

MEMBER BRIEFING

For members of DC Choice
Winter 2022



WELCOME



As a result of recent global and economic events, the rising cost of living is adding pressure to household incomes. This, along with volatility in the financial markets, has brought pension saving into the spotlight and we urge you to consider your options carefully before making decisions based on recent events. There is an overview on page 6 about the current challenges and a reminder about the benefits of being in DC Choice.

We have a new-look pensions website at www.mbpplcpensions.com which you can read about on page 4 (although Executive members should also visit www.stepintoyourfuture.co.uk for updates regarding their Plan).

During the past year, Legal & General made some tweaks to the underlying investments in the Target Date Funds used by most of our members. You can find out more on page 8.

This newsletter also includes some general updates from the pensions world, including ongoing work on the Government's pensions dashboard. This project will hopefully help to reduce the number of lost pensions – the result of people changing jobs frequently but forgetting to take their pensions with them! Latest figures suggest the value of lost pension pots has risen by £7 billion since 2018 to reach £26.6 billion – a staggering amount. For now though, if you think you've misplaced a pension, you should visit: www.gov.uk/find-pension-contact-details

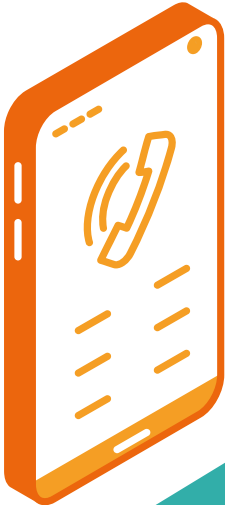
I hope you enjoy reading this *Member Briefing* and find it useful. If you have any questions about your savings in DC Choice, your first port of call should be to log in to 4me. There's more information about 4me on page 5. You will also find contact details for the team at Legal & General on 4me.

Jonathan Duck
Chairman of the Trustee



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DC CHOICE NOTICEBOARD

Revamped pensions website launched

You'll notice this issue of *Member Briefing* has a new look... as does the pensions website at www.mbplcpensions.com

We've updated the website to provide a more comprehensive guide to your benefits in DC Choice. It includes frequently asked questions, a library of guides, forms and videos related to DC Choice and a dedicated news page where we'll post all the latest updates from the Trustee.

Take a look and let us know what you think by email to pensions@mbplc.com



4me

Last year, we gave our DC Choice online planning tool a new name – 4me – and added some new features. We hope you've enjoyed using these, along with the new look!

As a reminder, 4me provides you with a range of interactive tools and it's tailored to you, wherever you are on your journey to retirement. You can log in anytime, from any device, and learn more about your options and understand your choices to help you make informed decisions about your future.

Here's a list of some of the things you can do in 4me:

- Add in the account value (£) of any other pension accounts you may have from previous employers, for example, to build a more complete picture of what your retirement income looks like
- Dig deeper for more detail about those topics and answer your 'what if' questions using the interactive tools
- Get bitesize information about a wide range of retirement and financial wellbeing topics

- Access your Scheme booklet, newsletters and forms from the bookshelf
- Save your 'what if' scenarios and revisit them later
- Watch short videos on key topics
- Read about people just like you.



Take a look around 4me

From inside the M&B network, go to
<https://logon.bwebstream.com/client/mab>

From outside the M&B network, go to
<https://logon.bwebstream.com/>

MARKET VOLATILITY AND YOUR PENSION

Major recent events including the Covid-19 pandemic and the Russian invasion of Ukraine continue to have an impact on the global financial markets. As the world's economies work to recover from the pandemic, rising inflation and concerns over energy prices, along with rising interest rates and trouble in the gilts markets, all contribute to increased investment volatility.

Keep calm and carry on saving!

As you may have seen, the ups and downs of the financial markets can have an impact on the value of your DC Choice account at any given time. We know this can be alarming, but it's important to bear in mind that saving for retirement is a long-term investment.

Over the course of your DC Choice membership, which could be many years, your savings will experience both market highs as well as lows, and we urge you to consider the long-term picture before making hasty decisions about your investments in response to current market conditions.

For members who are approaching retirement, any reduction in your retirement savings may be concerning. A key priority for those approaching retirement is to understand when and how you intend to take your retirement savings to ensure your investment strategy remains suitable.

It's also important to review your Target Retirement Date (TRD) and consider whether it remains appropriate for you, because this can influence how your account is invested if you use a Target Date Fund.

If you feel you need extra support managing your pension investments, you might want to speak to a regulated financial adviser. You can find information and guidance about money and pensions from MoneyHelper, the Government's free financial guidance service, at www.moneyhelper.org.uk where you can also find information on how to find a financial adviser if you don't already have one.

You can check your fund balance at any time by logging in to your account via 4me.



Helping the money you save today to last a lifetime

We understand the cost-of-living pressures all add to the challenge of balancing a household income, and that saving for retirement might currently be a lower priority. However, it's good to remember, although your membership of DC Choice isn't compulsory, it's one of your most valuable Company benefits and includes:

- Valuable pension contributions from Mitchells & Butlers worth up to 7.5% of your salary
- Tax-free pension contributions: you save the income tax on your contributions
- Life assurance worth six times your salary if you die as a DC Choice member before age 75.

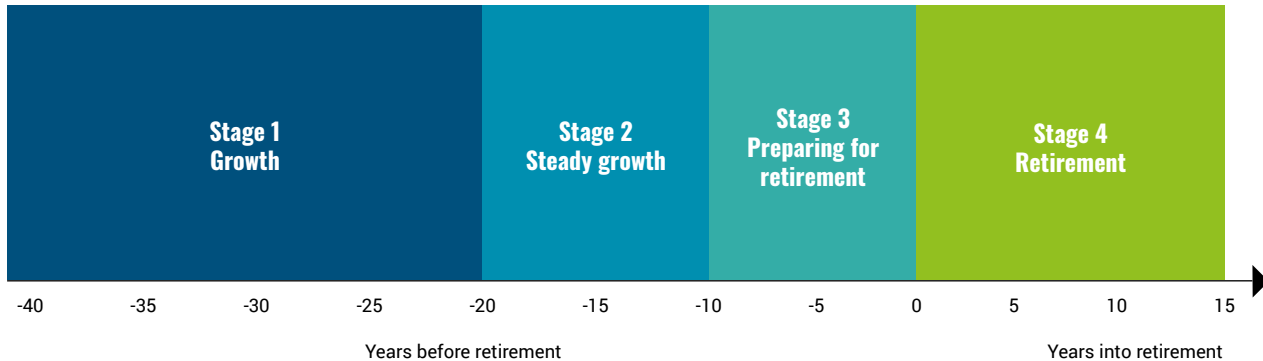
INVESTMENTS

Updates to Legal & General's Target Date Funds

As a member of DC Choice, you have access to a range of lifestyle funds, known as Target Date Funds.

These investment funds are designed to be flexible so you can make changes to things like your Target Retirement Date (TRD), or even the way you want to take your retirement savings when the time is right.

You'll be invested in the Default Target Date Fund unless you've actively made a choice to invest in the Annuity Target Date Funds, the Cash Target Date Funds or if you've chosen to self-select your investment fund. No matter which Target Date Fund you're invested in, it's made up of four stages:



What are the updates?

Legal & General has implemented a 10% increase to equity-related assets during Stage 1 – higher growth (up to 20 years prior to your TRD). Legal & General believes this could provide greater potential for growth, given members are able to take greater levels of investment risk during this phase of their retirement journey.

Legal & General has also introduced the Short Duration Private Credit Fund to Stage 4 – retirement. The aim of this fund is to provide the potential for greater returns for members, in contrast to cash-related assets which are traditionally used in the de-risking phase (as you get closer to retirement) of a member's retirement journey.

Do I need to do anything?

You don't need to do anything, however, if you want to make any changes to your investments within DC Choice, please contact Legal & General. For more information on the default and the other investment options available to you, please see the Investment guide (available on the 4me bookshelf).

Responsible investment and your pension

In last year's newsletter, we let you know about the climate reporting obligations under the Taskforce for Climate-related Financial Disclosures (TCFD) framework. Over the year, we've been working with Legal & General to manage the risks appropriately, and we'll shortly be publishing our first TCFD report which will explain how we're driving positive changes in DC Choice to help combat climate change.

While you're waiting for the report to be published, you can find out what steps the Trustee is taking by reading our Statement of Investment Principles and Implementation Statement. They're available on the pensions website, <https://www.mbplcpensions.com/about-our-plans/> (for Executive members, the link is www.stepintoyourfuture.co.uk/documents).

PENSIONS NEWS

A nudge in the right direction

During the year covered by this newsletter, over £4 million was transferred out of DC Choice.

Due to concerns about the increase in pension scams, new measures have been introduced by the Government to ensure pension savers are fully informed about their options when seeking to access their pension savings.

Since 1 June 2022, the Trustee has been required to deliver a 'stronger nudge' for members to access guidance from Pension Wise, a Government service run by MoneyHelper, before they can take or transfer their benefits.

What this means is, when you apply to take your benefits in DC Choice, Legal & General will offer to book you a pension guidance appointment with Pension Wise. These appointments can take place over the phone or in person. If you don't want to take the free guidance, you just need to let Legal & General know and you can 'opt-out'. Legal & General can't proceed with your application to access your retirement savings until you've either confirmed that you've received guidance or have opted out of receiving guidance. (There are some exceptions if, for example, you want to transfer your benefits out with the aim of consolidating pension pots.)

Pensions dashboard

Something new on the near horizon is the Government's ambitious pensions dashboard project (see www.pensionsdashboardsprogramme.org.uk). It aims to give pension savers an online picture of the various pension rights they may have built up over their careers. This is a complex project with new technology requirements for the pensions industry. Legal & General has been working to prepare for the dashboard programme when it is launched, so we'll update you in next year's newsletter.



Beware of pension scams

These days, many people may be tempted to access their retirement savings to help pay the bills – making them an ideal target for pension scammers. If you're considering transferring your DC Choice savings to an alternative pension arrangement, the Trustee strongly recommends you seek regulated financial advice and exercise extreme caution.

MoneyHelper, the Government's free financial guidance service, has information on how to find an adviser at www.moneyhelper.org.uk. You can also search their directory of retirement advisers for those local to you.

Find out more on how to avoid a pension scam at the FCA's website: www.fca.org.uk/scamsmart

Check if you trigger the Money Purchase Annual Allowance

If you're thinking about accessing your DC Choice benefits, then it's a good idea to check whether you could trigger the Money Purchase Annual Allowance (MPAA).

Some trigger events are:

- You take your whole pension pot in the form of a lump sum
- You take a series of taxable lump sums (UFPLS) from your pension pot
- You use your pension to set up a drawdown scheme and start to take income from it
- You have a capped drawdown plan (a type of scheme from before April 2015) and exceed the cap on your income
- You buy a flexible or investment-linked annuity that could see your income go down.

If you trigger the MPAA, then the maximum that can be paid into your DC Choice account (by both you and the Company) each year with tax relief reduces to £4,000 a year (the normal Annual Allowance is £40,000 a year).

The MPAA can be complicated and so if you're thinking of accessing your DC Choice benefits, we recommend you take regulated financial advice.

KEEPING IN TOUCH

If you have any questions about your benefits in the DC Choice, please visit 4me to see if you can find the answer there.

From inside the M&B network, go to **<https://logon.bwebstream.com/client/mab>**

From outside the M&B network, go to **<https://logon.bwebstream.com/>**

If you need to contact the administration team at Legal & General, you can email them at **employeredicatedteam@landg.com** or phone 0345 070 8686.

The benefits provided by the Plan are governed by the Plan's Trust Deed and Rules (copies of which are available on request). Nothing in this *Member Briefing* confers any right to benefits save as provided by the Trust Deed and Rules and in the event of any inconsistency between this *Member Briefing* and the Trust Deed and Rules, the Trust Deed and Rules prevail. This *Member Briefing* does not constitute legal advice or financial advice and should not be relied upon as such. The description of legislation in this *Member Briefing* is intended as a basic guide only, not a comprehensive or exhaustive guide to the legislation.