

Scottish Enterprise Pension
& Life Assurance Scheme

Know your pension

2024



In the know



Know your trustees

The assets of the scheme are held in trust for the benefits of members and are managed by the trustees of Scottish Enterprise Pension & Life Assurance scheme.

Employer nominated

Alistair Gray (Resigning Chair of Trustees)

Julia Miller (Joining Chair of Trustees)

Derek Ballantyne

Clair Alexander

Leah Pape

Laura Birch

Aileen Hotchkiss

Member nominated

Catherine Mary Corr

Ross McKie

Brenda Rankin

David Walton

Dear Member,

This is my fifth and final newsletter to you as Chair of Trustees. I reached the end of my tenure at our September 2024 meeting.

The past year has been dominated by the global economic recovery and unwanted conflict, with associated restrictions, challenges and uncertainties. As I write in Q3 2024, the scheme has maintained its position at or around full funding, despite pressure on our investment funds, with the ongoing support of Scottish Enterprise. Higher interest rates also improved our funding position.

The Trustees continued to increase our active global investments in line with Environmental, Social and Governance focused strategy and opportunities in infrastructure and renewable energy.

We have worked hard to improve our communication with you, our members. We have been delighted with the response to our active member webinars, our newsletter and the increased use of the pension website.

There have also been changes in company nominated members due to promotions and trustee retirement. This year Derek Shaw, Anne Featherstone and Linda Ellison have retired as trustees. Linda retired after a quarter of a century of service – an outstanding contribution to the scheme. Brenda Rankin and David Walton joined the board in September as new Member Nominated Trustees and Laura Birch has joined an Employer Nominated Trustee. The new Trustees have embraced their responsibilities with great enthusiasm and the board is now more diverse and balanced in expertise.

One innovation we initiated in 2021 was to hold biannual ‘route-map’ meetings with Scottish Enterprise. We have a shared objective to ensure the scheme is relevant, secure and sustainable for current and future generations. Our plan is to remain in this position into the future.

It has been a rare privilege and pleasure to lead the board of what is a unique and beneficial scheme. Thank you to all the Trustees who have served our members during my term as Chair. It has been a delight to work with you, even during turbulent times.

I hope you find this newsletter informative, interesting and useful as we aim to protect your benefits and the future of the scheme.

My thanks to Scottish Enterprise for the opportunity to chair the Trustee board and also to our Actuarial, Investment and Legal advisers for keeping us on course to a sustainable future.

Best,

Alistair Gray, Chair of trustees

Know the latest news

Nominate Beneficiaries

As well as providing you with a retirement income for life, the Scheme may pay other lump sum benefits if you die leaving dependants. These benefits may be tax free if they are paid outside your Estate, and at the discretion of the Trustee. It's therefore important to make sure the Trustee is aware of your wishes in the event of your death. Those that you nominate are known as beneficiaries. It's quick and easy to do, and you can nominate more than one person if you want to.

Simply logon to your online account on the Scheme's website www.sepensions.co.uk and update your details via the Nominated Beneficiaries for Death Benefits section of the My Membership Details area. If you haven't registered already, it's quick and easy – all you need is your surname, date of birth, national insurance number, mobile telephone number and email address. If you cannot access the scheme website, please contact the scheme administrators.

Alternatively, you can complete an Expression of Wish form from the Scheme's website (www.sepensions.co.uk/scheme-documents/expression-of-wish-form/) or contact the scheme administrators if you don't have internet access.

It's worth noting that it's not binding on the Trustee or Scheme administrator, but they will take your wishes into consideration when making their decision.

Finding lost pensions

Did you know that the total value of lost pension savings is £26.6 billion? * That's a lot of money but could some of it be yours?

If you've worked for other companies, even for short periods of time, the chances are you'll have benefits in their pension schemes and if you've moved home since, the trustees may have lost touch with you.

The government is introducing a Pensions Dashboard which will show you all your pension benefits in one place but in the meantime, you can trace pension schemes you're no longer in touch with by using the government's pension tracing service.

You can do this online by going to www.gov.uk and typing 'find pension contact details' in the search bar and following the instructions or you can get in touch with the Pensions Tracing Service in the following ways:

☎ 0800 731 0193 (calls are free in the UK)

📞 If you cannot hear or speak on the phone dial 18001 followed by 0800 731 0193.

☎ +44 (0)191 215 4491 (overseas)

The website has Information for British Sign Language users.

Be sure to keep in touch with all your pension scheme trustees so you don't miss out on any payments.

**The Pensions Policy Institute: Lost Pensions 2022: What's the scale and impact?*



Know the finances

We receive regular payments from the company which we invest and use to pay benefits. Here is a summary of the money we received and the payments we made over the last scheme year.

Value at 31 March 2023 **£570,880,980**

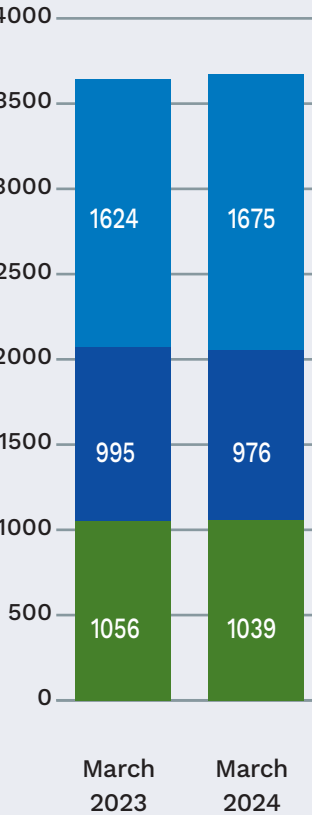
➔	Payments received	
	Company contributions	£14,189,378
	Member contributions	£365,915
	Other income	£164,808
	Total received	£14,720,101

➔	Payments out of the scheme	
	Benefits paid or payable	(£24,683,384)
	Payments to leavers	(£344,710)
	Life Assurance premiums	(£250,195)
	Admin expenses	(£1,171,810)
	Total paid	(£26,450,099)

+	Return on investments	
	Investment income	£9,658,801
	Change in market value of investments	(£5,571,521)
	Investment management expenses	(£589,549)
	Net returns on investments	£3,497,731

Value at 31 March 2024 **£562,648,713**

Members in the scheme



- Members currently paying into the scheme
- Members who have left but not retired
- Pensioners

Know your summary funding statement

The trustees must make sure the scheme has enough money to pay members' benefits both now and in the future, and so every three years a full valuation of the scheme is undertaken, with annual checks in between. These calculations are carried out by an Actuary appointed by the trustees. Here is a summary of the funding position at the last full valuation, which was at 31 March 2023, and how this compares with the latest annual updates as at 31 March 2024.

Assets	Liabilities	Surplus/ (Shortfall)
The value of the scheme's investments	The estimated costs of providing members' benefits	The difference between the assets and the liabilities
Value as at 31 March 2023 £570.9m	Value as at 31 March 2023 £570.8m	Value as at 31 March 2023 £0.1m
Value as at 31 March 2024 £562.6	Value as at 31 March 2024 £573.9m	Value as at 31 March 2024 (£11.3m)

*These figures are estimates only and are subject to change once the full triennial valuation has been finalised.

Funding level	As at 31 March 2023	As at 31 March 2024
The assets as a percentage of the liabilities	100%	98%



The scheme’s financial position

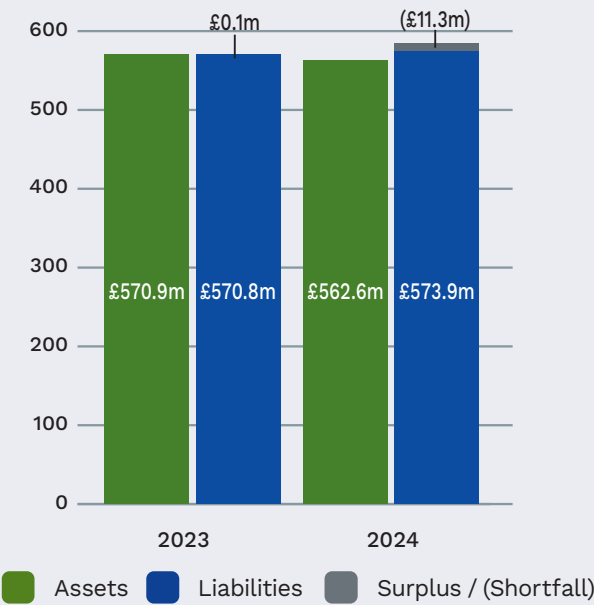
As you can see, as at 31 March 2024 the Scheme had a slight shortfall, with 98% of the money it needed to pay all benefits due now and in the future. As long as the company continues to support the Scheme, your benefits will be paid in full when they become due.

Over the year, the assets of the Scheme have decreased as a result of benefits paid out of the Scheme, coupled with lower than expected returns on the Scheme’s assets. Furthermore, in order to better measure the liabilities, the Trustees moved to an asset-led discount rate as part of the recent valuation. As the expected return on the Scheme’s assets is now lower than it was at 31 March 2023, the liabilities have increased. This has led to a decrease in the funding level. This drop in funding level should not be a cause for members’ concern.

Your pension is a defined benefit pension which means it does not depend directly on market movements. The trustees remain focused on their long-term objectives to:

- 1. pay all pensions on time, and in full, and
- 2. be a sustainable, relevant and secure scheme for current and future generations.

The trustees are currently working with their advisers and SE to conduct an in-depth strategy review as part of the actuarial valuation, which will ensure the scheme continues to be sustainable, relevant and secure into the future. It will also allow for changes in the external financial landscape that have improved the sustainability of the scheme since the end of March 2024. Indeed, the current funding position of the scheme is estimated to be around 98%.



Protecting your benefits

The trustees aim to have enough money in the scheme to pay pensions and other benefits to members. So long as the company continues to support the scheme, your benefits will be paid in full when they become due.

Scottish Enterprise is fully committed to supporting the scheme so that members’ benefits are paid in full and we have no reason to believe that this support will not continue. We are required by legislation to provide details of the funding position if the scheme ceased to exist, was wound up and trustees had to secure members’ benefits by buying an insurance policy.

Securing benefits in this way is expensive. For example, at the last valuation date it would have cost £811.4m to secure members’ benefits if the scheme had wound up as at 31 March 2023, compared to the assets of £570.9m at the same date.

If there is not enough money in the scheme to buy out all the benefits with an insurance policy, the company would have to make up the shortfall.

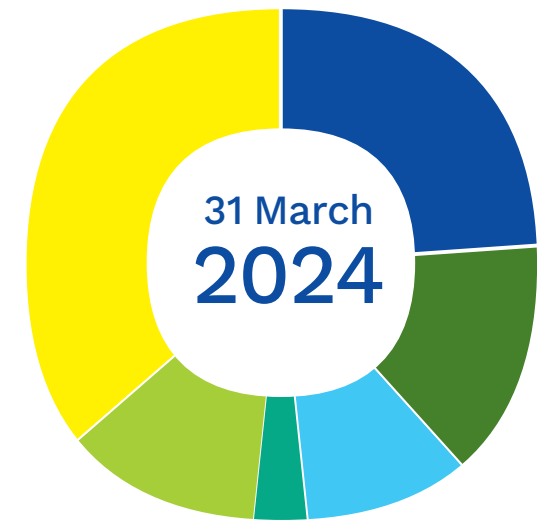
For cases where a company goes out of business and doesn’t have the money to pay the benefits promised, the Government has set up the Pension Protection Fund (PPF) which can pay compensation to members. The PPF is not intended to replicate each member’s pension, but to ensure that members receive most of their pension. There is an overall cap on pensions, which may apply, and any increases to pensions once in the PPF are less generous than the increases that the Scheme would have provided. You can find out more about the PPF on its website: www.ppf.co.uk.

Please note that the inclusion of this information does not imply that the company or the trustees are thinking of winding-up the scheme. It is simply required to form part of our report.

Know the investments

Our investment strategy

The scheme’s investment strategy is set by the trustees after taking appropriate independent advice. The scheme’s assets were allocated to the following investment types.



- Liability driven investments **24.0%**
- Gilts **14.4%**
- Property **10.1%**
- Diversified growth funds **3.4%**
- Equities **11.9%**
- Other income and credit **36.2%**

The trustees have considered environmental, social and governance criteria when setting the investment strategy.

More information about our investment strategy is published in our Annual Report and Accounts and our Statement of Investment Principles, which are both available on the scheme website, www.sepensions.co.uk



Know the jargon

Bonds
A form of loan to a company or government – the borrower pays interest and pays back the loan when it matures (bonds issued by the UK Government are called gilts).

Equities
Shares in a company which are bought and sold on a stock exchange.

Diversified growth funds
A mix of investments including equities, property, bonds and cash that balance growth with security.

Property
Investments in commercial property.

Liability driven investments
Aim to match the sensitivity of the scheme liabilities to movements in interest rates and inflation.

Other income and credit
Investments in a broader range of alternative credit and income-generating assets.

The legal bit
Legally, we have to confirm that the company has not taken any surplus payments out of the scheme in the last 12 months and that there has been no intervention from The Pensions Regulator to use its powers to modify the scheme, or to impose a direction, or a schedule of contributions.

Want to know more?

Where can I get more information?

These websites are a useful source of information about pensions and general financial matters.

www.gov.uk for Government information and public services, including workplace pensions and State benefits.

www.moneyhelper.org.uk is the one stop service for Government-backed guidance, bringing the support offered by The Money Advice Service, Pension Wise and the Pensions Advisory Service under one roof.

MoneyHelper aims to make your money and pension choices clearer; to cut through the jargon and complexity, explain what you need to do and how you can do it. It is free to use and provides impartial guidance and can recommend further, trusted support if you need it.

You can also ring MoneyHelper free on 0800 011 3797, Monday to Friday 9am to 5pm.

How to spot a pension scam

A pension scammer will hope to persuade you to release some or all of the money you have saved for your retirement. Tactics include offering a free pension review or investment opportunities giving unusually high returns.

The government backed MoneyHelper website has information designed to help you spot a scam and sets out what to do if you think you've been targeted. Go to www.moneyhelper.org.uk and type 'pension scams' in the search bar. You can also ring the MoneyHelper helpline free on 0800 011 3797.

Do not speak to anyone who rings you out of the blue – it will be a scam.

The Financial Conduct Authority, which authorises financial advisers, has published a guide setting out four simple steps to protect yourself and telephone numbers to ring if you suspect a scam. You can download a copy of this leaflet from the FCA's website at www.fca.org.uk/scamsmart.

It's your money for your retirement – don't let someone else get their hands on it.

Scheme information

More information about the scheme is available in our Annual Report and Accounts which is available on the scheme website, www.sepensions.co.uk.

Copies of any other documents can be obtained from the scheme administrator, including:

- the trust deed and rules
- actuarial valuations
- the schedule of contributions
- the statement of investment principles

The scheme administrator is:

✉ Scottish Enterprise Pension & Life Assurance
Scheme Administration
Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB

✉ scenadmin@hymans.co.uk

☎ 0141 566 7655

Your data

If you would like to find out more about how we use your personal data please see the scheme's privacy notice on our website at:

<https://www.sepensions.co.uk/scheme-documents/privacy-notice/>

Are you on the move?

Please remember to update your address within your online account if you move home, so that we can keep in touch with you and make sure your benefits are paid on time.