers these joint data controllers.

The data the Trustee holds is the information necessary to administer your benefits and this includes your name, gender, date of birth, NI number, address, marital status, salary information and (where your pension is in payment) bank details.

In certain circumstances the Trustee may also request and process more sensitive personal data about you (known as special categories of data), for example medical information if you wish to take your benefits under the Fund early due to ill health. It is necessary for the Trustee to hold and process these special categories of personal data to comply with the legal obligations the Trustee is subject to and in order for the Trustee to comply with its obligations under the trust deed and rules governing the Fund.

Your data is held by the Fund's administrators, currently the Pensions Department at the University of Cambridge ("**University Pension Department**"), which is responsible for administering the Fund on behalf of the Trustee. Additionally, in order to operate the Fund and administer your benefits, the Trustee may need to disclose your data (including special categories personal data) to other people, such as the Trustee's professional advisers, the Fund employers, tracing agents, and insurance companies, to arrange particular entitlements, for instance life insurance or an annuity policy where relevant.

The Fund Actuary and First Actuarial also hold and use some of your personal data. For example, the Fund Actuary carries out calculations to advise the Trustee if the Fund has enough money to pay the future benefits promised to its members and provides actuarial valuations. It is necessary for the Fund Actuary and First Actuarial to hold and process personal data in order for the Trustee to comply with its legal obligations.

The Trustee will retain your data whilst benefits are due and payable to you or your dependants from the Fund. Due to the long term nature of the Fund the Trustee will normally continue to store your data for at least 12 years from the date that benefits payable to you or your dependants have been paid in full, or you transfer out of the Fund. However, to enable the Trustees to comply with their legal obligations and in order to be able to answer queries about how your benefits were dealt with (which could be made many years later), it may be necessary for some information to be retained for longer than this. Any processing of your data once you have transferred out of the Fund or all your benefits have been paid in full will only take place where strictly necessary.

The Fund Actuary and the actuarial advisers also keep a copy of the information. Should we change our Fund Actuary or actuarial advisers, the current adviser will keep a copy of the data for a minimum of one year and a maximum of seven years.

It is important to inform the Trustee of any changes in your personal details to ensure the information held is accurate and kept up to date. If you need to do this, or wish to know more about the information held by the Trustee or the purposes for which it is held, please contact the University Pension Department using the following contact details:

Pensions Office  
University of Cambridge  
Greenwich House  
Maddingley Road  
Cambridge  
CB3 0TX

In addition, you are entitled to request access to or removal of any personal data being held by or on behalf of the Trustee.

If you have a complaint about the Trustee's management of your data, you have the right to lodge a complaint with the Information Commissioner's Office, which can be contacted on 0303 123 1113 or via other methods of communication as explained on their website (currently <https://ico.org.uk>).