

# The annual newsletter of the Sopra Steria Retirement Benefits Scheme

December 2024



sopra  steria

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## A letter from the Chair

Sopra Steria (Retirement Benefits Scheme) Trustees Limited  
Three Cherry Trees Lane  
Hemel Hempstead  
Hertfordshire  
HP2 7AH

Dear Member

### **The annual newsletter of the Sopra Steria Retirement Benefits Scheme ("the Scheme" or "SSRBS")**

It is with great pleasure that I present the Scheme's latest annual newsletter.

This has been another busy year for the Scheme. The Trustee has continued to face some significant challenges, most notably continued market volatility. However, the Trustee Directors with the support of our advisers have dealt with these challenges as they have arisen, and I am pleased to confirm that the Scheme remains in a strong financial position.

Particularly pleasing has been the relatively stable position of the funding levels, despite challenging market conditions. During the year we worked closely with our investment advisers to review the investment strategy for each Section and as a consequence were able to take some steps to reduce risk within the investment portfolios (see also page 8).

As you are aware, Capita, the Scheme's Administrator, experienced a cyber-attack in March 2023. We are aware of the significant concern to members that this has caused and have continued to work extensively with Capita on our requirements to ensure that your personal data remains secure, as well as keeping the regulators fully informed (the Information Commissioner's Office and the Pensions Regulator).

Our incident response team continued to meet frequently during the first half of this year to discuss this matter, agree on follow up actions and to respond to member queries. We obviously take the responsibility of protecting your personal data very seriously and we have posted a number of Frequently Asked Questions documents on the Scheme's website to update you on the current situation, which can be found at [www.ssrbs.co.uk/capita-cyber-incident](http://www.ssrbs.co.uk/capita-cyber-incident). Capita continues to assure the Trustee that it has taken extensive steps to recover and secure the data contained on its servers impacted by this incident. Capita has confirmed again recently that there continues to be no evidence of the Scheme's data appearing on the dark web, which is still being monitored daily on Capita's behalf by a third party. Nonetheless, we encourage you all to continue to be vigilant and to use the offered service from Experian to maintain a watch on activity on your behalf.

Looking ahead to the rest of the year, as well as continuing to focus on the items referenced earlier, such as the critical and ongoing issue of data security, we will be spending further time on the following matters during the remainder of 2024 and into 2025:

- Preparing for the implementation of the Pensions Dashboard in 2025, as required by legislation (more detail is provided within the newsletter).
- Working with the Company on the latest actuarial valuations as at 31 December 2023.
- Continuing to evolve our longer term plans and objectives to continue to reduce investment risk within the Sections (whilst not adversely impacting investment returns) and to ensure the continued security of members' benefits.

- Giving further consideration to environmental, social and governance (ESG) factors including climate change when reviewing our investments. This is important as the Trustee Directors believe that making positive decisions on ESG factors will support and contribute to the good long term financial performance of the Scheme.
- Finalising the rectification and reconciliation of Guaranteed Minimum Pensions (GMPs). This is an issue affecting most UK pension schemes, involving reconciling historic Scheme records with those of HMRC. This has already been completed for the SMP Section and the SRP Section and should be completed for the SPP Section during 2025.
- The Pensions Regulator's General Code of Practice came into force on 28 March 2024. The Trustee Directors are reviewing the Scheme's practices against the requirements to ensure that it remains compliant with all of the Regulator's new governance measures.

As in previous years, may I remind you that it is important that our records are kept up to date, so Capita should be advised of any other significant changes in your personal circumstances. We particularly urge our deferred members to advise Capita when they change their home address and e-mail details so that any urgent communications can be sent to them.

We have again included some guidance on "pension scams" within this newsletter and on the SSRBS website. It is important to stress that, although new regulations were introduced in 2022, you are encouraged to remain vigilant and note the warning signs.

One final thing. In the next few months we will be implementing an online portal for members – there is further information on this in the newsletter. Amongst other things this will enhance the ways in which we communicate electronically with members. However, this is the last year that we will issue postcards, notifying you that the annual newsletter is available to read on the Scheme's website. We will continue to issue emails (where we hold an email address for you) advising you that the newsletter has been published, but if we do not hold an email address for you, you will need to log into the website to read the newsletter. The newsletter is published in the Autumn of each year. If you did not receive an email this year, notifying you that this newsletter is available, this means that we do not hold a current email address for you. Details of how to register an email address are included within this newsletter. Any member who does not have access to the internet can request a copy from Capita by calling them on 0330 3115119.

In the meantime we continue to urge you to register your email address with Capita. Firstly, because it saves money for the Scheme, ensures that you receive communications more quickly, and also helps to protect the environment. How to register is simple and can be found on page 10 of this newsletter.

I do hope that you find this newsletter interesting and informative. As always, we are interested in hearing any ideas for how we can further enhance the communication of Scheme matters and information.

Yours sincerely



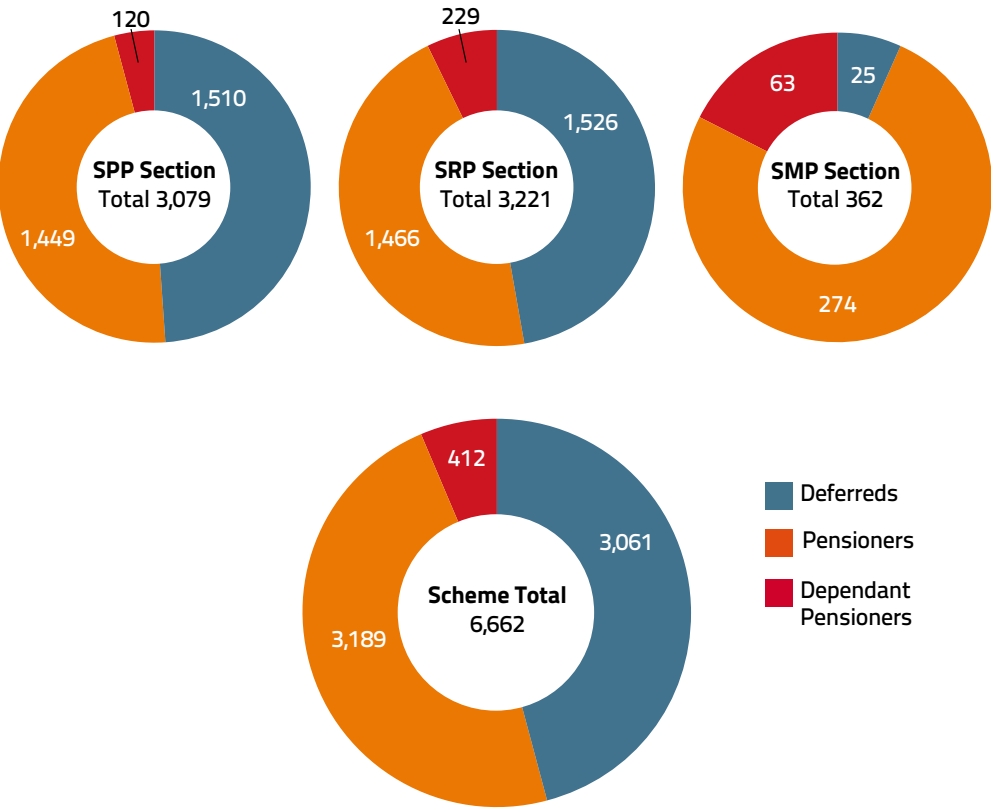
Frank Oldham,  
ITS Limited  
Chair, Sopra Steria (Retirement Benefits Scheme)  
Trustees Limited



# Management of the Scheme

## Scheme membership

At 31 December 2023, the membership by Section, was as follows:



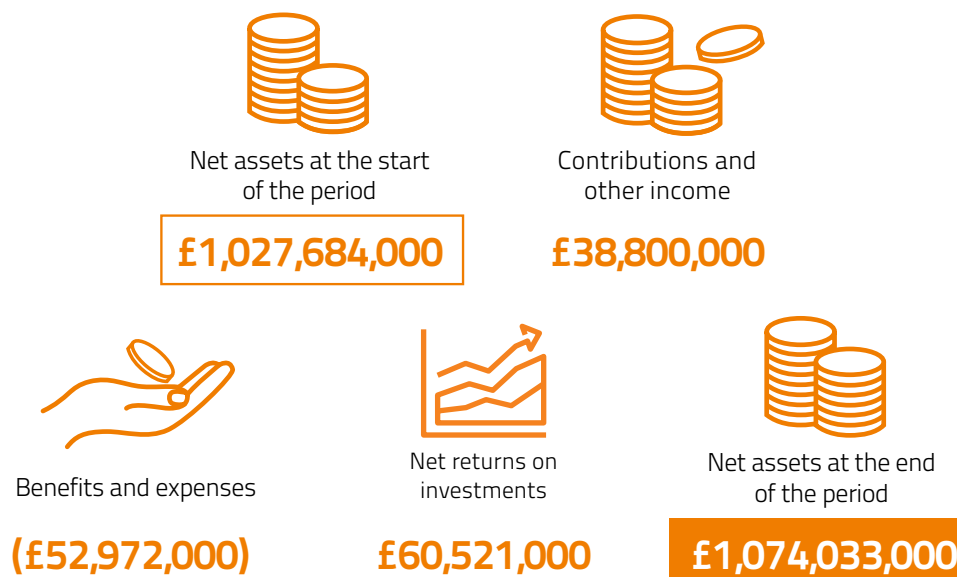
There are no longer any active members of the Scheme.  
At 31 December 2023, 182 deferred members were employed by the Company.



## Financial development of the Scheme

The Trustee's Annual Report and Accounts have been prepared for the year to 31 December 2023.

The financial movement in the Scheme's Account during the period was as follows:



A copy of the full [Trustee's Annual Report and Accounts](#) as at 31 December 2023, which provides much more detailed information on the financial position of the Scheme, is available on the SSRBS website [www.ssrbs.co.uk](http://www.ssrbs.co.uk)

### How is the Scheme funded?

The Scheme's ability to meet its liabilities (principally paying members' pensions and other benefits) is reviewed through the formal actuarial valuation. The valuation confirms the Scheme's funding position. We are required by law to have a full formal actuarial valuation at least every three years.

### Scheme funding and actuarial valuations

The Scheme's initial post-merger actuarial valuations as at 31 December 2020 were completed during 2022. The latest actuarial valuations as at 31 December 2023 are currently being worked on and will be finalised by the statutory deadline of 31 March 2025. The actuarial valuation is carried out by a qualified, independent professional known as the Scheme Actuary.

To recap, the purpose of the actuarial valuation is to compare the Scheme's liabilities to the Scheme's assets on an ongoing basis:

- If the value of the assets is less than the value of the liabilities, the Scheme is said to have a "deficit".
- If the value of the assets is more than the value of the liabilities, the Scheme is said to have a "surplus".

The value placed on the Scheme's liabilities is very sensitive to changes in conditions in the financial markets, such as future expectations for price inflation and long-term interest rates. Where a deficit is identified, the Trustee and the Company are required to agree a plan to fund the deficit over a reasonable timescale taking account of the Company's ability to make contributions at a particular level, known as the "Recovery Plan".

The results of the valuations for each Section as at 31 December 2020, along with the estimated funding updates as at 31 December 2021 and 31 December 2022 were provided to you in the summary funding statements that were published in February 2024. These statements can be found on the Scheme website at [www.ssrbs.co.uk/summary-funding-statements](http://www.ssrbs.co.uk/summary-funding-statements).

The funding positions as at 31 December 2022 and the estimated funding position at 31 December 2023 are summarised below.

At 31/12/2022		
Section	Funding (Deficit) / Surplus	Funding Level
SMP Section	£8.8m	106%
SPP Section	(£8.9m)	98%
SRP Section	(£24.2m)	94%

At 31/12/2023		
Section	Funding (Deficit) / Surplus	Funding Level
SMP Section	£9.1m	106%
SPP Section	(£20.6m)	96%
SRP Section	£15.0m	104%

You will note that the funding level of the SRP Section improved significantly over the last year. This was primarily due to the implementation of an asset backed funding structure ("ABF"). As part of the 31 December 2020 valuation discussions for the SRP Section, the Trustee and the Company agreed to implement an ABF to provide security and contributions to the Section. The ABF was implemented for the SRP Section during 2023. It is viewed as highly successful by both parties and is currently set to be a significant contributor towards the likely surplus in the SRP Section based on initial views of the 2023 valuation results. The ABF provides contributions of £4.5m yearly to the Section, starting from 31 March 2023 and increasing each year by 3.5%, and is estimated to be worth £37.3m at 31 December 2023. Contributions from the ABF will continue whilst there is a deficit in the Section (based on assets excluding the value of the ABF), or until 31 December 2037.

You will also note that the deficit in the SPP Section increased over the last year. This was due to the performance of assets held in the Section. Whilst many of the assets are designed to closely replicate changes in the value of the Section's liabilities, the Section also holds return-seeking assets that are intended to produce greater value in the long term, albeit with volatility in the short term. One such category is the SPP Section's infrastructure assets and these underperformed expectations over the year, resulting in the increase in deficit. However, contributions from the Company have worked to offset some of the asset performance, and the SPP Section is looking in a stronger position compared to many previous years.

**The Company continues to support the Scheme and continues to pay any deficit payments required under the terms of the Recovery Plans agreed with the Trustee.**

## Scheme investment strategy

The Trustee's general objective is to invest the assets of the Scheme prudently with a view to ensuring that the benefits promised to members are provided by each Section. The Trustee needs to balance a number of competing risks when setting the investment strategies for each Section, particularly balancing the need to obtain a reasonable level of overall return on the Scheme's assets whilst protecting the funding position of the Scheme from downside events. The funding position of each Section is sensitive to a variety of factors including long-term interest rates and inflation expectations, as well as the performance of each asset class in which the Section is invested.

The Trustee also needs to be mindful of the fact that each of the Sections of the Scheme are at different stages of their life cycles with, for example, differing proportions of deferred and retired members and differing membership profiles, factors which also influence the most appropriate investment strategy for a particular Section. Many of these factors also change over time, so it is important that any strategy adopted in respect of a Section can also evolve to reflect such changes.

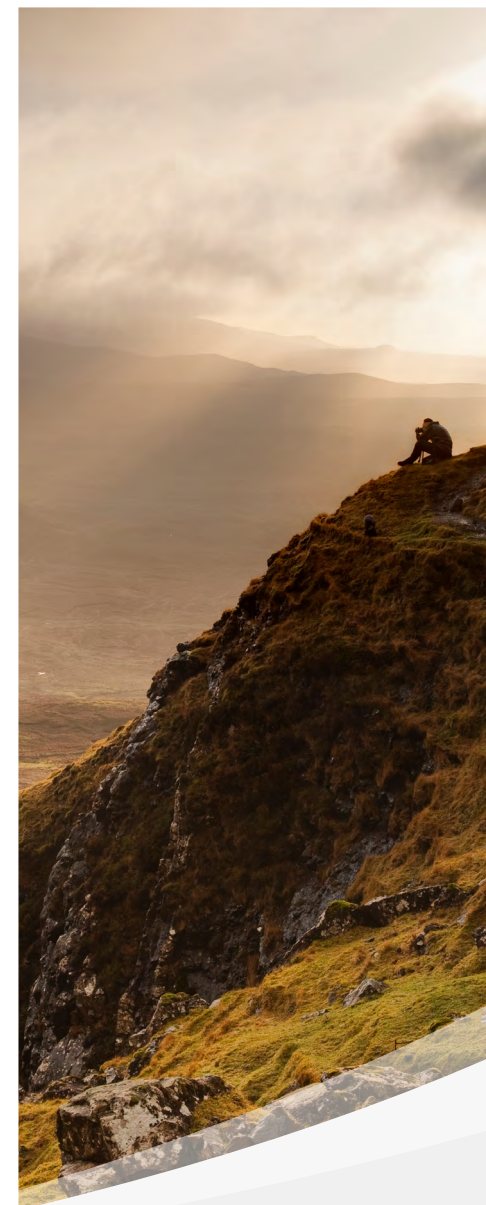
The Trustee has worked with its investment adviser, Aon, to develop (in consultation with the Company) investment strategies which meet the Sections' overall objectives. The Trustee has agreed to allocate the Scheme's assets to three portfolios for each section; a Growth portfolio, a Credit portfolio and a Liability Matching portfolio (designed to move in line with changes to a proportion of the Scheme's liabilities) and aiming to manage some of the competing risks mentioned above.

The Trustee completed a detailed review of the Sections' investment strategies in 2023. The Trustee was able to take immediate action to reduce the level of risk, without jeopardising the long-term funding of the Sections, and implement triggers to further reduce risk as the Sections become better funded. The Sections' investment strategies have been designed by the Trustee and Aon to naturally reduce risk, and therefore strategic allocations to growth assets, over time. The Trustee, with the advice of Aon, continues to proactively monitor the Sections' investment strategies for opportunities to reduce risk without impacting the long term funding of the Sections.

## Market commentary 2023 to Q1 2024

Over the last year, global equities saw significant gains, especially in the first half and last quarter of 2023, driven by strong performances in technology stocks, buoyed by optimism about the impact of Artificial Intelligence. Inflation rates began to moderate as economies proved more resilient than previously anticipated. The UK made new trade agreements post-Brexit, and the US faced a major banking crisis with Silicon Valley Bank's failure, while UBS acquired the struggling Credit Suisse.

The US debt rating was downgraded by Fitch, who cited the "erosion of governance" over the past two decades, which saw the US government in repeated debt limit stand-offs and last minute resolutions. Geopolitical tensions were elevated, with new sanctions, Russia's nuclear treaty suspension, and the conflict in Gaza. Central banks, including the Federal Reserve, Bank of England, and European Central Bank, continued to raise interest rates to combat inflation. In the energy sector, Brent crude oil prices fell, with Opec+ members announcing production cuts to avoid further declines.





## Scheme performance

The Scheme's investment strategies are well-diversified, with the assets providing a high degree of protection against changes in interest rate and inflation expectations, and driving returns to improve the funding level over time.

The Scheme's growth assets performed well in 2023, due to the risk-on environment, facilitating further improvement in the Sections' funding levels, allowing the Trustee to reduce risk ahead of timelines previously anticipated, and 'lock-in' gains. Gilts yields were much less volatile over 2023, meaning collateral levels in the Sections' Liability Driven Investment (LDI) portfolios were not a concern to the Trustee over the year.

## Asset allocation

The growth asset allocations for each Section of the Scheme (and the allocations to each Portfolio) as at 31 March 2024 are set out in the table below:

Growth Asset type	SRP (£m)	SRP (%)	SMP (£m)	SMP (%)	SPP (£m)	SPP (%)
Equity	54.8	14.0	-	-	62.7	13.5
Property	28.2	7.2	3.2	2.2	38.7	8.3
Property Debt	7.7	2.0	3.0	2.1	9.8	2.1
Bank Capital Relief	11.3	2.9	4.2	2.9	14.3	3.1
Infrastructure	65.8	16.8	14.7	10.1	53.1	11.4
<b>Total Growth Portfolio</b>	<b>167.9</b>	<b>42.9</b>	<b>25.1</b>	<b>17.2</b>	<b>178.6</b>	<b>38.5</b>
<b>Credit Portfolio</b>	<b>58.4</b>	<b>14.9</b>	<b>24.1</b>	<b>16.6</b>	<b>69.3</b>	<b>14.9</b>
<b>Matching Portfolio</b>	<b>165.4</b>	<b>42.2</b>	<b>96.3</b>	<b>66.2</b>	<b>216.2</b>	<b>46.6</b>
<b>Total</b>	<b>391.7</b>	<b>100.0</b>	<b>145.5</b>	<b>100.0</b>	<b>464.0</b>	<b>100.0</b>

*Total figures may not sum due to rounding.*

## Statement of Investment Principles and TCFD

The Scheme's investments continue to remain aligned to the policies set out in the Statement of Investment Principles (SIP). The Trustee continues to monitor the investment managers and the funds in which it invests, to ensure alignment with the Scheme's Responsible Investment Policy.

The latest Engagement Policy Implementation Statement and the Scheme's latest SIP (updated April 2024) are available on the SSRBS website at [www.ssrbs.co.uk](http://www.ssrbs.co.uk), where you can learn about the way we manage the Scheme's assets and how we engage with the investment managers - and the companies they invest in - to encourage positive corporate behaviour and generate positive outcomes for the Scheme.

The Trustee completed and submitted its first annual report in 2023 to meet the requirements of the Taskforce on the Climate related Financial Disclosure (TCFD). An updated TCFD report has been prepared during 2024 and can be found on the SSRBS website at [www.ssrbs.co.uk/other-documents/tcf-reporting](http://www.ssrbs.co.uk/other-documents/tcf-reporting)

## Online access for members

### The Member Online Portal

The Trustee, via Capita, is in the process of introducing a new Member Online Portal. The intention is that you can use this portal to access and update certain information about your membership of the Scheme and view some information about your pension. The Online Portal has greater features than we are implementing in this first phase and we are looking at these for a possible future enhancement to offer members. This will be a secure portal with options on the level of security you wish to have including multi factor authentication. You will be able to request items, such as pension forecasts or transfer values, via the portal. Although these are not completed in real time you will be able to access the results more securely and more quickly on the portal than by post.

Deferred members will be able to see a summary of their deferred pension as at their date of them ceasing to be an active member.

Pensioner members will be able to access and / or download all of their payslips and P60s from the Portal, dating from November 2020.

When you register on the Portal you will be asked to provide an email address which will overwrite, if different, any email address you have previously provided. The introduction of the Portal is going to enhance how we communicate electronically with members. Currently we ask members to register an email address which is only used for generic communications and you will still be able to register an email address without registering on the Portal. However, the Portal will allow us to send you personal communications, such as the annual pension increase letters for pensioner members and pension forecasts for deferred members, which means that you will receive these faster than via post and you will be able to access these from wherever you are.

More information on the Member Online Portal will be provided to you shortly.

In the meantime, we do still encourage members to provide an email address via the Keep in Touch Button on the website or by emailing Capita.

### The Pensions Dashboard

The Government is introducing the "**Pensions Dashboard**", which will enable individuals (who are not yet in receipt of all their pension benefits) to access their pension information online, securely and in one place.

The Pensions Dashboard is a front-end access point, which then gathers information from many pension providers / administrators. When you access the Pensions Dashboard you should be able to access limited information on all of your pensions to which you have contributed over your working lifetime and which are not currently in payment. The information on each pension will be at a point in time and not necessarily totally up to date but it will show all the pensions of which you are not already in receipt, including your state pension.

The Pensions Dashboard may enable you to locate pensions that you have lost track of.

The Trustee is collaborating with its advisers to ensure that the Scheme is able to connect with and to provide the required Scheme information to the "dashboard ecosystem". This is likely to be implemented later in 2025 and more information will be provided next year.



## Current/forthcoming pension topics – what's on the Trustee's agenda?

### Pension scams

In previous newsletters, the Trustee has highlighted the risks of pension scams and the importance of looking out for anything suspicious if you are contacted about your pension. This has become more prevalent in recent years, and there has been an increase in pension scams across the pensions industry. There have also been increased instances where individuals have had their personal credentials stolen by scammers, so you should always be careful about when and how you share your personal information. This is as important as ever and please look at the SSRBS website for more information on this.

### Guaranteed Minimum Pensions (GMPs)

We have provided details of this in previous newsletters. GMP Reconciliation and Rectification is the matching of HMRC records to those held by pension schemes which may result in adjustments to your Scheme benefits. This has been completed for the SMP and SRP Sections and is expected to be completed for the SPP Section in 2025.

GMP Equalisation deals with inequalities between men and women's GMP benefits from 17 May 1990. This project is also underway, is far more complex and will be implemented after GMP Reconciliation and Rectification is complete. This will be in 2025/2026.

### The Pensions Regulator's new General Code of Practice

The Pensions Regulator's combined General Code of Practice came into force on 28 March 2024. The new Code consolidates a number of the previous codes of practice, plus contains new governance requirements and sets out the Pensions Regulator's expectations of how occupational pension schemes should be managed, and the policies, practices and procedures that should be in place.

The Trustee and its advisers are reviewing the Scheme against this, to ensure that it is fully compliant with the new governance measures.

### Minimum age for drawing benefits

As a reminder, the Normal Minimum Pension Age (NMPA) is increasing from age 55 to age 57 from 6 April 2028. NMPA is the lowest age at which benefits can generally be taken.

### Changes to the Lifetime Allowance (LTA)

The LTA was the overall value of pension benefits that you could build up over your entire working lifetime without tax penalties applying. The LTA was abolished with effect from 6 April 2024.

However, it has been replaced by two further checks against your lifetime benefits that the Scheme Administrator is required to undertake, known as the "Lump Sum and Death Benefits Allowance" ("LS&DBA") and the "Lump Sum Allowance".

Further information on the charges that may apply is available from the Scheme Administrators. This is a complex matter and if you are concerned about whether your overall pension and death benefits may exceed the LS&DBA or the Lump Sum Allowance, you should seek professional independent financial advice on this matter.

## Other points to note

### Increases to pensions in payment

Pensioner members have been notified of increases in their payments as from April 2024 for the SMP Section and the SRP Section and as from May 2024 for the SPP Section.

### Expression of Wish forms

As a reminder, members can nominate the person or persons to whom they would like the Trustee to consider paying any lump sum which may be payable on their death by completing an Expression of Wish form. This is relevant for all members other than those who have been in receipt of a pension for more than five years.

Members will be able to complete an Expression of Wish form via the Member Online Portal or you can request a form from Capita.

### Complaints and disputes

Details of how you can raise an issue in relation to the administration of your pension can be found on the SSRBS website at [www.ssrbs.co.uk](http://www.ssrbs.co.uk)





## Scheme contact and adviser details

### Contact us

**Contact details** for the Scheme and a note of the **Trustee's current advisers** can be found here [www.ssrbs.co.uk](http://www.ssrbs.co.uk)

For members who do not have access to the internet, the Scheme administrator can be contacted by writing to the address below or calling the telephone number noted:



Sopra Steria Retirement  
Benefits Scheme  
c/o Capita Pension Solutions  
PO Box 555  
Darlington  
DL1 9YT



Telephone:  
0330 311 5119



Email:  
[steria@capita.co.uk](mailto:steria@capita.co.uk)

### Feedback

If you have any comments or queries in relation to this newsletter, we shall be happy to hear from you. Please send your comments to Capita using the contact details provided.

Whilst every effort has been made to ensure the accuracy of this newsletter, nothing contained in this newsletter should be construed as providing greater or different benefits or other rights than are provided for under the terms of the Trust Deed and Rules of the Scheme, which will in all cases prevail in case of inconsistency. The contents of this newsletter are also subject to the terms of any overriding pensions, tax or other legislation. Nothing in the newsletter should be construed as legal, financial or tax advice.