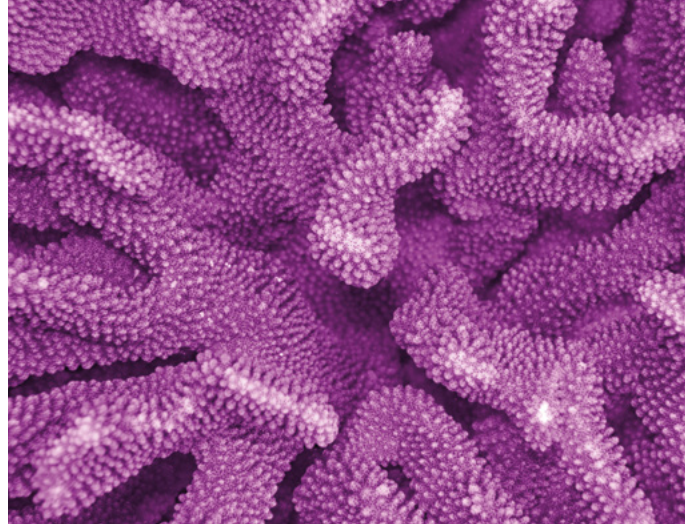
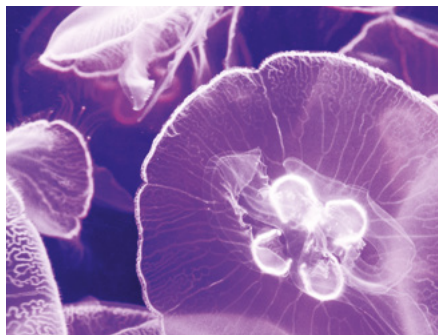


Spring 2025



Cummins UK Pension Plan

Pension news

For pensioner members



Welcome

Welcome to your spring issue of *Pension news*, the newsletter for pensioner members of the Cummins UK Pension Plan.

In April, the State pension is increasing by 4.1%, which might have implications for you and the amount of income tax you need to pay on your Plan pension. There is more information about this on page 4, along with what to do if you have a query about your tax or tax code.

Do you remember Cummins Rewards from when you worked for the Company? Many of our pensioners don't realise that you can still take advantage of this in your retirement. If you'd like to know more, you'll find the details on page 10.

Finally, there's a change on the Trustee board to tell you about. One of our Company-appointed directors, Paul Bennett, stepped down in December 2024. We thank Paul for his service to the Plan on behalf of our members, and we welcome a new Company-appointed director, Julian Rose, to the Trustee board from 1 January 2025. Julian was Cummins' global pension strategy director for seven years before moving to a new, non-retirement role within the Company, so he'll be a valuable addition to the Trustee board.

I hope you enjoy reading this issue of *Pension news* and find it useful. If there's anything you'd like to know more about in a future issue, please get in touch using the contact details on the back page.

Nichola Moore
Chair of the Trustee



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State pension increases

The government increases the State pension each year by an amount determined by the 'triple lock', ensuring that the rise is the higher of either 2.5%, CPI inflation or average earnings growth.

From April 2025, the State pension will go up by 4.1% in line with the increase in average earnings. For people who reached State pension age after April 2016, this is a rise of £461 a year, bringing the full State pension close to £12,000 a year. For pensioners who reached State pension age before April 2016 and who are receiving the basic State pension, this is a rise of £353 to £9,198 a year.

The State pension counts

While this is good news for pensioners, it's important to remember that the State pension isn't paid tax free. It counts as part of your total income from all sources. If your total income is greater than your personal allowance (the amount you can earn before paying income tax), you'll need to pay tax.





Tax implications

With tax thresholds expected to remain frozen until 2028, the State pension alone is edging ever closer to the standard tax-free personal allowance, which is currently £12,570 in each tax year. So, if you're getting a full State pension and you have a workplace pension or any other form of income, it's likely this latest increase could push you over your personal allowance, and you'll need to pay basic-rate tax.

Income tax is deducted automatically from your Plan pension by Isio, the Plan administrator, using the tax code provided to them by HMRC. Following the increase to the State pension, you might find you're paying tax on your Plan pension income for the first time, or that you're paying more tax than before.



Isio can't answer queries about your tax code or speak to the tax office on your behalf. If you have a query about your tax code, please note that you'll need to contact the tax office directly.

Call: 0300 200 3300
(Monday to Friday, 8am to 6pm)

Plan reference: 120/HE05257

Plan noticeboard

Government proposals for changes to inherited pensions



In the autumn 2024 budget, the chancellor announced that the government plans to consult on whether unused pension pots will form part of an individual's estate for inheritance tax purposes from April 2027.

This could mean that pension lump sums and death benefits from a pension might no longer be passed on tax free to your beneficiaries as they'd be added to the rest of your estate – property, money, possessions, etc. – when working out if any inheritance tax is due.

The rules are complex, and the government consultation will continue throughout 2025 and into 2026 to determine if and how this new approach will be put into practice. When details of any proposed changes are confirmed by the government, the Trustee will take specialist legal advice. We'll update you in a future newsletter and on the Plan website when more information is available.



Pension increases

The different elements of your pension are increased at different rates and subject to caps, depending on which section of the Plan you're in and when the pension was earned.

For most sections, the annual increase to your pension will be made with effect from 1 April 2025 – apart from Newage (1 May) and ex-Blackwood Hodge (1 January) – when the following increases are applied to pension in excess of the guaranteed minimum pension (GMP).

For pension earned before 6 April 1997:

- **2.7%** (in line with RPI) for CECL, Diesel and PGI members
- **3.0%** (fixed rate) for ex-Blackwood Hodge (pre-1984 service) and Newage members

For pension earned between 6 April 1997 and 1 April 2006:

- **1.7%** (in line with CPI)
- **2.7%** (in line with RPI) for PGI members

For pension earned after 1 April 2006:

- **1.7%** (in line with CPI)

If part of your pension includes a GMP:

- No increase for pre-1988 GMP, as any increase is paid via your State pension
- **1.7%** for post-1988 GMP (in line with CPI)

Pension pay dates for 2025

Friday 28 March

Tuesday 29 April

Thursday 29 May

Friday 27 June

Wednesday 30 July

Thursday 28 August

Monday 29 September

Thursday 30 October

Thursday 27 November

Tuesday 30 December



Increases are made with reference to the change in the relevant inflationary index for the year to the previous September. You can also find pension increase details by logging in to your account via **Manage my pension.**

Wellbeing matters

The impact of loneliness

A report published by Age UK in December 2024 called *You are not alone in feeling lonely* presents new evidence about the scale of loneliness among people aged 65 and over. It explores why loneliness is harmful to health and wellbeing and looks at practical steps that can be taken to tackle it.



During the Covid-19 pandemic, the danger of loneliness was brought to public attention, but the momentum to drive change has since slowed. The report highlights new data showing that:

- **7% (1 in 14)** people aged over 65 are often lonely
- **270,000** older people in England go a whole week without speaking to a friend or family member.

Loneliness is bad for our physical health

Loneliness is linked with an acceleration of frailty and increased risk of physical and mental illness, including:

- ⬆️ **29%** increase in risk of incident coronary heart disease
- ⬆️ **32%** increase in risk of stroke
- ⬆️ **25%** increase in risk of dementia.

The report makes a number of recommendations about combatting loneliness in older people and calls for more practical support for loneliness, digital inclusion, cultural belonging and support for carers. You can read the full report on the **Age UK website**.

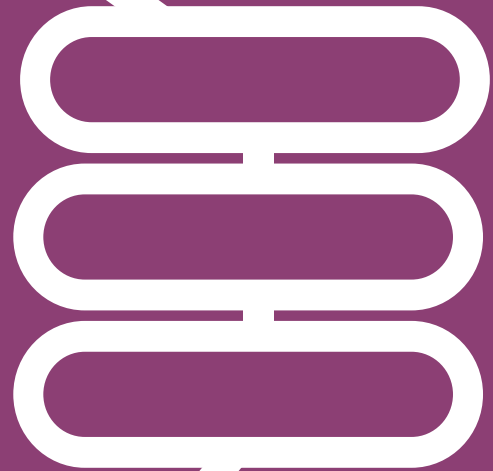


Combatting loneliness

Anyone who needs support, who is worried about a relative or friend or who wants to find out more about Age UK's friendship services, can get in touch by calling the free Age UK Advice Line on 0800 169 6565 (8am-7pm) or by visiting www.ageuk.org.uk. 🗺️

Any pensioner looking for a cheerful chat can call Age UK's Silver Line Helpline, day or night, on **0800 470 8090**.

Visit the **Age UK website** for more information and advice on reducing loneliness, volunteering opportunities and local services.



Cummins rewards for retirees

The Rewards for Retirees scheme runs in the same way as Cummins Rewards. It's a free benefit to you as a retired Cummins employee that enables you to save money on everyday purchases like your fuel and weekly shop. You can also make savings on things like your home and car insurance and even your summer holiday.

The level and type of discount offered depends on the retailer. There are four main ways to save:



Instant vouchers

offering a percentage discount on the retail face value.



Discount codes

where you can enter a code at the retailer's checkout.



Reloadable cards

offering a percentage discount on the retail face value – for retailers such as Tesco, Asda, Sainsburys, etc.



Cashback

to benefit from cashback, you need to make sure you click the retailer's link through Rewards for Retirees so the percentage cashback can be tracked back to your account.

At specific times of the year, there are also enhanced savings through the platform and its various retailers. Rewards for Retirees is paid for by Cummins, and there are no tax implications to you. Following your retirement, you'll have been automatically enrolled into the scheme.

To start using the service, log in to **Rewards for Retirees.** 



Company news

Cummins receives Defence Employer Award

We are happy to announce that Cummins in the UK has been awarded the Silver Employer Recognition Award, part of Cummins' continued commitment to the UK Armed Forces Covenant.

This prestigious recognition highlights our commitment to supporting the Armed Forces community and creating an inclusive and supportive workplace.

The ERS silver award reflects Cummins' continued progress in supporting veterans transitioning to civilian careers. In 2023, the company piloted a veterans transition process that led to permanent hires and established a veterans employee resource group (ERG) to support both reservists and veterans.

Today, the Cummins ERG plays a key role in celebrating events like Armed Forces Day and Remembrance Day, as well as developing work experience programmes for cadets and volunteers. The company also extends essential support to military spouses and partners through compassionate leave, flexible working arrangements and job postings on Forces Family Jobs.

We are incredibly proud of this achievement, and it reflects the dedication of our entire team in upholding the values that make Cummins a great place to work.



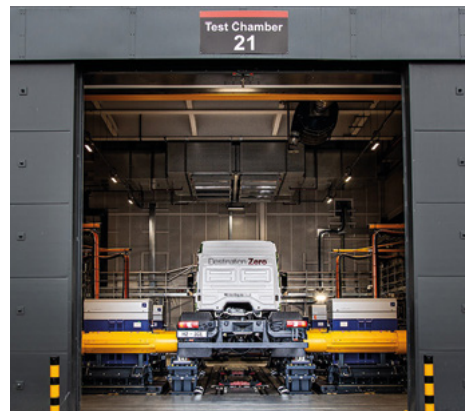
Left to right: Brigadier Adam Fraser-Hitchens Deputy Commander (Reserve) of 3rd UK Division; Lisa Hill, Co-Chairperson European Veterans ERG; Richard Twinn, Co-Chairperson European Veterans ERG.



Cummins opens new powertrain test facility to support changing power requirements

In July 2024, Cummins Inc. announced the official opening of its new, fuel agnostic Powertrain Test Facility in Darlington. An expansion of its European Technical Operations function, the new facility positions Cummins at the forefront of ultra-low and zero-emissions power technologies, as the industry focuses on reducing greenhouse gas contributions and improving air quality.

The Powertrain Test Facility expands Cummins' current engine testing capabilities and will test full powertrains running on advanced diesel, natural gas, zero-carbon hydrogen fuel and battery electric technologies. The facility will be instrumental in supporting the development of a wide range of Cummins and Accelera products, including internal combustion engines for Euro 7 and Stage 6, fuel cells and batteries as well as key components like axles and e-axles.

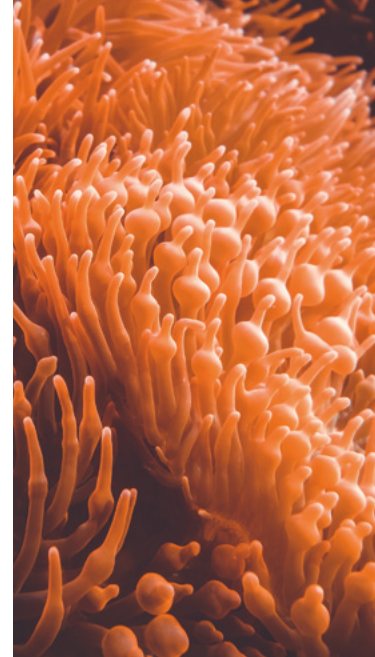


Following an investment of more than £13 million, this significantly increases Cummins' testing capacity with state-of-the-art facilities, including fully robotic driving with manual or automatic transmission, road grade and load simulation, wheel-slip simulation and engine duty cycle recreation. The new centre enables Cummins to develop and test a wider range of vehicles and machinery powered by hydrogen, renewable natural gas, advanced diesel or battery electric.

‘It is a key part of our Destination Zero™ strategy to reduce the greenhouse gas and air quality impacts of our products – helping our customers in their energy transition, whatever solution they chose.’

Jonathon White, Vice President, Engine Business Engineering.

Cummins engineers are expanding their capabilities using highly advanced dynamometers to test chassis-installed powertrains. Previously focused predominantly on engine testing, they can now develop full drivelines for on-road use, from compact SUV size to 44-ton trucks and double-decker buses, plus off-road use in construction and agricultural machines. These can be two or four-wheel drive.



Running the Plan



The Plan is looked after by a Trustee board.

Your current Trustee directors

Connor Redden*

Ian Smith*

James Guyett*

Julian Rose

Lisa Thornton

Martin Bruniges*

Natalie Morton*

Nichola Moore, Chair

Stephen Coughlan

Steve Seslar

Stuart Stubbings*

*Member-nominated director (MND)

Sub-committees

The Trustee has four sub-committees focusing on the key areas of communications, discretions, governance and investment.

- **Communications sub-committee (CSC):** works to provide clear, engaging pensions information to members.
- **Discretions sub-committee (DSC):** reviews and decides, on behalf of the Trustee, how to pay death benefits from the Plan in accordance with the Plan rules.
- **Governance sub-committee (GSC):** ensures that the Trustee's processes and providers comply with the Pensions Regulator's expectations, legal requirements and good business practice.
- **Investment sub-committee (ISC):** makes recommendations to the Trustee on strategic investment issues and reviews the providers we use to help us with this.

Useful links

Age UK

Offers befriending services, information and advice for older people.

0800 678 1602 (8am to 7pm daily)

www.ageuk.org.uk 

Local Minds

Provides mental health services in local communities across England and Wales.

www.mind.org.uk/about-us/local-minds 

Anxiety UK

Provides a helpline and information to help you learn some tools for dealing with your mental health.

www.anxietyuk.org.uk 

Bereavement services

You can call the Department for Work and Pensions' bereavement services on 0800 151 2012 to:


- report a death, provide information and find out what support is available following a bereavement
- make a new or manage an existing claim for Bereavement Benefit or Bereavement Support Payment
- request State pension updates following the death of a spouse or civil partner.




Get in touch

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

 **Email us:**
cummins.helpdesk@isio.com

 **Call us:**
0800 122 3266
+44 (0)203 3722 113 (from overseas)

 **Write to us:**
Isio
PO Box 108
Blyth NE24 9DY

 **Plan website:**
www.cumminsukpensions.co.uk

What's new with you?



Please make sure you update your details online if you change your address or any other personal details. If you don't have internet access, you can call Isio.



Pension news is available in large print on request.