

# BASF UK Group Pension Scheme Newsletter 2023



Dear member

Welcome to this year's newsletter from the Trustee of the BASF Group Pension Scheme.

This newsletter will help you understand how the Scheme is run, who looks after it and what's been going on over the past year.

During another challenging year in the pensions industry, I would once again like to thank our Pensions Team and Advisers for their hard work and dedication throughout a challenging year.

We hope you enjoy this newsletter, but we are keen to understand what topics you'd like to see in future editions.

If you have time, please complete our online feedback form by either clicking the feedback logo or scanning the QR code with your smartphone.



Alison Wilkins - UK & Ireland Pension Manager  
**For and on behalf of BASF Pensions Trustee Limited**

## Pension Tax Changes

Workers aged over 50 left the labour market in the greatest numbers during the COVID-19 pandemic. To encourage this group to extend their working lives, the government has increased tax relief on pensions.

The Lifetime Allowance (LTA) charge was removed from April 2023, and the LTA will be abolished from April 2024.

From 6 April 2023, the Annual Allowance increased to £60,000.

These reforms will help ensure that high skilled individuals are not disincentivised from remaining in the workforce.



## Cost of Living

The cost of living has been rising in the UK and across the world. In the UK, prices of consumer goods and services rose by 9.6% in the year to October 2022, the fastest rate in four decades.

Since then the annual inflation rate, as measured by the Consumer Price Index including owner occupier's housing costs (CPIH), has slowed. In the year to October 2023 the annual inflation rate was 4.6%.

## Looking after your pension scheme

*A diverse management structure is in place to keep on top of all governance requirements and ensure that the Scheme is run properly. The various components of the management team and advisers are shown below.*

### Your Trustee Board

BASF Pensions Trustee Ltd is the Trustee of the Scheme and the current Trustee Directors are:



#### Company-Nominated

Jo Myerson (IGG - formerly Ross Trustees) - Chair  
Melanie Newbould  
Diane Welsh  
Peter Wormald

#### Member-Nominated

Kevin Crabtree  
Richard Portman  
Gordon Thomson

### BASF In-House Pension Team

**Alison Wilkins** - UK & Ireland Pension Manager  
**James Blackman** - UK & Ireland Pension Specialist  
**Vimal Mistry** - Pension Officer  
**Ann Garside** - People Assistant  
**Lorraine Timperley** - People Assistant



### Scheme Administrator

The day-to-day administration of members' benefits is completed by Buck, on behalf of the Trustee. If you have any queries about your benefits please contact the Administration Team.



✉ BASF  
Buck (Bristol)  
PO Box 319  
Mitcheldean  
GL14 9BF

✉ [BASF@buck.com](mailto:BASF@buck.com)

📞 0330 123 0647

🌐 [www.buckhrsolutions.co.uk/basf](http://www.buckhrsolutions.co.uk/basf)

### Professional Advisers

The Trustee employs various advisers to complete complex tasks, provide tailored advice, and ensure that the Scheme remains compliant with UK Pensions Legislation.

#### Function

#### Adviser

Scheme Actuary	WTW
Legal Adviser	Arc Pensions Law
Scheme Auditor	PricewaterhouseCoopers LLP
DB Investment	Lane Clark Peacock LLP
DC Investment	Mercer LLP



## What's going on?



### Lets go green together

We want to reduce our carbon footprint by taking more of our pensions information online, but we need your help.

If you haven't done so yet, please log onto the [Pension Portal](#) and add your personal email address, being able to contact you digitally will help us give you more up to date, personal information.

**It might not be much, but every little helps.**



### Guaranteed Minimum Pension (GMP) Equalisation

GMP is a minimum pension payable to a member by the Scheme from being contracted-out of the State Pension before April 1997. The Trustee is required to ensure that all GMP earned after 16 May 1990 is equalised between males and females.

A complex programme of work is currently underway and, once results are known, all affected members will be contacted with details of how their benefits may change.

The amounts involved for any individual member are likely to be small but for the Scheme, the total additional benefits payable are expected to increase the Scheme liabilities by millions of pounds.

If you would like more information about our GMP Programme, please scan the QR code or visit the [GMP Equalisation](#) page on the [Pension Website](#).



### Climate change and the Scheme

The UK has become the first G20 country to make it mandatory for UK's largest companies and financial organisations to disclose their climate-related risks and opportunities. This is part of the UK Government's stated commitment to making the UK financial system the "greenest in the world".

The Trustee has responsibility for ensuring effective governance of climate change risks and opportunities in relation to the BASF UK Group Pension Scheme (the Scheme).

The Trustee has produced a TCFD report, which is available to the [Pension Website](#).

## Scheme Accounts Highlights

### Scheme Membership Changes

The Scheme is split into different Sections, depending where and when you worked for the Company.

Each Section is kept separate to ensure that monies and assets are only used for the benefit of the members in each section.



If you would like to see the changes in membership, please scan the QR code which will direct you to the data on the [Pension Website](#).



### Annual Scheme Accounts

The Trustee annually produces a formal report and financial statements, including full details of all the money coming in and out of the Scheme.



The full accounts for the year to 31 December 2022 can be downloaded from the [Pension Website](#) by scanning the QR code.

The accounts for 2023 will be available to view mid-2024.

### Understanding negative investment

You may notice the large "loss" in the Scheme's investments. The majority of this value relates to the assets held to provide benefits in the DB Sections of the Scheme.

In practice, the cost of providing these DB pensions has also reduced, so the overall funding level of the Scheme has improved, despite the negative investment returns noted in the accounts.



## Are you up to date?

### Pay your pension some attention



**Pension Attention** is back for a second season with someone new holding the megaphone, and a little help from his trusty mallet.

Television presenter and one-time pop star Timmy Mallett – and his sidekick Pinky Punky – have been working behind the scenes with the PLSA and the Association of British Insurers (ABI) to reboot his much-loved show with a nostalgic look back to yesterday. We've taken contestants back to the 80s and 90s to capture

savers' attention and stop them feeling "Bleugh" about their pensions.

By encouraging **30-to-50-somethings** to do 'the pension playback', we're taking them on a trip down memory lane. We want savers to look back to yesterday to find out where their pensions are, lean into what they've got today and move forward to their future to think about the retirement living standard they might want to enjoy when they retire.

### Your new look Pension Portal

The Pension Portal is a secure online service allowing you to view and manage your DC & DB Account.

You can access the **Portal** and log in or follow the instructions to register if you are a new user.

You can use the Portal to:

- ◆ Update contact information
- ◆ View documents
- ◆ Update Expression of Wish
- ◆ Change your investments
- ◆ View your payslips (if you are in receipt of a pension)



If you have any problems logging in to this site please contact the BASF Pension helpline on **0330 123 0647**, alternatively email Buck at [basf@buck.com](mailto:basf@buck.com).

### What if the worst happens?

In the event of your death, the Trustee is responsible for deciding who any discretionary death benefits should be paid.

You can help the Trustee by updating your nominated beneficiaries on the **Pension Portal**. This is the most effective way to ensure your loved ones receive your benefits when you die.

Your personal circumstances may change over time, so it's important that you keep your details up to date.



## DC Fund Performance

If you have benefits in the DC Sections of the Scheme, you can view the value of your DC Account any time by logging onto the [Pension Portal](#).

You can also view fund performance using the quarterly Fund Factsheets available on the [Pension Website](#).

**It's important to regularly review your DC Account to make sure it will meet your needs in retirement.**



## DB Funding Levels

If you have benefits within the DB Sections of the Scheme, the Scheme Actuary produces annual updates to check how well funded the Scheme is. This includes calculating the value of liabilities and whether the Scheme assets will be enough to pay all pensions in the future.

DB Funding Update (31 October 2023)	Surplus / (deficit)	Funding Level
Group Section	£33.3m	108.7%
BPP Section	£28m	104.3%
Chemetall Section	(£5.9m)	82.1%

Assets & liabilities in all sections have significantly reduced. This has been primarily caused by the increase in interest rates and bond yields over the year. The Scheme invests in bonds because they provide a good match to the pensions we pay to members. As bond yields rise, the bond asset value reduces, as does the amount of money we estimate we need to set aside to pay pensions in the future (liability value), meaning the funding level remains largely unaffected.



In addition to the help you can get from the Scheme Administrator (Buck) and the BASF In-House Pension Team, there's lots of extra help and resources online. **We don't want you to fall victim to any pension scams, so have provided details of a few reputable sites and sources below.**



### Money and Pension Service

**MoneyHelper** makes it quick and easy to find the right help when you need it, bringing together the support and services of three Government backed financial guidance providers:

- ◆ the Money Advice Service
- ◆ the Pensions Advisory Service
- ◆ Pension Wise

Open to everyone, you can find information on clearing debt, making the most of your income, tips for building up your pensions savings and lots about your options at retirement.

You can get free guidance on money matters over the phone, online and face-to-face.

 [www.moneyhelper.org.uk/en/pensions-and-retirement](http://www.moneyhelper.org.uk/en/pensions-and-retirement)

### Government retirement planning

For Government initiatives and information about retirement and pensions. You can also get help finding pension contact details for previous pension schemes you have lost contact with, through the Pension Tracing Service, and find out information about what State Benefits you might receive.

 [www.yourpension.gov.uk](http://www.yourpension.gov.uk)



### Need some financial advice?


If you need to get some official financial advice, but don't have your own adviser, you can find a list of local reputable advisers by visiting Unbiased.



 [www.unbiased.co.uk](http://www.unbiased.co.uk)

### Don't let a scammer enjoy your retirement

Pension scams are on the rise in the UK. The internet and advances in digital communications mean these kinds of scams are getting more common and harder to identify. Find out how to spot, avoid and report pension scams.

 [www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam](http://www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam)

