

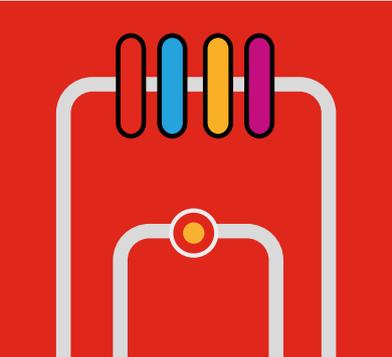
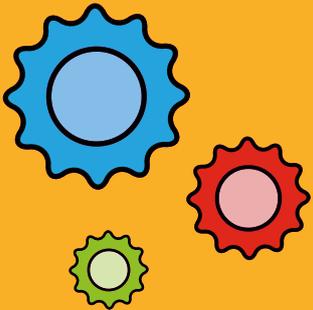


Cummins UK Pension Plan

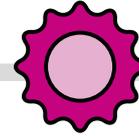
# Pension news

for pensioner members

October 2021



# Welcome



Welcome to the autumn issue of *Pension news*, the newsletter for defined benefit (DB) pensioner members of the Cummins UK Pension Plan.

While the last 18 months have been challenging for us all, we hope that all our members remain safe and well.

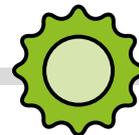
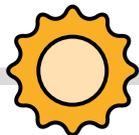
We continue to encourage our members to make sure their nomination form is up to date. If you started taking your Plan pension within the last five years and haven't updated yours yet, please go to the Plan website and log in via **Manage my pension**. It's easy to do and only takes a couple of minutes. If you've forgotten or mislaid your login details, please get in touch with Premier.

Earlier this year, we invited any members who would be interested in becoming member-nominated Trustees (MNTs) to put themselves forward for selection. Thank you to

everyone who applied; we received an exceptional group of very strong candidates. If you weren't successful this time, please do apply the next time there's a vacancy.

At the September board meeting, we welcomed new MNTs Emily Chapman, Ian Smith and James Guyett. Thanks to our previous MNTs, Gordon Davis, Paul Hoskins and Darren Russon for their many years' service and hard work on behalf of all the Plan's members. We also thank Edward Smith, a Company-appointed Trustee who stepped down in March this year.

**Nichola Moore**  
Chair of Trustees



## In this issue

Plan noticeboard	4
Choosing the Plan's investments	6
Pension pay dates	7
Running the Plan	8
Meet the Trustee	9
Wellbeing matters	10
Company news	12
Accounts and amounts	13
Get in touch	16



# Plan noticeboard

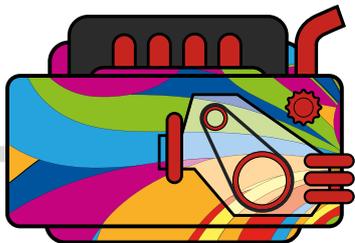


## We've made the pledge

The Pensions Regulator is asking administrators and trustees of pension schemes to pledge to combat pension scams by following the Pension Scams Industry Group code of good practice.

This includes providing regular warnings to members about scams, encouraging members asking for a transfer to take independent advice, carrying out checks on pension transfers and reporting suspected scams to the authorities.

The Trustees and Premier, the Plan administrator, have both agreed to make the pledge to combat pension scams.



## Following the strategy

A new law requires the Trustees to make an annual 'implementation statement' available to members. This statement must show how the Trustees have fulfilled their investment responsibilities and include details of any changes to or deviations from the formal investment strategy as set out in the Plan's statement of investment principles (SIP). It also describes the voting behaviour by the Trustees, or by the investment managers on their behalf, over the year.

If you'd like to understand more about the investment strategy for the Plan and how the Trustees are meeting their investment responsibilities, you can find both the SIP and the annual implementation statement on the Plan website at: [www.cumminsukpensions.co.uk/about-the-plan/documents](http://www.cumminsukpensions.co.uk/about-the-plan/documents)



## In the pipeline...

In the coming months, there are several important issues that will affect the Plan and our members. We'll bring you more details on these in our next newsletters, but in the meantime, here's a quick preview of what's coming up.

### Actuarial valuation

The latest actuarial valuation of the Plan is currently in progress, looking at the position as at 31 December 2020. This is a complex process, and the results won't be finalised until the end of the year. We'll bring you a full report in our next issue of *Pension news* in the spring.

### Multi-factor authentication

We're keen to improve security when you log into your online account. In tandem with Premier, the Plan administrator, we intend to introduce a new security feature to access your account. The memorable word currently being used will be replaced with an authentication code that will be sent directly to your

email or phone each time you log in. This will be introduced in 2022, and we'll provide you with more details nearer the time.

### Climate change legislation

Climate change has been identified as a financial risk to the world's economy. The task force on climate-related financial disclosures (TCFD) is driving change to make climate-change reporting compulsory. Therefore, in the next few years, all pension schemes will be required to increase and improve their reporting of climate-related financial information. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world.

# Choosing the Plan's investments

The Trustees, when choosing investments for the Plan, pay close attention to the requirements and needs of the Plan. Pensions are long-term investments and, as such, they require patience and a careful balance of risk. As a trust-based pension plan, there are strict rules which regulate the kind of investments the Plan can use.

We've all read about the huge fortunes that some people have made through speculative investments like bitcoin, fine wine and artwork. While these types of investments grab headlines and seem attractive, their speculative, unregulated nature is what makes them unsuitable for the Plan.

Even if you're prepared to be patient with these kinds of investments and hold them for a long time, there's no reliable way of predicting success or measuring risk. Their success depends entirely on what other people are prepared to pay for them at the moment you decide to sell. If the future market for, say, a painting or a fine wine collection doesn't materialise, you're essentially left with some paint on a canvas or bottles of old fruit that have cost



you money, earned you no income during the time you've held onto them and may not even be worth as much as you paid in the first place. With an artwork, the personal reputation of the artist also has a huge impact on current or future value.

The investment sub-committee (ISC) is responsible for working with the Plan's advisers to recommend to the Trustee board suitable long-term strategies for meeting the Plan's obligations to members. This involves ensuring the Plan has a diversified range of investments, which essentially do different tasks. Investments like equities aim for long-term growth, while others aim to protect their value within lower-risk investments, like bonds and gilts, and provide a steady income with which to pay members' pensions.

In the end, it's about not having all your eggs in one basket or taking huge, unnecessary risks and keeping within the regulatory framework. Rather than getting rich quick, pension saving is about building wealth steadily over a long period of time.

# Pension pay dates

for the year ahead

**Your pension is paid on the penultimate working day of the month.**

## 2021

Monday 29 November

Thursday 30 December

## 2022

Friday 28 January

Friday 25 February

Wednesday 30 March

Thursday 28 April

Monday 30 May

Wednesday 29 June

Thursday 28 July

Tuesday 30 August

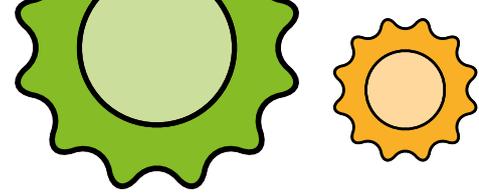
Thursday 29 September

Friday 28 October

Tuesday 29 November

Thursday 29 December

# Running the Plan



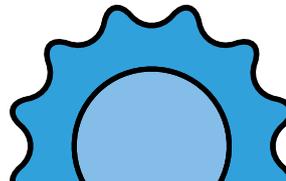
The Plan is looked after by a Trustee board which has 14 directors: seven appointed by the Company and seven who are nominated by the Plan's members.

Anthony Waller  
Bernadette Daley  
Emily Chapman\*  
Gloria Griesinger  
Ian Smith\*  
James Guilfoyle  
James Guyett\*  
Jack Finlay\*  
Lisa Thornton  
Martin Bruniges\*  
Natalie Morton\*  
Nichola Moore, Chair  
Paul Bennett  
Stephen Coughlan\*

\*member-nominated Trustees

The Plan has three sub-committees which focus on communications, governance and investment.

- **Communications sub-committee (CSC):** provides clear, engaging pensions information to members. It includes members from most of the UK sites.
- **Governance sub-committee (GSC):** ensures that the Trustees' processes comply with the Pensions Regulator's expectations, legal requirements and good business practice.
- **Investment sub-committee (ISC):** advises the Trustees on strategic investment, risk management and covenant issues. It reviews the providers we use to help us.



# Meet the Trustee



Anthony Waller is Regional Audit Director EMEA. He has worked for Cummins for nine years and joined the Plan Trustee board in January 2019 as a Company-appointed director.

## Why did you want to be a Trustee?

I'm interested in investments and pensions, so it's something I enjoy. I like the challenge of the complex interplay of investment returns, regulations, long time horizons and the sometimes-confusing language that's used for pensions. Being a Trustee allows me to give something back to my fellow employees and to the Company. I had a little experience of investments and pension trustees from dealing with my late father's affairs. I had a power of attorney for him in his later years and then was executor of his will. He had a defined benefit pension and a wish for his spousal pension to pass to his unmarried partner, which I had to sort out with the trustees of his scheme.

## What do you think is the greatest challenge for workplace pension schemes?

Helping people understand pensions and how much they need to save, so they can make the right decisions for their own circumstances. Unfortunately, few of us have formal education in personal finance at school, me included, so must pick it up as best as we can elsewhere.

## What was your dream job as a child?

At about 7 or 8, I remember telling my parents I wanted to be one of *The Impossible's* (a 60s cartoon series). Later on, I wanted to be an automotive engineer. I was lucky enough to do that for a while, which was great fun, but I found my talents were better suited to business.

## What do you like to do in your spare time?

I'm a serial hobbyist, so I've done a few things over the years. I'm quite practical, and one current hobby is 'making stuff' – I have a fine selection of power tools. I also spend time planning motorcycle tours. I've always enjoyed travel, especially off the beaten track, which fits well with my job.

# Wellbeing matters



## Worried about money?

MoneyHelper is an easy way to get free, trusted help for your money and pension choices. The services previously provided by the Money Advice Service, the Pensions Advisory Service and Pension Wise all come under MoneyHelper, bringing everything together in one place.

Offering free, impartial help that's quick to find and easy to use, MoneyHelper is available online or over the phone, providing clear money and pensions guidance, as well as pointers to trusted services, if you need more support. It helps people to clear their debts, reduce spending and make the most of their income to build up savings and pensions and know their options. Go to: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

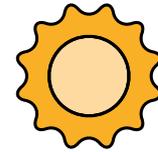
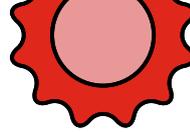
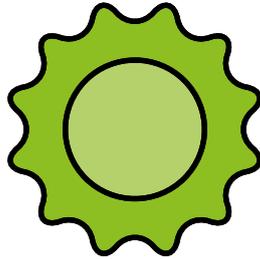
## Unclaimed pensions

According to the Association of British Insurers (ABI), there could be as much as £19.4 billion in unclaimed retirement savings in the UK. So, if you do have any pensions outside the Plan, make sure you keep in touch with your pension provider.

## Find your old pensions before they're given away

A new Bill has been introduced in the House of Lords regarding the Dormant Assets Scheme. This Scheme currently redistributes money from dormant bank and building society accounts to social and environmental initiatives across the UK, if the provider has been unable to contact the owner and the assets have been untouched for 15 years.

The proposed expansion is a useful reminder to pension savers to track down any old pensions they may have. The government has a free pension tracing service to help people find their lost pensions. Go to: [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)



## Useful contacts

[www.ageuk.org.uk](http://www.ageuk.org.uk)

0800 678 1602 (8am to 7pm daily)

Age UK offers befriending services, information and advice for older people.

[www.u3a.org.uk](http://www.u3a.org.uk)

The University of the Third Age provides opportunities to learn something new for fun or share your skills with others.

[www.gransnet.com](http://www.gransnet.com)

Gransnet is a social networking website for over 50s, an offshoot of parenting website, Mumsnet.

[www.reengage.org.uk](http://www.reengage.org.uk)

Re-engage usually hold monthly afternoon tea parties for people aged over 75 who live on their own. During the pandemic, its call companions can help you stay connected.

[www.thesilverline.org.uk](http://www.thesilverline.org.uk)

0800 4 70 80 90

The Silver Line is a free, confidential helpline providing information, friendship and advice to older people, 24/7.

## Feeling anxious?

If you're feeling worried about the pandemic or struggling to cope with loneliness, as well as talking to your GP, you may find the following support services useful:

[www.mind.org.uk/about-us/local-minds](http://www.mind.org.uk/about-us/local-minds)

Local Minds provide mental health services in local communities across England and Wales.

[www.anxietyuk.org.uk](http://www.anxietyuk.org.uk)

Anxiety UK has a helpline and lots of information which include some webinars to help learn some tools for dealing with your mental health.

<https://mentalhealth-uk.org>

Mental Health UK has a coronavirus help and information hub which provides tips to help you look after your mental health and wellbeing.

# Company news

## Fuelling the future

Cummins has been awarded a grant to develop a carbon-free, hydrogen-fuelled internal combustion engine.

The government-backed Brunel project, which is being led by Cummins, aims to develop a hydrogen engine to replace the existing large diesel engines in road haulage.

The funding has been awarded through the Advanced Propulsion Centre's Collaborative R&D competition, which backs businesses developing green automotive technology. The project has the potential to revolutionise how goods are transported and could provide further insight into how hydrogen can be fully utilised as a future fuel. The work will take place at Cummins' UK research facility in Darlington.

Jonathan Atkinson, executive director of Cummins On-highway Business in Europe, said, 'This project will significantly accelerate the pace of hydrogen engine development, ensuring that the UK is at the vanguard of this exciting new technology which will play a significant part in de-carbonising the global commercial vehicle fleet.'

'In the mid-to-long term, it offers major potential to expand our high-value export business, supplying hydrogen engines and sub-systems manufactured in the UK to customers around the world.'

## Cummins Inc. and Daimler Truck AG

A global plan for medium duty commercial vehicle engines has been announced by Cummins Inc. and Daimler Truck AG.

Looking ahead to the second half of the decade, the intention is to establish a strategic partnership which will see Cummins invest in the development, global production, and delivery of medium duty engine systems for Daimler Trucks and Buses. Cummins Inc. will establish an engine plant within the Mercedes-Benz Mannheim campus in Germany. The production of the current medium duty engine generation by Daimler will end with the start of production of the Cummins engines at Mannheim.

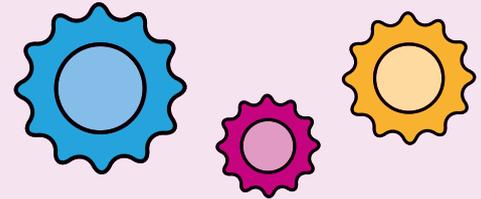
The partnership with Cummins will enable Daimler to increase its development efforts on alternative and emerging technologies, including non-diesel engines.

# Accounts and amounts

The year at a glance...

As at 31 December 2020, the Plan was worth **£1.7 billion**

The Plan paid benefits to members worth **£45.3 million**



## Financial highlights

	2020 £'000	2019 £'000
Plan value at the start of the year	1,530,952	1,403,509
Money in less money out	(8,656)	(20,051)
Change in market value	200,301	147,494
Plan value at the end of the year	1,722,597	1,530,952



# Accounts and amounts (continued)

Money in	2020 £'000	2019 £'000
Contributions	38,583	24,274
Transfers and other income	1,003	410
Investment income	6,998	3,840
<b>TOTAL</b>	<b>46,584</b>	<b>28,524</b>

Money out	2020 £'000	2019 £'000
Benefits paid to members	(45,327)	(37,067)
Payments to leavers	-	(64)
Transfers out	(7,170)	(8,322)
Administration expenses	(2,602)	(2,750)
Transfers to DC Section	(141)	(372)
<b>TOTAL</b>	<b>(55,240)</b>	<b>(48,575)</b>

## Who's in the Plan?

### Active members

2020: 568  
2019: 685



### Deferred members

2020: 1,334  
2019: 1,408



### Pensioners

2020: 4,475  
2019: 4,429



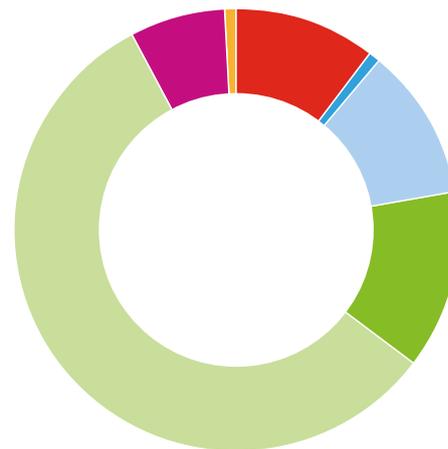
### Total members

2020: 6,377  
2019: 6,522

## Where are the assets invested?

The chart shows the allocation of the Plan's assets as at 31 December 2020.

	2020	2019
● Equities	10.4%	10.3%
● Real estate	0.8%	1.1%
● Private equity	11.2%	11.8%
● Fixed income	12.9%	14.6%
● Liability matching	57.0%	53.4%
● Alternatives	6.8%	7.3%
● Cash	0.8%	1.6%



Figures may not sum to 100% due to rounding.

# Get in touch

If you have a question about the Plan or your benefits, please get in touch with Premier, the Plan administrator.

**Call us:**

0800 122 3266

+44 (0)203 3722 113 (from overseas)

**Email us:**

[cummins.helpdesk@premiercompanies.co.uk](mailto:cummins.helpdesk@premiercompanies.co.uk)

**Write to us:**

Premier

PO Box 108

Blyth NE24 9DY

**Plan website:**

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

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