



Cummins UK Pension Plan

Pension news

For pensioner members



Welcome

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

As you can see, we have a new look for *Pension news*, which we hope you like. You'll start to see this style being used in all our Plan communications from now on, and it will be part of our revamp of the Plan website which we're currently working on for later in the year.

We understand that concerns around the cost of living are at the forefront of many pensioners' minds. On page 8, you'll find some useful information about how your pension is reviewed each year to help it keep pace with inflation, while in Wellbeing Matters on page 10, there is some news about additional help for pensioners.

Finally, as with all our communications, we're mindful of the environment. There's an update on page 4 about the work we do to ensure our communications don't harm our planet. You can also read more about Cummins' sustainability goals in the Company news on page 12.

I hope you find this issue of *Pension news* useful and interesting. As always, please get in touch if there's a particular topic you'd like to see more about in a future issue.

Nichola Moore

Chair of the Trustee



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Our communications and the environment

We regularly send communications to keep you informed about the Plan and your benefits. While some of our communications are legal requirements, all of them aim to help you engage with your pension, understand how it works and decide what action (if any) you need to take. We use both printed and digital formats, and with over 14,500 members in the Plan, you can see how important it is for all our communications to be kind to the environment.



Our printed communications

Print is a traditional and key part of our communications. Today, many people are concerned about the sustainability of paper products and the environmental impact of full colour print processes. However, you'll be pleased to know that the print industry continues to make strides to reduce its environmental impact and ensure that printing is sustainable. For example, our printers use:

- only vegetable-based inks (rather than oil-based)
- FSC accredited, recycled paper and reusable aluminium printing plates
- full colour printing which uses less paper and significantly fewer chemicals and solvents in the set up and press cleaning than traditional one or two-colour printing.

Our printed communications arrive with you in sustainably sourced paper envelopes. Once you've finished with them, you can of course put everything in the recycling.



Our digital communications

Following the digital boom that the pandemic created, we're all much more used to doing things online for work, domestic and social reasons. Moving everything to digital might seem like a good idea, as it doesn't involve the physical resources of paper, print machinery, inks and chemicals, or the delivery miles associated with postage. However, don't be fooled into thinking that digital is automatically a 'greener' alternative.

The internet brings its own environmental cost. It needs extensive physical resources to run data centres powering servers and keeping them cool. If the internet were a country, it would be the sixth largest carbon emitter in the world. Given that 4.1 billion people (over half the world's population) now use the internet, this is hardly surprising.

While every webpage or email has its own carbon footprint, you'll be pleased to know that our pensions website produces between 0.16g and 0.35g of CO₂ per page, making it cleaner than most other websites. We continue to be mindful of the most efficient way to provide the Plan's digital communications, using a website that's optimised and responsive, and only sending you emails with links rather than large attachments.



Our communications and the environment (continued)

Getting personal

This is why we don't bombard you with emails or with lots of post about the Plan. We only send communications when there's something important to tell you. You'll find that, increasingly, you start to receive more personalised communications from us. If we don't need to tell all our members the same information, we can categorise our messages so that we're only sending you something from the Plan that's relevant for you.

Our aim is to keep you informed and up to date, as well as making sure that what we tell you and the way we communicate is relevant, engaging and mindful of our planet.



Plan noticeboard

Manage my pension – a reminder about logging in

Manage my pension is the member portal where you can log in and find specific information about your own pension fund. You can access **Manage my pension** from any page on the Plan website at: www.cumminsukpensions.co.uk



How to log in

You can log in securely anytime, anywhere – either in the office, from home, on your PC or mobile.



- Go to www.cumminsukpensions.co.uk and select **Manage my pension**
- Enter your **username** and **password**
- When prompted, enter the single-use **authentication code** that will be sent to your email or smartphone.

If you've forgotten your memorable word or password, follow the 'Trouble logging in' link to get a new one sent to your registered email.

What you can do online

As a Cummins pensioner, you can use **Manage my pension** to:

- view and update your personal details
- check your pension pay dates
- view your pension payslips
- view your P60
- download the form to update your bank details.

Remember that you can check or print out your payslips online at any time. We'll only send you a paper payslip in the post if your pension changes by £5 or more.

Pension increases explained

Inflation and your pension

Your Plan pension is increased each year to help it keep pace with the rise in the cost of living (inflation), which you probably know has been at record levels this year. The Trustee is very aware of the impact that inflation has on pensions in payment, however, it is restricted in the actions it can take by the Plan rules.

The rules allow for pension increases to be calculated in line with the change in inflation as measured by the retail price index (RPI) or the consumer price index (CPI) for the 12 months to the September of the previous year, subject to certain caps. The amount of increase and the cap that applies depend on when you earned the different elements of your pension and the Section that you belong to.



Pension increases

For most Sections, the annual increase to your pension in payment will be made with effect from 1 April (apart from Newage which is 1 May and Blackwood Hodge which is 1 January), when the following increases are applied to pension in excess of the guaranteed minimum pension:

- For pension earned before 6 April 1997, the increase is in line with RPI:
 - capped at 3% (for CECL and Diesel members), so this year's increase will be 3%.
 - capped at 5% (for PGI members), so this year's increase will be 5%.
 - at a fixed rate of 3% (for ex-Blackwood Hodge and Newage members).
- For pension earned between 6 April 1997 and 1 April 2006, the increase is in line with CPI, capped at 5%, so this year's increase will be 5%.
 - (except for Newage and Exec members whose pension earned after 6 April 2005 is increased with a cap of 2.5%, so the increase this year will be 2.5%).
- For pension earned after 1 April 2006, the increase is in line with CPI, capped at 2.5%, so this year's increase will be 2.5%.

If part of your pension includes a guaranteed minimum pension (GMP), the increases to that are applied as follows:

- For pre-1988 GMP, no increase is applied by the Plan as any increase on this element is included in the State pension.
- For post-1988 GMP, the increase is in line with CPI, capped at 3%, so this year's increase will be 3%.



Wellbeing matters



State pension increases

In April 2023, the State pension will increase by 10.1% in line with the rise in inflation as measured by the CPI for September 2022. This sees the return of the triple lock for State pensions, which was suspended following the Covid-19 pandemic. The triple lock is the system used to increase State pensions using whichever measure is the highest out of inflation, average wage growth or 2.5%.

The 'old' basic State pension will increase from £141.85 to £156.20 a week, and the new State pension will increase from £185.15 to £203.85 a week.

Cost-of-living payment

The government has announced that pensioner households across the UK will receive an additional £300 pensioner cost-of-living payment in 2023/24 to help with bills. This is in addition to any means-tested benefits and disability payments, if eligible. The additional payment recognises that many pensioners are disproportionately impacted by higher energy costs and unable to increase their income through work.

Warm home discount

A new online tool has been launched to help you check if you're eligible for a warm home discount, which provides low-income and vulnerable households with a £150 discount off their energy bills, usually made in March each year. You don't need to apply for the discount as you should be paid automatically by your energy provider. However, you can check online at **gov.uk** by searching for 'warm home discount'.

State pension for married women

The Department for Work and Pensions (DWP) has reportedly repaid a total of £209.3 million mainly to married women who should have received something extra based on their husband's National Insurance record, or to widows or those over 80 who should have received an enhancement to their State pension. However, previous estimates from the DWP suggest this is just the start and that as many as 237,000 State pensioners have been underpaid around £1.46 billion.





Useful contacts

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

www.ageuk.org.uk

0800 678 1602 (8am to 7pm daily)

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

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

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

Bereavement services

The way to contact the Department for Work and Pensions' bereavement services has changed, and you can now use a single phone number,

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.

Company news

Sustainability progress report

Cummins' latest sustainability progress report, looking at January to December 2021, includes:

- an update on the Company's 2030 environmental goals
- ways that our commitment to climate action is driving innovation
- a commitment to creating great work environments, strengthened by diversity, equity and inclusion
- a record year in community giving, plus a new community engagement initiative to address the world's water crisis.

Environmental strategy – Planet 2050

The Company's environmental sustainability strategy has nine goals timed towards 2030. They cover everything from reducing the greenhouse gases (GHGs) produced by our facilities and operations as well as GHGs from newly sold products, to cutting emissions of volatile organic compounds (VOCs) from plants and facilities. Although still relatively early, we made progress in 2021 on both reducing GHG emissions from plants and facilities and working with customers to reduce GHGs from products in use. We're also off to a good start cutting VOCs from facilities and operations and reducing water consumption across the Company.



Innovation and supply chain

In one of the most innovative years at Cummins, we recorded new highs for global patents and investing in research, development and engineering. We created Destination Zero, which is the Cummins' strategy to achieve net-zero emissions in our products by 2050.

We're exploring the use of low-carbon fuels to reduce carbon emissions from our core products, as well as bringing to market the no-carbon and low-carbon technologies, such as battery-electric platforms and hydrogen fuel cells, that will power the future.

People around the world learned the importance of supply chains in 2021. Cummins kept in close contact with key suppliers of parts in short supply, in some cases chartering special transportation for parts to avoid backlogs at some major ports. Efforts like this and others helped the Company keep up with a steep increase in sales in 2021.



Dynamic workplaces and community engagement



Cummins' strategy for developing great work environments is built around helping employees reach their full potential and tapping into the power of diversity, equity and inclusion to take on customers' biggest challenges. For a second year, Cummins has looked at the gender of our global workforce and the racial and ethnic makeup of the U.S. workforce.

In addition to being the right thing to do, the Company believes that community engagement programmes help attract top talent who want to make a difference in their communities. In 2021, we set a Company record for community giving: \$37.5 million.

We also established a new strategic initiative, called Cummins Water Works, designed to partner with communities to develop sustainable water supplies. It's a key step towards achieving our ninth 2030 environmental goal – producing net water benefits in Cummins' communities that exceed the Company's annual water use.

You can find the full report on the Cummins ESG website at www.cummins.com/company/esg

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

Your current Trustee directors

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

*member-nominated directors (MNDs)



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

- Communications sub-committee (CSC): provides clear, engaging pensions information to members.
- 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.



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

Write to us:

Premier

PO Box 108

Blyth NE24 9DY

Plan website:

www.cumminsukpensions.co.uk



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