

Pension Scheme News

Manweb Group of the Electricity Supply Pension Scheme 2021 newsletter

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Message from the Group Trustee

Manweb Group of the Electricity Supply Pension Scheme Newsletter

We are pleased to welcome you to the latest Manweb Group ("the Group") of the Electricity Supply Pension Scheme newsletter. The newsletter summarises the Group's financial position as at 31 March 2021 together with some more recent updates. Our 2020 newsletter can be found in the Scheme Information section of your Hartlink online record.

Investment Returns

The year to 31 March 2021, and subsequently, has seen overall positive returns across our investment portfolio. The diversified growth, Wellington, RREEF, Hayfin and CBRE mandates posted strong positive returns which offset the negative returns posted by the liability matching portfolio, AMP, Audax, Deerpath and Angelo Gordon mandates as a consequence of difficult market conditions.

In the year to 31 March 2021, the Group achieved a return of 10.1% against a benchmark of 8.8% (excluding the impact of the longevity swap). The 3-year rolling return to 31 March 2021 was 6.2% p.a. against a benchmark of 6.8% p.a. (excluding the impact of the longevity swap).

Investment Strategy

The investment re-structure that commenced in 2016 is complete, with the new private debt and property managers making regular drawdowns on the commitments made. The key investment change in the year to 31 March 2021 was the de-risking of the overall growth allocation within the investment portfolio. The Group has completed a number of de-risking steps over the year (totalling a shift of 11.5% from growth to matching assets) which have acted to reduce the Group's exposure to large movements in the market.

Our Statement of Investment Principles is a living document and has been updated as required as we moved through the investment strategy review and subsequent de-risking switches. The strategic asset allocation as at 31 March 2021 was 42% growth assets and 58% liability matching assets. The latest SIP is available online at www.sppensions.com

Funding Update

As at 31 March 2021, the preliminary funding shortfall for the Group was £282m, compared to £355m in 2018, giving the Group a funding level of 79%. The Actuarial Valuation as at 31 March 2021 is currently ongoing and while preliminary results are available, these are subject to change following discussions between the Trustee and the Company.

During the year to 31 March 2021, the Company paid contributions to the Group in line with the Schedule of Contributions in force in the financial year. The deficit reduction contributions are currently paid in half yearly instalments due in July and January, resulting in the Group receiving payments of £21.5m in July 2020 and again at the end of January 2021. £21.7m was received post year-end at the end of July 2021. Under the current schedule, deficit funding will continue at the same level through to 2028 with the amount due each year being increased by the Retail Prices Index (RPI) for the twelve months to the September prior to payment.

Governance

During the year, Capita, the third-party administrator to the Group, undertook their ninth Annual Data Integrity review on the Group's data and we are pleased to report that the quality of our data remains high with reference to the Regulator's requirements.

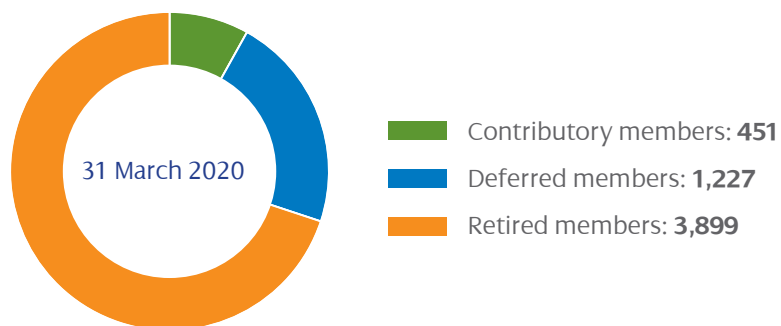
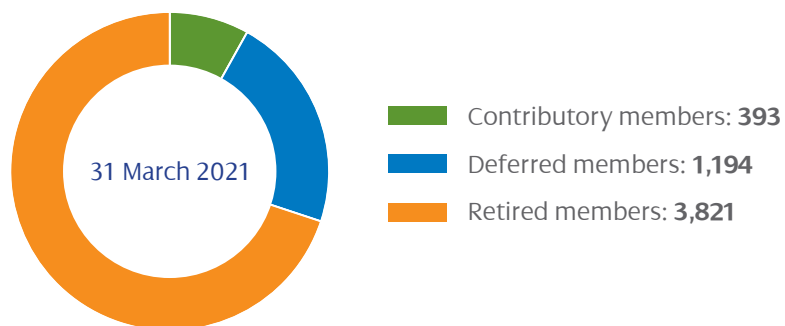
Capita have provided the administration service since 2009. The Group, together with the Trustee Board of the ScottishPower Pension Scheme, decided to put the contract out to tender and Mercer Limited (Mercer) were selected as the new pensions administrator. Mercer's bid was evaluated as strongest in relation to clarity of communication, automation of calculations and pandemic preparedness and response. Mercer will assume the service from 17 January 2022. Please read on in this newsletter for further detail on this and please read the separate announcement letter from the Trustee. Mercer are also the Investment Consultant to the Schemes.

The Governance Sub-Committee ("GSC") continues to maintain the Group Risk Register which identifies the risks in managing the Group and the actions required to mitigate these risks. In order to enhance the assurance that mitigating actions are designed and implemented effectively, the GSC appointed Grant Thornton as supplier assurance/internal audit provider to the ESPS Manweb Group and the ScottishPower Pension Scheme in August 2020.

The 2020/21 financial year has been another busy one for the Manweb Group and we look forward to updating you on our activities in our next newsletter. In the meantime, we would like to wish you and your families all the very best for the festive season.

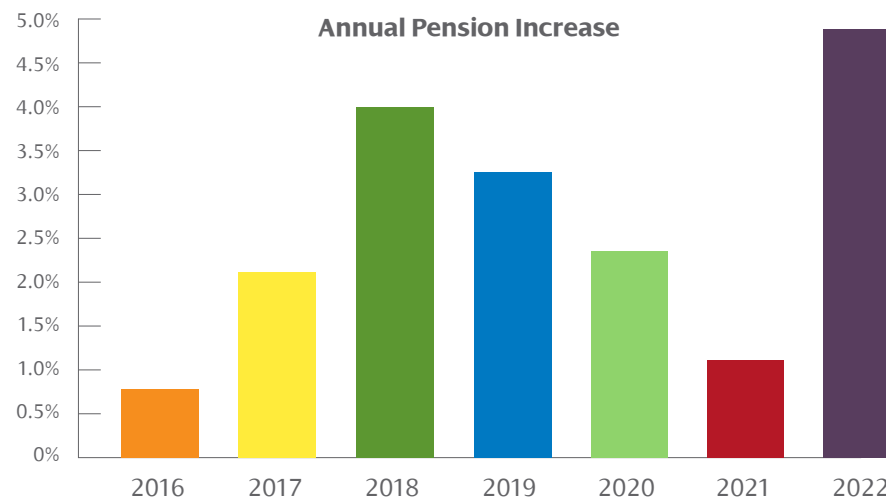
Group membership at 31 March 2021

The Group is closed to new members, so the proportion of retired members to other members will steadily increase. Since the publication of last year's newsletters there has been a reconciliation of membership numbers which has resulted in a significant increase in the number of deferred members.



Inflation – how it affects your pension in payment

If you are in receipt of a Group pension, you will benefit from an increase of 4.9% awarded from 1 April 2022. Your increase is based on the Group formula that awards annual increases in line with Retail Price Index (RPI) where RPI is measured for the 12 months to the previous 30 September. The Rules allow the Company to restrict annual increases to a maximum of 5% although following negotiations with the Trustee some years ago the Company has given a “best endeavours” commitment to award annual increases in line with RPI. Following a recent UK Government consultation, RPI is set to be made equal to the Consumer Price Index with Housing costs (CPIH) from 2030 which may affect your future pension increases.



Funding update

Every three years the Scheme Actuary undertakes a full review (known as a valuation) of the Group's liabilities and considers how they match the level of assets (so whether or not there will be enough to pay the pensions that have been built up in the Group at the date of the review). As part of this process, the Scheme Actuary and the Trustee agree a set of financial and demographic assumptions which will be used in calculating the funding position.

In agreeing the key valuation assumptions with the Scheme Actuary, as well as reflecting our view on the Company's covenant, we need to take a view on three key factors:

- What long term return we expect from the Group's invested assets;
- How long we expect members to live; and
- What impact future inflation rates will have on salary and pension increases.

The last full valuation was calculated as at 31 March 2018, while the next actuarial valuation as at 31 March 2021 is currently ongoing. The results of the 31 March 2018 valuation, interim figures as at 31 March 2020 and preliminary results of the 31 March 2021 are shown in the table opposite. The March 2021 valuation negotiations remain ongoing and the final position will be concluded in advance of the statutory deadline of 30 June 2022.

	Preliminary figures 31 March 2021	Interim figures 31 March 2020	31 March 2018
Value of assets	£1,072m	£1,029m	£1,094m
Amount needed to provide benefits (value of liabilities)*	£1,354m**	£1,402m	£1,448m
Shortfall	(£282m)	(£373m)	(£355m)
Funding level	79%	73%	76%

*after adjustment for the longevity swap.

**liability value is subject to change following ongoing discussions with the Company.

Factors that led to an improvement in the funding position since the last valuation

Over the three year inter-valuation period, a key factor contributing to an improvement in the funding position was Company contributions, totalling c.£120m over the period. The improvement in the funding position has also been bolstered by the strong performance of the Group's assets, with most of this occurring in the immediate 12 months leading up to the valuation date as markets rebounded significantly following the Covid-19 related market sell off in March 2020. The position was also helped by the high level of hedging which has broadly offset the impact of worsening market conditions over the period.

As part of the 2021 valuation the Scheme Actuary has proposed a number of changes to the Group's financial and demographic assumptions which have led to an improvement in the Group's funding position. As the 2021 valuation is still ongoing these assumptions are subject to change pending further discussions between the Trustee and Company. In aggregate, the proposed assumptions along with the other factors mentioned above, had the effect of decreasing the deficit from £355m at March 2018 to £282m at March 2021.

Funding update (continued)

ScottishPower UK plc signed up to give continuing support to the Group

Following the 2018 valuation, ScottishPower UK plc has signed up to remove the funding shortfall by paying deficit repair contributions which increase annually in line with RPI. The level is currently £41.9m. The last payment is expected to be made in January 2028.

The Company has also committed to paying 47.9% of total pensionable salaries for active members to meet the contributions currently required to provide future benefits. These are remitted to the Group monthly and reconciled by the Group Administrator on behalf of the Trustee. The Company also makes additional contributions of £1.3m to meet the administration costs of managing the Group, and it separately meets the cost of the levies due to the Pension Protection Fund (PPF) and Pensions Regulator. In addition, the Company pays the premiums for insuring the benefits payable on death in service whilst a contributing member of the Group. All this is over and above the Company's payment into the Group for those members participating in its Pensions Plus Salary Sacrifice arrangement.

Giving you and your beneficiaries peace of mind

With a sound funding plan having been agreed with the Company, we hope it will give you and your families reassurance that the funding shortfall is being faced head on and the Company is committed to ensuring the continuing security of the Group through careful financial management. This should give you peace of mind that the Group is supported by a strong Company covenant.



Funding update (continued)

Additional information about what would happen if the Group were to be wound up

Our aim is for there to be enough money in the Group to pay pensions now and in the future, but this does depend upon the Company remaining in business and continuing to pay for the Group. In the very unlikely event that the Company became insolvent and unable to meet its share of any shortfall in the Group's assets then the Group would need to be wound up. "Wound up" means that no further benefits could be earned in the Group and the benefits you had already built up would need to be bought-out with an insurance company.

The ongoing actuarial valuation as at 31 March 2021 showed that the Group's assets would have been insufficient to pay for full benefits for all members to be provided by an insurance company, if the Group had been wound up at that date. It should be noted that although the preliminary 2021 results are available, these are subject to change following discussions between the Trustee and the Company.

Formal valuation	31 March 2021	31 March 2018
The liabilities if the Group was wound up	£1,567m	£1,897m
The Group's assets were	£1,219m	£1,212m
Adjustment for longevty swap contract	(£200 m)	(£78m)
Thus the shortfall was	(£549 m)	(£762m)
Funding level	65%	60%

In the unlikely event of the Group being wound up, the Company would be required to pay enough money to cover the cost of buying out full benefits for all members through an insurance company. Insurance companies charge very highly for taking on such benefits as they require huge reserves to comply with their strict regulations, as well as covering their administration costs and providing a margin for their profits. The majority of schemes have a deficit when measuring liabilities in this context.

What if the Company could not pay for benefits to be provided by an insurance company?

If the Group were wound up due to Company insolvency, then it may be that the Company could not pay to buy out all the benefits. In this scenario, the Group and its benefits would go into the Pension Protection Fund (PPF). Under the current rules of the PPF those members already past normal pension age or in receipt of an ill health pension would be compensated for their full pension as would any dependant beneficiaries. Members who had not yet passed normal pension age (whether in receipt of a pension, deferred or still contributing) would receive compensation equal to 90% of the value of their benefits, subject to a maximum age dependent pay-out.

As at April 2021, the maximum pay-out for a member aged 65 was £41,461 p.a. Future pension increases will be subject to the rules of the PPF.

You can find out more about the PPF and the level of benefits they provide on their website www.ppf.co.uk or call the PPF helpline on 0330 123 2222.

Investments & Accounts

Before deciding on an investment strategy, the Trustee takes advice from Mercer, our investment adviser. Our aim is to match the investment returns of the Group's current and anticipated future liabilities so that the Group has enough money to pay out pensions as they fall due.

Investment strategy

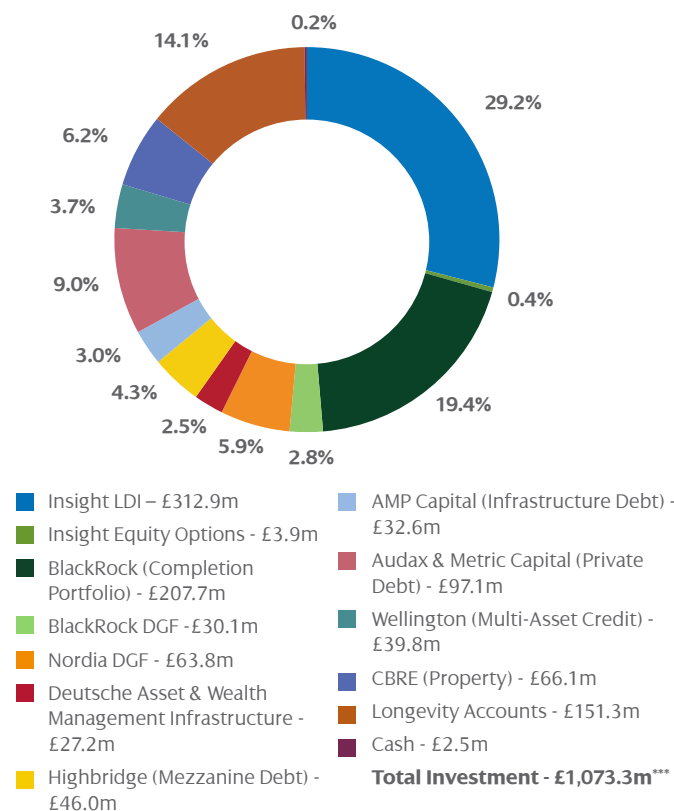
The investment strategy is set by the Trustee after taking advice from the Group's investment advisers, which takes account of the Group's current and anticipated future pension liability profile. The Trustee is responsible for making suitable arrangements for the investment of the assets of the Group and for monitoring the investment performance of those assets.

Developments in the year under review have included increasing the asset sensitivity to interest rates and inflation to be more in line with the liabilities, through the liability driven investment ("LDI") portfolio.

Additionally, the Group completed a 2.5% de-risking shift from growth to matching assets in January 2021, which involved reducing the exposure to synthetic equity and a corresponding adjustment to the Group's currency hedging exposure. Due to further improvements in the Group's funding level, a further 7.5% de-risking shift from growth to matching assets was completed in February 2021. This involved reducing the overall allocations to DGF and synthetic equity exposure and increasing the Group's LDI allocation.

As at 31 March 2021, the Group had a target allocation of 42.0% to growth assets.

The following chart shows the spread of investments as at 31 March 2021*.



How our investments have performed

The table below shows the investment return (exc. longevity swap) for the fund against benchmark to 31 March 2021**.

	Fund return	Benchmark
12 months	10.1%	8.8%
3 years annualised	6.2%	6.8%
5 years annualised	7.8%	8.4%

*All values from BNY Mellon except for the valuation of Deutsche Asset & Wealth Management which has been estimated by Mercer based on the market valuation as at 31 March 2021 provided by the manager and converted to Sterling based on market exchange rate as at 31 March 2021. Totals may not sum due to rounding.

**Data estimated by Mercer based on data provided by BNY Mellon and Deutsche Asset & Wealth Management. Figures exclude any gains or losses from the Group's longevity swap.

***This asset figure differs from that quoted under the 'Funding Update' section due to differences in the measurement of the Group's longevity swap for different purposes.

Investment Performance

The table below shows the investment return over the 12 months to 31 March 2021 for each investment manager against their benchmark.

Manager	Fund return	Benchmark
Insight LDI	-2.5%	-2.5%
BlackRock Completion Portfolio	50.8%	50.8%
BlackRock DGF	18.4%	3.2%
Nordea DGF	9.5%	6.2%
CBRE Property	6.3%	2.6%
Highbridge Mezzanine Debt III	3.0%	12.9%
Highbridge Mezzanine Debt IV	3.7%	12.9%
AMP Capital III Senior Private Debt	-1.5%	10.0%
AMP Capital IV Senior Private Debt	-3.2%	10.0%
Metric Capital Senior Private Debt III	5.6%	12.9%
Metric Capital Senior Private Debt IV	n/a	n/a
Audax Capital Senior Private Debt	-4.8%	8.0%
Angelo Gordon Senior Private Debt	-12.0%	6.0%
Deerpath Senior Private Debt	-7.2%	6.0%
Permira Senior Private Debt	0.6%	6.0%
Hayfin Senior Private Debt	23.3%	6.0%
RREEF Infrastructure	5.6%	5.5%
Wellington MAC	24.3%	2.6%

Longevity swap contract

The Trustee transacted a longevity swap (a type of insurance contract) on 14 December 2016 with Abbey Life. Due to increasing life expectancies, the Trustee made the decision to protect the Group against longevity risk – the risk that members live longer than expected, creating a strain on the Group because pensions are paid for longer. Subsequent to transacting the longevity swap, Abbey Life was acquired by the Phoenix Group.



Balancing the books

In the following table are details of the Group's financial position as at 31 March 2020 and 2021. Further information is in the Group's Annual Report, including detailed audited financial statements for each year.

We are pleased to report that the external audit opinions in the 31 March 2021 Annual Report are unqualified. A copy of the latest audited full signed report can be obtained by emailing pensions@scottishpower.com

	31 March 2020 (£'000)	31 March 2021 (£'000)
Total Expenditure	(96,200)	(75,400)
Retirement and death benefits payable	(43,600)	(43,400)
Payments in respect of leavers	(51,100)	(30,800)
Administration expenses	(1,500)	(1,200)
Total Income	(21,200)	133,200
Net return on investments	(79,000)	76,200
Employer contributions (inc Pension Plus contributions)	57,400	56,600
Employee contributions (not payable through Pension Plus)	400	400



Your Trustee – who's who

Sean Burnard

Independent Chairman, LawDeb

Jim Brown

Member Elected, Retired Manager – Retail Division

Brian Carman

Member Elected, Retired Operational Manager – Energy Retail

John Macdonald

Member Elected, Retired Business Development Manager

Dave Naylor

Member Elected, Operational Assurance Manager – Health and Safety

Andrew Philip

Company Appointed, Legal Director & Company Secretary – ScottishPower Renewables

Lynne Rosser

Member Elected, Deferred Member and Pensions Professional

Ian Tonks

Member Elected, Senior Control Engineer – Energy Networks

Colin Fell

Company Appointed, Senior Manager – Energy Networks

Manweb were due to hold member elections in July 2020, but these were postponed due to the disruption caused by Covid-19. Brian Carman, Dave Naylor and Lynne Rosser were re-elected at the election held on 30 April 2021.

The independent chair is a Company appointment. During the Group year, the Company undertook a review of the Independent Chair service provided to the ESPS Manweb Group and the ScottishPower Pension Scheme and decided to appoint the Law Debenture Pension Trust Corporation P.L.C. ("LawDeb"). LawDeb is represented on both Trustee boards by Sean Burnard.

Following the Trustee meetings in June 2021, Nicola Connelly stepped down from her position as a Company appointed Trustee after 13 years. Colin Fell has since been appointed to take up this position.

Supporting the Trustee

Actuary — Martin Potter (FIA) of Hymans Robertson LLP

Accountants and Scheme Administrator — Capita Employee Benefits Ltd – transitioning to Mercer Ltd

Auditor — PricewaterhouseCoopers LLP

Custodian — BNY Mellon

Investment Adviser — Mercer Ltd

Property Manager — CBRE Investors

Legal Adviser — CMS Cameron McKenna Nabarro Olswang LLP

Employer Covenant Adviser — Ernst & Young LLP

Secretary of the Scheme — Xian Li/Lucy Baker

Investment Managers

- The Phoenix Group (previously Abbey Life Assurance Co Ltd)
- AMP Capital Investors
- Angelo Gordon & Co
- Audax Management Company (NY), LLC
- BlackRock Advisers (UK) Limited
- CBRE Global Investors Limited
- Deerpath Capital
- Deutsche Asset & Wealth Management
- Hayfin Capital Management LLP
- Highbridge Mezzanine Partners II LLC
- Insight Investment Management (Global) Limited
- Metric Capita Partners LLP
- Nordea Investment Funds SA
- Permira Debt Managers
- Wellington Management International Ltd

Trustee Sub-Committees

Investment Sub-Committee

The Investment Sub-Committee (ISC) monitors the following:

- investment strategy
- return objectives
- asset allocation
- manager selection and retention
- investment performance.

The ISC is comprised of four Trustee Directors, although the ISC meetings are open to all Trustee Directors. The ISC met on four occasions during the 2020/21 Group year. The ISC members are:

- Sean Burnard
- Colin Fell
- Lynne Rosser
- Ian Tonks

John Macdonald and Dave Naylor were regular observers at the ISC.

During the last year some of the main tasks covered by the ISC were:

- Confirming the investment strategy and asset allocation change to 42%:58% split between growth and matching assets is now fully complete.
- Increasing the asset sensitivity to interest rates and inflation through the LDI portfolio.
- Reviewing Investment Beliefs policy to expand on ESG and climate change beliefs.
- Monitoring the performance of the investment managers each quarter.

The ISC regularly review the Statement of Investment Principles (SIP) to ensure it accurately reflects the Trustee's ongoing investment strategy, objectives and principles when investing the assets of the Group. Further information can be found using the following link: www.sppensions.com

Governance Sub-Committee

The Governance Sub-Committee (GSC) is a joint committee with the ScottishPower Pension Scheme (SPPS) and comprises two Trustee Directors from the Manweb Group and four Trustee Directors from SPPS. Other Group Trustee Directors may attend as observers. The GSC met on five occasions during the 2020/21 Scheme year.

The Manweb Group GSC members are:

- Andrew Philip
- Brian Carman

This committee considers the risks associated with the ongoing management of the Group, the financial controls and accounting procedures, with recommendations brought to the full Group Trustee meetings for consideration.

During the last year some of the main tasks undertaken by the GSC were:

- Monitoring the day to day service provided by Capita and the in-house pensions team.
- Overseeing the transition of administration services to Mercer Ltd.
- Monitoring the Risk Register and assurance map of the mitigants in place to manage each risk.
- Overseeing the Annual Audit and production of the Scheme's Annual Report & Financial Statements.
- Reviewing the Business Continuity Plans that key advisers have in place to deal with any event that would otherwise stop their normal service.

Latest pension news

Taking your pension as a cash lump sum

Did you know that if the value of your Group pension benefits is less than £30,000, you may be eligible to receive the value of your pension as a one-off taxable cash lump sum, instead of receiving your pension in regular instalments?

Your eligibility to choose the cash lump sum option depends on your benefits in other pension arrangements. Broadly speaking, you are eligible only if your total pension benefits across all your pension arrangements (apart from any State benefits you may be entitled to) are valued at less than £30,000. There may also be the option of taking up to three small pots of £10,000 or less. If you think this may apply to you, you can contact the scheme administrators for more information – their contact details are on the back page.

The State Pension age is rising!

The Government has announced its intention to further increase the State Pension age to 68 for people born between 6 April 1970 and 5 April 1978 bringing this group in line with those born after 6 April 1978 who already have a State Pension age set at age 68.

If you were born before 6 April 1970 your current State Pension age is either 65, 66 or 67 depending on your date of birth.

You can find out more about the State Pension and work out your personal State Pension age using a tool on the Government's website.

Go to www.gov.uk/state-pension-age and follow the instructions.

The minimum retirement age is also rising

For members without entitlement to a protected pension age on re-organisation or redundancy, the earliest age that benefits can be accessed as permitted by HMRC is likely to increase from age 55 to age 57 from 6 April 2028 for most people.


Further Government guidance is expected in this area and subsequent newsletters will provide further updates.

Tracking down lost pensions

It's worthwhile taking time out now to think about how much income you are on target to receive when you retire and whether it will be enough. Of course, your income in retirement may come from a number of sources, including previous employers. If you would like to track down a lost pension scheme, the Pension Tracing Service may be able to help you free of charge.

Visit www.gov.uk/find-pension-contact-details

Tel: 0800 731 0193

 Textphone: 0800 731 0176

When you call, it is a good idea to have some information to hand – such as your National Insurance number, the name of the company you worked for, and the dates you worked there.

Delays to State Pension payments

We understand that the Department for Work & Pensions (DWP) has been experiencing delays in setting up new State pension payments. At the time of writing, the DWP has advised that they believe all outstanding payments have been made, or have been in contact with people who need to provide further information to receive their State pension.

You can find out more about the State Pension scheme, including how much you might get and your State Pension age at: www.gov.uk. Choose the 'Working, jobs and pensions' link.

Latest pension news

Protect your pension savings

The relentless activity of organised criminals continues apace, with scammers using the global pandemic as an opportunity to develop increasingly sophisticated ways of tricking even the most financially savvy investors out of their life savings. Please remember these simple steps to protect yourself from pension scams:

1. Be suspicious of all unexpected telephone calls, emails, and text messages, even if the person seems to have basic information about you. A genuine financial adviser will never cold call you.
2. Reject unexpected pensions opportunities, such as free pension reviews or investment opportunities for your pension savings.
3. Check the Financial Conduct Authority (FCA) register of authorised financial advisers. You can do this online at <https://register.fca.org.uk> or by ringing the FCA on 0800 111 6768. If you have hearing or speech difficulties and use next generation text relay, the number to use is (18001) 0207 066 1000. The FCA also has a list of unauthorised advisers and people they have received complaints about. Go to: www.fca.org.uk and type 'unauthorised advisers' in the search bar.

4. Never agree to download software or an app unless you are certain it is safe. Scammers use these to access your device.
5. Carefully cross check website addresses and look out for the padlock next to the URL which confirms your connection to the website has not been compromised.

For more detailed advice, go to:

www.actionfraud.police.uk or ring Action Fraud on 0300 123 2040 and www.moneyhelper.org.uk

Introducing MoneyHelper

MoneyHelper is a new Government-backed consumer website launched by the Money and Pensions Service. MoneyHelper brings together three financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise. If you are looking for help with any aspect of your personal finances, including your pension, you may find www.moneyhelper.org.uk a useful place to start.

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.

Options at retirement

Your options at retirement

You can choose how to take your benefits when you retire and it's worth thinking about what you might do, even if retirement is a long way off.

You have the option to:

- a. Take your benefits from the Group;
- b. Transfer the cash value of your benefits to another Government approved pension scheme.

It's worth taking time to think about this now, even if retirement is still a few years away.

Transferring out your benefits

If you choose, you can transfer the value of your benefits to a Government approved pension arrangement that allows you to take your benefits in a more flexible way. For example, you may be able to:

- a. Buy a higher pension if it doesn't increase in payment, or you don't require a spouse's pension.
- b. Take a higher tax-free cash sum than the Group's rules allow.
- c. Subject to tax-free allowances, draw regular lump sums and keep the rest of your money invested until you need it.

Transferring out your benefits is not for everyone and some members may prefer to receive monthly pension income throughout their retirement and to know that a spouse/dependants pension would be payable if required. Please be assured that this valuable benefit remains an option at retirement for active and deferred members.

Risk vs Reward

When you're considering transferring your benefits from the Group, we would recommend thinking about the level of risk you're willing to carry in exchange for the amount of reward you want to aim to achieve. For example, the type of investment that offers the potential of high rewards, will typically involve the highest risk. And if you do not want to take much risk, you may need to be satisfied with a lower reward.

When thinking about risk you should ask yourself two questions:

1. What is my tolerance for risk? This sums up your own feelings and is a personal measure of the amount of risk you are willing to take with your investments.
2. What is my capacity for risk? If my investments fall in the short term is there plenty of time for them to recover their value and grow further? Or do I have other investments I can rely on in retirement - making this pension less critical?

Options at retirement

How much will you need in retirement?

It's worth taking time to think about how much income you will need when you retire - but where do you start? You'll probably spend less on fuel or fares, but you'll want to continue enjoying the things you do now, and afford the things you dream of doing in the future. So how do you know if you have saved enough?

A good place to start is research published by the Pensions and Lifetime Savings Association (PLSA) designed to help people understand how much money they're likely to need in retirement.

PLSA's research shows that if you're single, have paid off your mortgage or won't be paying any rent, you'll spend:

£10,900 a year – if you plan to take a week's holiday in the UK every year and be able to eat out or go to the pub with your friends and family from time to time.

£20,800 a year – if you prefer a two week holiday overseas every year, and would like to have more money left over to enjoy the things you love to do.

You can find out more about PLSA's retirement living standards at www.retirementlivingstandards.org.uk



Change of administrator

Separate to this newsletter you will have received an announcement from us in relation to the change in scheme administrator from Capita Pension Solutions Limited to Mercer Limited. Selecting and onboarding a new administrator has been a significant workstream for the Group Trustee and the Scottish Power Pensions Team since Summer 2020 which we hope will yield tangible benefits for the membership.

The Mercer service will go live from **17 January 2022**. Please note, there will be a period prior to this, between **6 January 2022** and **17 January 2022**, where Capita services will be restricted to allow for the final transfer in member data to Mercer. You can still contact Capita during this period in relation to new and pending queries as these will be addressed as part of the handover process.

You will receive a further reminder from us on the change in administration at the start of January 2022 and a welcome letter from Mercer will then follow in mid-January 2022.

Mercer's OneView will replace Capita's Hartlink Online platform and will be an important information source for all members. OneView will be launched after the service has gone live and you will receive further details on this in a subsequent communication.

Please note that Hartlink Online will be 'view only' from 4 January 2022 and will be switched off on 17 January 2022. If there is information within Hartlink that you think you will need after this date, we recommend that you download/print/note it prior to 17 January. Please be assured that all member records and data are being mapped across to Mercer and this recommendation is being made to help you avoid any inconvenience arising from the transition process.



Contact details until 14 January 2022

ScottishPower Pensions
Administrator

Tel: **0345 601 0577**

Email: **scottishpowerpensions@capita.co.uk**

Any questions about your individual benefits can be answered by Capita Administration Team using the contact details below until 14 January 2022.

Please note that Hartlink Online will be 'view only' from 4 January 2022 and will be switched off on 17 January 2022. If there is information within Hartlink that you think you will need after this date, we recommend that you download/print/note it prior to 17 January.