

# BOC Retirement Savings Plan. Summary Report and Accounts 2018.



  
THE LINDE GROUP



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## Legal note

Please note that this newsletter is intended to summarise the events of the past RS Plan year and nothing in it grants any legal right to benefit. Your entitlement to benefits is defined in the RS Plan Trust Deed and Rules (as amended from time to time) at the date you leave service. You can download a copy of the current Trust Deed and Rules from the website at [www.bocpensions.co.uk](http://www.bocpensions.co.uk) or request one from BOC Pension Services. If you are a deferred member you should ask for a copy of the edition which applied when you retired or left service.

## Contact details

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Guildford, Surrey GU2 7XY

- **Helpline:** 0800 096 3214
- **BOC TEL:** 750 4745
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[www.bocpensions.co.uk](http://www.bocpensions.co.uk)

# Chair's welcome

## Welcome to the 2018 Trustee Report and Accounts for members of the BOC Retirement Savings Plan (RS Plan).

This includes key figures about the value of RS Plan and the various investment funds, as well as the latest pension-related news.

We have also included some more information about investments in this year's edition. Specifically, you can find out more about how investment performance is measured and what choices you have.

If you would like further details on any of the figures mentioned in this newsletter, you can find these in the full Report and Accounts, which is available at [www.bocpensions.co.uk](http://www.bocpensions.co.uk)

We are very keen to hear your feedback about our communications. If you would like to get in touch, please do so by using the contact details on the back page.

**Andy Cheseldine**  
**Capital Cranfield – Professional Trustee**  
**Chair of the RS Plan Trustee**

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# Auto-enrolment – what's next?

In **April 2019** the default contribution rate set by the Government is changing. As a result, members in the AE and Member Choice sections will pay **2%** more and receive an additional **1%** contribution from their employer towards their retirement benefits. This is summarised in the graphic below:



If you are a member of RS 3, 4, 5% section, your contributions will remain as they currently are.

Although the Government is making this increase to help people save towards retirement, it's important that you think about how much you'll need when you finish working. Will these new contribution rates be enough to fund your lifestyle when you retire?

## How much do I need?

To get an idea of how much you will need to save for retirement, you can use the Wealthcheck calculator on our website: [www.bocpensions.co.uk](http://www.bocpensions.co.uk). Simply choose your section on the homepage and go to the 'Calculators' page.

If you'd like to save more towards your retirement, and you do not currently pay the highest normal contributions available to you, you can start paying 'extra contributions' today. Simply fill out a *Starting/changing extra contributions form*, which you can find on the website. If you are currently in AE section, this will move you to Member Choice section.

If you are a Life Cover only member, please note that this year is a three-year re-enrolment window. Under auto-enrolment law, pension schemes must re-enrol all eligible members every three years who have previously opted out of paying pension contributions. This doesn't include members who have opted out in the last 12 months.

# Brexit update

The process of the United Kingdom leaving the European Union (EU) has been in the news since the referendum in June 2016. All industries have been carefully planning how it may affect them. The pensions industry is no different.

The Pension and Lifetime Savings Association (PLSA), a major organisation of which many pension industry figures are members, believes that despite uncertainty accompanied by knee-jerk reactions, private pension schemes in the UK are in safe hands.



## The impact on the Company

No business can be certain of the impact that Brexit will have on it. However, the Company is confident in its preparations, and will continue to contribute towards your pension as required by law.

## Are my investments in safe hands?

The Trustee monitors the various investment funds on a regular basis. The Trustee considers the suitability of the various funds with the majority of members in mind. They take into account numerous political and economic factors, including Brexit. For more information about RS Plan's investment please see pages 8 and 9.

In terms of how the stock market will react to the UK's Brexit outcome, it is difficult to be certain until the UK's final deal has been passed through Parliament. However, the Trustee and its advisers monitor the various funds regularly and are well equipped to deal with any shocks that may or may not take place.

# Pensions news

## A single place for guidance

In January 2019 the Single Financial Guidance Body replaced the three existing Government-sponsored financial guidance organisations – the Money Advice Service, the Pensions Advisory Service and Pension Wise. The change brings together debt advice, money and pension guidance into one place for the first time.

For more information, visit: [singlefinancialguidancebody.org.uk](https://singlefinancialguidancebody.org.uk)

## Keep scammers away from your future

In January, the Government's pensions cold-calling ban came into force. Pension scams remain a common problem. In 2017 the average pension scam victim lost £91,000, so remember:



Reject unexpected pension offers.



Take your time – don't give in to pressure.



Check that the person contacting you is registered with the FCA.



Consider getting impartial information or advice.

Be prepared. Check the Financial Conduct Authority's advice at [www.fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart), and consider speaking to an FCA-approved Independent Financial Adviser at [www.unbiased.co.uk](https://www.unbiased.co.uk) before making any decisions.

## Lifetime Allowance update

The Lifetime Allowance (LTA) is increasing from £1.03 million to £1.055 million for the 2019/20 tax year. The LTA is the cap on pension savings you can build up (across all schemes except the State Pension) without paying tax. Head to [www.gov.uk/tax-on-your-private-pension](https://www.gov.uk/tax-on-your-private-pension) for more information about tax allowances.

# Financials

There are two sections in RS Plan: RS section and AVC section. The figures below show a comparison of these sections' finances at 30 June 2018 and 30 June 2017.

	RS section 2017/2018	AVC section 2017/2018	Total 2017/2018	Total 2016/2017
<b>Value of RS Plan at beginning of year</b>	<b>£167.619m</b>	<b>£25.156m</b>	<b>£192.775m</b>	<b>£163.366m</b>
Contributions	£8.358m	£2.854m	£11.212m	£22.963m
Other income	£1.122m	–	£1.122m	£1.845m
Return on investments	£9.884m	£1.282m	£11.166m	£18.903m
Benefits payable	(£7.171m)	(£4.074m)	(£11.245m)	(£12.430m)
Administration expenses	(£0.943m)	–	(£0.943m)	(£0.896m)
Other payments	(£1.384m)	–	(£1.384m)	(£0.976m)
<b>Value of RS Plan at end of year</b>	<b>£177.485m</b>	<b>£25.218m</b>	<b>£202.703m</b>	<b>£192.775m</b>

Note: brackets represent expenditure.

If you would like to read more about the finances of RS Plan, you can find the full Report and Accounts at [bocpensions.co.uk](http://bocpensions.co.uk)

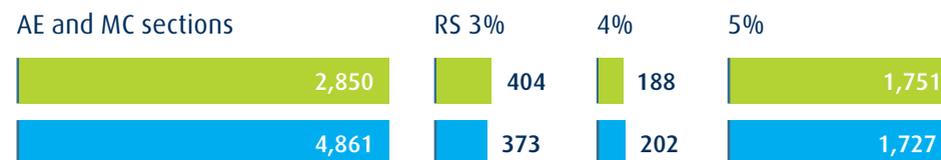
# Membership

RS Plan's membership is divided up into sections – the Automatic Enrolment (AE) section, the RS Member Choice (MC) section, the RS 3, 4, 5% section, and the Additional Voluntary Contributions (AVC) section.

The number of members in RS Plan is shown below, arranged by section, what percentage of their salary they pay towards their Account, and whether they are still working for the Company (active), or have left the Company or opted out of RS Plan (deferred).

## RS section

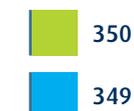
### Active Members



### Deferred members



### Life cover only members



## AVC section

### Active members

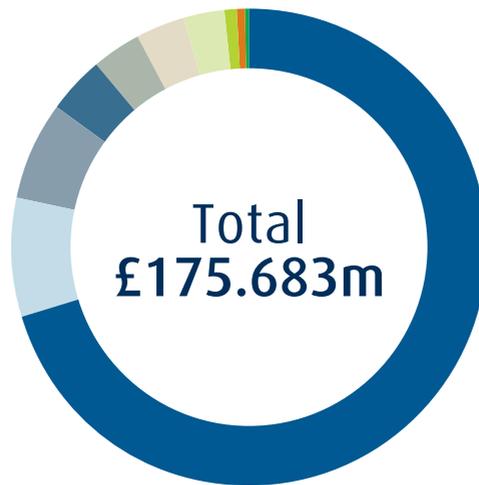


### Deferred members



# Investments

Below is a summary of the RS Plan's investments and their value at 30 June 2018.



## Fund name

 BOC Growth Fund <b>£123.564m</b>	 BOC Pre-Retirement Fund <b>£14.077m</b>	 BOC Diversified Growth Fund <b>£11.984m</b>	 Aegon BlackRock World (ex UK) Equity Index Fund <b>£6.834m</b>	 Aegon BlackRock UK Equity Index Fund <b>£5.859m</b>	 Aegon BlackRock Cash Fund <b>£5.636m</b>	 BOC Equity Fund <b>£5.063m</b>	 Aegon BlackRock Over 5 Years Index-linked Gilts Fund <b>£1.511m</b>	 Aegon BlackRock Over 15 Years UK Gilts Index Fund <b>£0.977m</b>	 BOC Corporate Bond Fund <b>£0.178m</b>
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## Investment performance

The money in your Account is invested in a number of individual funds. You can see how the investments in these funds have performed over the past year to 30 June 2018 against a target, called a benchmark.

Funds	Fund name	Actual	Benchmark
<b>BOC FreeChoice funds</b>	Aegon BlackRock UK Equity Index Fund	9.1%	9.0%
	Aegon BlackRock World (ex UK) Equity Index Fund	9.8%	9.6%
	Aegon BlackRock Over 15 Years UK Gilts Index Fund	4.0%	4.2%
	Aegon BlackRock Over 5 Years Index-linked Gilts Fund	1.9%	2.0%
	BOC Corporate Bond Fund	0.4%	0.6%
<b>BOC Lifestyle funds</b>	BOC Equity Fund	8.9%	9.1%
	BOC Growth Fund	6.4%	6.5%
	Aegon BlackRock Cash Fund	0.3%	0.3%
	BOC Diversified Growth Fund	3.9%	3.9%
	BOC Pre-Retirement Fund	2.1%	2.2%

Read *Your Guide to investments* on the website for more information about individual funds and their charges, or download fund factsheets from [lwp.aegon.co.uk/io/boc](http://lwp.aegon.co.uk/io/boc)

### What decisions can I make?

Your Account is invested in a number of funds to help it grow over time. To decide how you would like to invest your Account, there are two options available:

**Lifestyle** – if you are less comfortable making investment decisions, you can choose the Lifestyle option. In Lifestyle the Trustee decides which funds to invest in on your behalf.

**FreeChoice** – If you are comfortable making investment decisions Freechoice may be more appropriate. This is because you set your own investment strategy by deciding which funds from the available options to invest in and when.

# Who looks after RS Plan?

The Trustee Board is currently made up of four Company-Appointed Directors, three Member-Appointed Directors, and a number of advisers and administrators who assist in the running of RS Plan.

## Company-Appointed Directors

- **Capital Cranfield**  
Professional Trustee, represented by Andy Cheseldine
- **Jon Davies**  
Gist, Chineham
- **Debbie Mant**  
Gist, Chineham
- **Vacancy**

## Member-Appointed Directors

- **Phil O'Hara**
- **Mark Poole**
- **Vacancy**

## Advisers and administrators

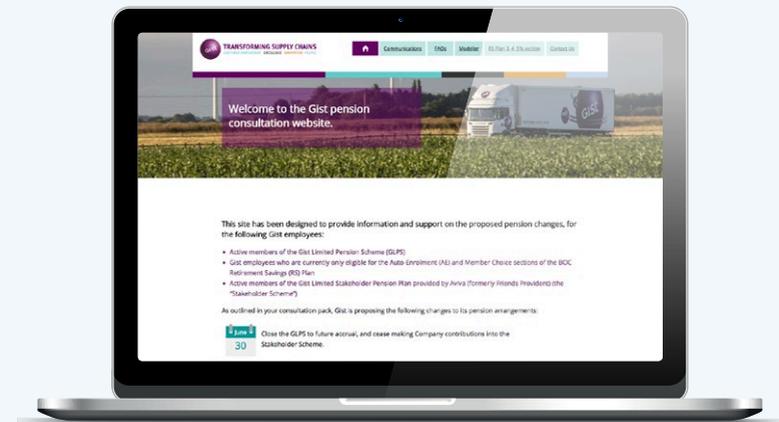
- **Actuarial Adviser**  
Hymans Robertson LLP
- **Administrator**  
BOC Pension Services
- **Annuity Purchase Adviser**  
Origen Financial Services Ltd
- **Auditor**  
Ernst & Young LLP
- **Bankers**  
HSBC Bank Plc
- **Group life assurance**  
Legal & General Assurance Society
- **Investment Adviser**  
Mercer Limited
- **Investment Managers**  
Aviva Life Services UK Limited, Scottish Equitable plc (part of Aegon UK), The Prudential Assurance Company Limited
- **Investment Services**  
BOC Pensions Investment department
- **Legal Advisers**  
Mayer Brown International LLP
- **Medical Advisers**  
Medigold Health

# Gist consultation update

You may be aware that a consultation is happening, which affects some RS Plan members. Gist Limited wrote to all of their employees who are affected recently, to inform them about the consultation.

## What is the role of the Trustee during the consultation?

The Trustee's main role is to act in the best interest of its members. In the context of the consultation, the Trustee has been providing oversight on the process, particularly to ensure that it is being properly carried out. The Trustee continues to carry out its day-to-day role, including managing investments and administering RS Plan's finances.



If you are affected by the consultation, and would like to find out more, you can visit the consultation website at: [www.gistpensions2019.co.uk](http://www.gistpensions2019.co.uk)