

Annual report and accounts - year ended 31 December 2020



The Trustee is required to prepare a formal annual report and accounts for the Scheme. A full version is available on request by contacting Mercer, however, here is a summary of how the Scheme's funding position changed during 2020 and also of the account for the Scheme year ending 31st December 2020. The account for the Scheme year ending 31st December 2021 is currently being prepared and a summary will be shared in the next Newsletter.

At the Actuarial Valuation as at 31 December 2019, the Scheme's funding position (the value of the assets expressed as a % of the value of liabilities) was 140%.

Over 2020, the Scheme's funding position increased to 149% as at 31 December 2020. This further improvement in the funding position is largely due to positive investment performance and changes in market yields which are one of the factors used to value the liabilities.

Below is a summary of the account for the Scheme year ending 31 December 2020. The Scheme's total assets increased by £638 million during the year, from £4.7 billion to £5.3 billion. The main contributor to this increase was the investment performance of the assets.

	2020 – Current Year £000			2019 – Previous Year £000		
	DB Section	DC Section	Total	DB Section	DC Section	Total
Net assets at the start of the year	4,611,475	141,831	4,753,306	4,247,577	130,084	4,377,661
What came in						
Company contributions	-	5,917	5,917	514	7,124	7,638
Other income	161	1,314	1,475	355	508	863
Total income	161	7,231	7,392	869	7,632	8,501
What went out						
Benefits	(43,162)	(2,235)	(45,397)	(43,620)	(4,984)	(48,604)
Transfer to other plans	(89,810)	(10,003)	(99,813)	(69,422)	(11,121)	(80,543)
Scheme management expenses*	(9,487)	-	(9,487)	(12,147)	-	(12,147)
Total expenditure	(142,459)	(12,238)	(154,697)	(125,189)	(16,105)	(141,294)
Net return on investments						
Investment income	23,932	-	23,932	19,701	-	19,701
Change in market value of investments	754,722	7,146	761,868	468,517	20,220	488,737
Net return on investments	778,654	7,146	785,800	488,218	20,220	508,438
Net assets at the end of the year	5,247,831	143,970	5,391,801	4,611,475	141,831	4,753,306

*This covers administration, advisory and investment management expenses.

How to find out more

The best place to do this is via the Scheme's dedicated [Hub](#). Or you can also get in touch with Mercer on +44 (0)330 100 3491 for active and deferred members or +44 (0)345 602 4710 for pensioners. Or by email at standardlifepensions@mercer.com

For general questions about the Scheme, please contact:

The Scheme Secretary, Stephen Davidson, c/o Aon, 144 Morrison Street, Edinburgh EH3 8EX.

Email: standardlifetrusteeseecretarialmailbox@aon.com



You should also contact Mercer:

- If your personal details change. This is particularly important if you move house, marry or begin a civil partnership – especially if a name change is involved or you change your bank details. It is important that we can contact you.
- If you need to update your Expression of Wish form, please note a copy of this is also available on the hub. This lets us know who you'd like to receive any discretionary benefits payable following your death.

If you haven't recently completed an Expression of Wish form or can't remember ever doing so, we strongly recommend completing one.

- If you'd like copies of any of the following official Scheme documents: Annual Report & Accounts and the Scheme's Trust Deed and Rules. As some of these documents are fairly large, there may be a small administrative charge to post them out to you.

Newsletter

Spring edition

Welcome to the latest edition of your SLSPS newsletter. Twice a year we bring a mix of pension news, together with useful information on the Scheme and its Trustee.



A message from the Chairman



Christopher Wheeler
Trustee Chairman

First of all, I hope you and your loved ones remain safe and well. Two years after the arrival of coronavirus in the UK, and after a couple of faltering attempts to emerge from the restrictions we have been living with, there does now seem to be a version of normality establishing at home.

Unfortunately, we observe with apprehension the events unfolding in Ukraine and my thoughts are with anyone who is directly affected by that conflict.

Working from home guidance has remained in place for some time now, and as we slowly return to our offices we are adjusting, again, to more hybrid working practices. It is testament to the adaptability and resilience of our colleagues, our Trustee Board and our advisers and providers that we have been able to continue to work as normal throughout all of these challenges.

This edition of the newsletter is strongly DC focused. We will look at some of the online technology which can transform how you plan for retirement and manage your money. And in our [Hub](#) updates we draw your attention to some important information recently updated online. For those of you without DC savings in the Scheme, our usual content is still included from page 4.

Making the news, again, spotlights pension scams. We have an update on some new regulations which came

into force last year to help to protect you. I urge you to remain vigilant as scammers continue to seek increasingly inventive ways to part savers from their pension funds.

The Trustee continues to work with its providers to make the Scheme more resilient to scammers. The most secure way of corresponding with the Scheme is via the secure member portals hosted by Mercer on Oneview. Please make sure that the Scheme holds a current email address for you by informing Mercer, so that you can make the most of our online resources and we can continue to deliver an efficient service to you. Standard Life also have a secure member portal available on the dashboard and mobile app if you need to get in touch with them about your DC pension.

And finally, there is a new [Expression of Wish](#) form updated on the [Hub](#). I would like to remind you of the importance of completing this, to ensure that the people or causes you care about are clearly recorded as the nominated beneficiaries of your pension benefits. Even if you are sure that you have completed a form it is worth reviewing your nominations regularly.

Tell us what you think

Your opinions matter

Trustee update

Find out about the changes to the Trustee

Making the news

What's been making the headlines?

Company matters

SLSPS in numbers: a summary of the Scheme accounts

Trustee update



Recently we said goodbye to two of our Trustee Directors; Sue Clemenson and Douglas Hogg. Their contributions have been invaluable during their time with us, and we would like to thank them for their support.

As of 30th November 2021 the name of the corporate entity which acts as the Trustee of the Scheme changed from SLA Pension Trustee Company Ltd to abrdn (SLSPS) Pension Trustee Company Ltd. The change has no impact on the governance of the Scheme or on your benefits in the Scheme.

DC news

Standard Life has improved the functionality of their mobile app with the addition of a redesigned retirement planning tool. We look, in more detail at this useful technology.

You may already manage your pension online, but by downloading the Standard Life mobile app, you can stay up to date with your pension from anywhere. On a smartphone, the app offers faster access through fingerprint or face ID technology, making it easier to engage with your pension on the go. You can view your pension pot, check how it has changed over time, track your investment performance and see any contributions. There is also a secure messaging facility available.

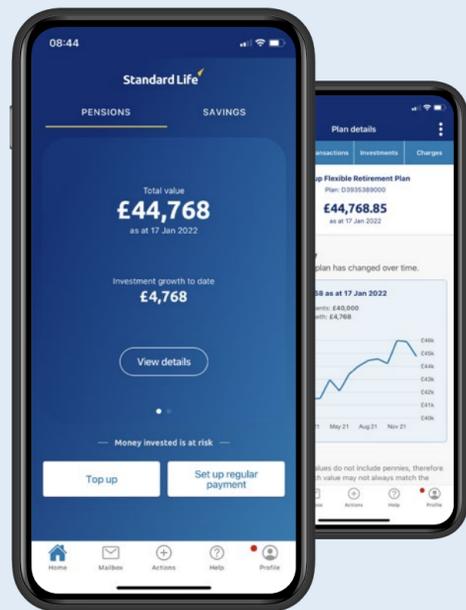
You can see all the features of the app at www.standardlife.co.uk/app and you can download it from the App Store or Google Play.

The redesigned Retirement Income Tool was launched in 2021 to support you on your journey to, and through, retirement.

It can be difficult to judge how much you need to save for retirement. The new Retirement Income Tool helps you understand the income and lifestyle you may be on track for and helps you make informed changes to your saving behaviour if you wish to improve that estimated outcome.

Using your own current pension valuation, estimating potential state pension benefits and allowing you to add in any other pensions you may have elsewhere; the tool provides a clear view of your overall position. This information is then used to illustrate how that compares to the three different levels of what life in retirement may look like according to the Pensions and Lifetime Savings Association (PLSA) 'Retirement Living Standards' (RLS). The RLS were introduced to help you translate monetary amounts into potential future lifestyles, and to help illustrate whether your pension pot is keeping up with your plans for retirement. You will also see a reference to these standards in your Annual Benefit Statement, if you receive one from the Scheme.

Once you have a better understanding of the income and lifestyle you might be expecting, you can view the impact changes to your payments or retirement age might make if your plans are not quite on track.



Other DC news

Ethical Investing: When setting investment strategy, and selecting investments, the Trustee's first priority is the financial interests of its members. However, the Trustee, with its investment and legal advisers, also recognises the importance of Environmental, Social, and Governance (ESG) factors, including climate change.

The Trustee has been working hard to agree a set of investment beliefs in relation to ESG factors and the impact that these factors can have on the risk and return profile of the Scheme's investment strategy. These include the belief that well governed companies

will outperform less well governed companies and that governance and social impact (where appropriate) should be primary considerations for our investment advisers when making investment decisions. These investment beliefs will be a key factor when the Trustee carries out the regular DC strategy review later this year and it is likely that there will be more focus on ethical investment funds going forward.

A more detailed communication will be provided to members once we are in a position to share a further update. In the meantime, you can read more about 'Socially Responsible Investing and Stewardship' in the [Statement of Investment Principles](#) in the [Hub](#).

SLSPS Hub update

We have updated many of the resources on the Hub, and added some new information.

The [privacy policy](#), [FAQs](#), [Chair's Statement](#) and [Implementation Statement](#) have all been updated.

The [Statement of Investment Principles](#) (SIP) was updated in July 2021. If you have any questions around the SIP, please contact standardlifetrusteesection@abrdn.com

New on the Hub: We have added new resources for members to help with planning for retirement. You will find these in the [FAQs](#) section, under 'Saving for retirement'.

Strategy review

In our last newsletter we outlined the DC investment changes being made as a result of our strategy review. This major review, aimed to simplify investment choices, obtain greater value for members and target better outcomes.

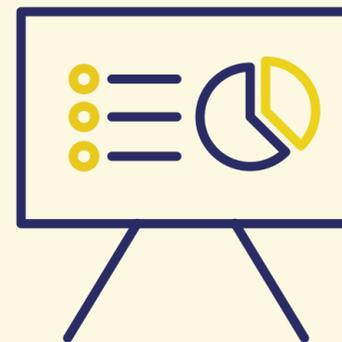
In summary:

- MyFolio Managed IV (Lump Sum) Lifestyle Profile Strategy was launched
- SLSPS Managed Lifestyle Profile Strategy was removed for all members, with the exception of those already invested in it and with less than 10 years until their target retirement date
- The self-select range was reduced to 24 funds

Investments in all discontinued funds were switched into the Scheme Default, the MyFolio Managed IV (Universal) Lifestyle Profile Strategy and With-Profits investments remained unchanged.

Remember, you should review your investment choices regularly to make sure they're still right for you. There are tools and information available at www.standardlife.co.uk to help you, and the [DC Investment Guide](#) is available on the [Hub](#).

If you're employed by abrdn and required to comply with PA Dealing requirements and associated processes, you will need to obtain pre-approval through the abrdn My Compliance Office application, for any changes to your funds. If you have any questions please contact MCOQueriesEMEA@abrdn-asset.com.



Making the news

An update on pension scams

In our last newsletter we highlighted some ways to help you spot a pension scam. Here we will tell you more about how we are helping to protect you from fraudulent activity.



First of all, the Trustee has signed the **Pensions Regulator's Pledge** campaign to do more to protect scheme members and follow the principles of the Pension Scams Industry Group (PSIG) Code of Good Practice. We have done this by educating all relevant Scheme stakeholders to ensure we recognise the warning signs of a scam, and by regularly reminding you of the need to be vigilant, and what to look out for.

In addition to this, we welcome **new regulations** which deal with a specific type of fraud: scam transfers.

The vast majority of pension transfers are directed to a pre-approved scheme. These transfers do not require any further investigation, and would not be unduly affected by the checks required under the new regulations.

There are, however, a small number of cases where further due diligence is needed. The new regulations enable trustees and scheme managers to prevent or pause a transfer request if they have concerns; categorised as 'red flags' or 'amber flags'.

Red flags: A red flag is present where there are concerns which point towards a potential scam. Examples would be where the member has received an unsolicited contact in respect of their transfer, where the member has received advice from a person who does not have the correct regulatory permission, or where the member appears to have been pressured into making a transfer application. In these instances, the transfer may be prevented.

Amber flags: An amber flag is present where there are indicators of scamming activity. Examples would be where a member's response to a request for evidence is incomplete, where evidence does not appear genuine, or where the receiving scheme appears to have higher charges, or high risk, unregulated or overseas investments. In these situations, the member would have to provide evidence that they have taken additional guidance from MoneyHelper which is a free, impartial resource provided by the UK Government. Once satisfied that the appropriate guidance has been obtained, the transfer request may then proceed as normal.

