

# The annual newsletter of the Steria Management Plan (the Plan)

December 2020



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# Welcome

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Steria (Management Plan) Trustees Limited  
Three Cherry Trees Lane  
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Dear Member

## **The Annual Newsletter of the Steria Management Plan (the Plan)**

The purpose of this newsletter is to keep members informed about the Plan's activities during the year to 31st March 2020 and to provide information on the current pension environment.

### **This year has been particularly busy and major areas of activity included:**

- The merger of the Steria Retirement Plan (SRP), Steria Management Plan (SMP) and Steria Pension Plan (SPP) (together the Plans) into the Sopra Steria Retirement Benefits Scheme (SSRBS or the Merged Scheme).
- Funding negotiations with the Company for the triennial valuation as at 31 March 2019 (concluded in June 2020).
- Working to minimise the impact of the COVID-19 pandemic on the Plan and its members.

### **Other significant activities included:**

- Enhancing the Trustee's integrated approach to managing the Plan's funding, investment, and employer covenant risks.
- Continued vigilance to protect members from increased pension scammer activity.
- Tracking any legal and other developments (including the Brexit negotiations) which could have an impact on the Plan.
- Two projects relating to Guaranteed Minimum Pensions (GMPs): (a) reconciliation and rectification of the Plan's and HMRC's records and (b) equalisation following the Lloyds Bank case.
- The Trustees of the Plans and the Merged Scheme have been working on the creation of a website to provide easier access to information for members.

The first valuation of the Merged Scheme will have an effective date of 31 December 2020 necessitating a further round of negotiations with the Company.

There is further information on all these points in this newsletter.

As in previous years, may I encourage you to let the Plan Administrator have your current email address to ensure that electronic communications are addressed correctly. We should also be advised of any other changes in your circumstances to ensure our records are up to date. This is particularly important for the future administration of the Merged Scheme. Further information along with contact details that may be useful for any of your pension queries is provided on page 17.

Please also read the section on Expression of Wish form. This enables you to provide information to the Trustee directors where they have the discretion on the payment of a lump sum in the event of your death.

I do hope that you find this newsletter interesting and helpful.

Yours sincerely



David Woods  
Chair, Steria (Management Plan) Trustees Limited &  
Sopra Steria (Retirement Benefits Scheme) Trustees Limited



# The Sponsoring Employer

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The Sponsoring Employer is Sopra Steria Limited (SSL).

## Scheme merger

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### The merger process

As set out in the Chair's introduction a significant amount of work in the past year has been directed towards merging the Steria Retirement Plan (SRP), Steria Management Plan (SMP) and Steria Pension Plan (SPP) (the Plans) into the Sopra Steria Retirement Benefits Scheme (SSRBS).

We wrote to you in April 2020, informing you that the Trustees of the Plans had approved the merger of the Plans into the SSRBS on 31 January 2020. This process involves the transfer of substantially all of the Plans' members and their benefits and associated assets to SSRBS and the commencement of the winding up of the Plans.

**As a reminder, below is a summary of SSRBS:**

- SSRBS is a sectionalised pension scheme, which means that whilst it is managed and administered as a single scheme, members' benefits and the associated assets remain in three separate sections - the SMP, SRP and SPP sections - where they will be segregated from those of the other sections.
- The rules which govern the benefits to which members are entitled have not changed as a result of the merger.
- There will be no adverse effect on the amount or security of members' benefits (payable to or in respect of members) as a result of the merger.
- During the period leading up to the transfer, there has been no impact on normal member activity such as provision of retirement quotations, retirements or transfers out from the Plan.
- The existing Trustee of the Plan will remain in place until all its remaining members have transferred to SSRBS (or have received lump sums instead), all administrative tasks have been completed and the winding-up of the Plan has been completed.

All members of SMP were transferred to SSRBS on 1 October 2020 and became members of the SMP Section of the SSRBS. The SMP Trustees wrote to you on 24 July to advise you that your benefits would be transferring. All of the contact details for the Trustees and Capita remain the same as before.

The majority of the members of SRP and SPP have also transferred and the remaining members are expected to transfer in two or more further tranches between now and May 2021 (with the exception of those eligible members with modest benefits who opt to receive a lump sum instead as part of the ending up of the Plans).

Once members have transferred they will no longer have any pension benefits in the Plan and benefits will be provided from the SSRBS.

As previously advised, revised Q&A documents have been prepared. These Q&A documents can be found at [www.ssrbs.co.uk](http://www.ssrbs.co.uk).

## SSRBS Member Nominated Director Selection Process

The Member Nominated Director (MND) selection process is under way.

By law, at least one-third of the Trustee Company's directors must be nominated by the members of the Merged Scheme. All the existing trustee directors of the Plans became trustee directors of the Merged Scheme as part of the initial trustee board, including the five existing MNDs. As set out in the MND policy and the MND communication it is intended that the Merged Scheme will ultimately have three MNDs. In order to maintain the proper administration of the Merged Scheme, the Trustee concluded that the replacement of existing MNDs with new MNDs, and the reduction in number of MNDs from five to three, should be completed over a transitional period. It is also the Trustee's intention that MNDs' terms of office should not expire all at the same time, to avoid a significant loss of knowledge occurring at any one time.

Requests for nominations for the first two new MNDs have now been sent to those members who are eligible to be or to nominate an MND – i.e. pensioner members, active members and deferred members who are still employed by Sopra Steria. We expect the process to have been completed and new MNDs to have been appointed by March 2021. The full MND policy can be found on the SSRBS website

[www.ssrbs.co.uk](http://www.ssrbs.co.uk).

## Management of the Plan

Steria (Management Plan) Trustees Limited (SMPTL) is the Trustee of the Plan. It is responsible for managing the Plan's assets in the interests of the Plan's members and other beneficiaries.

The Trustee Boards of the Plans and the Steria Electricity Supply Pension Scheme hold meetings jointly with each other. At these meetings Trustee Directors representing the Merged Scheme and each of the Plans must be present, and there must be overall agreement amongst the Plan's Trustee Directors for every decision made for the Plan.

Members of the Plan currently have the right to nominate up to one third of the Trustee Directors of SMPTL and Sopra Steria Limited appoints the others.

The Trustee Directors, and the date they were first appointed to SMPTL are as follows:

### Company-Nominated Directors of SMPTL

David Woods (Independent Chairman appointed in November 2008)

Hilary Robertson (Sopra Steria UK Strategy Director appointed in September 2015)

The Law Debenture Pension Trust Corporation plc (an independent professional Trustee Director, generally represented by Charles Morgan, appointed in February 2005)

### Member-Nominated Directors of SMPTL

Bev Wilson (retired Plan member, Trustee Director since June 2018)

### Service Providers and Advisers

The Trustee Directors outsource a number of functions to various service providers and take advice from various professional advisers. The main ones are the Administrator, the Scheme Actuary, the Investment Consultant, the Legal Advisers, the Auditor and the Covenant Advisers. Details are set out at pages 17 and 18.

### Steria Management Plan Membership

As at 1 April 2020 there were no active members, 57 deferred members (of which 3 were employed by Sopra Steria), 282 member pensioners and 51 dependant pensioners, giving a total of 390 beneficiaries.

# Funding

## Steria Management Plan Summary

	Year ended 31 March 2020 (£000)	Year ended 31 March 2019 (£000)
<b>Income and investment gains</b>		
Employer contributions to fund deficit	5,144	4,985
Employer contributions to cover expenses	439	425
Reimbursement by employer of PPF Levy	24	35
Change in market value of investments	(584)	10,890
Investment income (net of expenses)	4,525	3,708
<b>Total income and investment gains</b>	<b>9,548</b>	<b>20,043</b>
<b>Expenditure</b>		
Payment of pensions	8,335	8,182
Lump sum retirement benefits	804	473
Transfers out and other benefits	3,001	6,977
Plan running costs	578	395
Pension Protection Fund (PPF) Levy	24	35
<b>Total expenditure</b>	<b>12,742</b>	<b>16,062</b>
<b>Increase in Plan assets</b>	<b>(3,194)</b>	<b>3,981</b>
Net assets at the start of the year	188,080	184,099
Net assets at the end of the year	184,886	188,080

\* including contributions made under salary sacrifice arrangements

A copy of the full Steria Management Plan Annual Report and Accounts is available on request from the Plan Administrator.

## How is the Plan funded?

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

## The SMP Actuarial Valuation as at 31 March 2019

The SMP actuarial valuation as at 31 March 2019 was finalised in June of this year. 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 Plan's liabilities to the Plan's assets on an ongoing basis.

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

The value placed on the Plan'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. There are a number of actuarial bases used to assess the Plan for different purposes. For funding purposes the measure used is referred to as the Ongoing or "Technical Provisions" basis.

Using the Ongoing basis the Plan's Actuary estimated that, as at 31 March 2019, the deficit in the Plan was £17.7m and the funding level was 91%.

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. This is known as the "Recovery Plan".

Following discussions, the Trustee and the Company have agreed a Recovery Plan that, if the assumptions underpinning the valuation are borne out and all else remains equal, will see the deficit on the Ongoing basis eliminated by 31 May 2022.

As part of the valuation negotiations a new guarantee has been provided to the Trustee by Sopra Steria Group SA in relation to the Company's funding obligations under the new Schedule of Contributions, covering the period to 31 May 2022. The guarantee also provides additional protection to the Plan in the event of a corporate reorganisation within the Sopra Steria Group of companies.

The Plan's Actuary has estimated that, on an Ongoing basis, as at 31 March 2020 the deficit was £22.2m and the funding level was 89%. The Plan's Actuary has also advised that, as at 30 September 2020, the funding position had improved, with the estimated deficit having reduced to £11.3m and the funding level increased to 95%.

Further information about the 31 March 2019 valuation is set out in the Summary Funding Statement included as an Appendix to this newsletter.

The Trustee of the Merged Scheme and the Company will be undertaking a full valuation of the Merged Scheme and its various sections as at 31 December 2020. The results should be available by 31 March 2022 at the latest and will be notified to members in due course. Meanwhile the Plan's Recovery Plan and Schedule of Contributions will apply for the benefit of the SMP Section of the Merged Scheme and the Trustee of the Merged Scheme will monitor its funding level.

# Funding (continued)

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## COVID-19 pandemic

The outbreak of the Novel Coronavirus ("COVID-19"), declared by the World Health Organisation as a global health emergency on the 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in fluctuations in global financial markets. The Trustee continues to monitor developments relating to COVID-19 in conjunction with its advisers and service providers, based on business continuity planning and taking into account guidance from global health organisations and the UK government and general best practice in response to the pandemic.

The pandemic has the potential to have an impact on the Plan in a number of areas.

### Administration

In particular we continue to work closely with our administrators Capita to monitor the situation and take actions to minimise any impact on the day to day operation of the Plan. Over the period since March, service levels have not significantly deteriorated and Capita has assured us that it has robust measures in place to ensure that it is prepared to respond as the situation develops further. These measures include the majority of its administration staff now working remotely from home.

On page 17 you will find all the contact details for Capita. However, until such time as Capita is able to bring its administration function back into their offices it would be helpful if, where possible, you email Capita rather than write or telephone. We shall keep you up to date on the website when the administration function is back to normal.

### Employer Covenant

The Trustee also has in place advisers, Ernst & Young LLP (EY), who monitor the financial strength, or "covenant", of the Company and the wider Sopra Steria group. In recent years, ensuring that pension scheme trustees have an independent and informed understanding of the ability of the employer to support the associated pension scheme has become increasingly important and it is now common that schemes have advisers in place for this reason.

Following the advent of the pandemic, EY's remit was widened to include specifically monitoring and reporting on the impact and potential impact of COVID-19 on the strength of the Company and the wider group. This is an unprecedented and challenging time and the Trustee is continuing to work with its covenant advisers to monitor the situation.

The Trustee has also directly engaged with the Company and maintains an open and constructive dialogue with senior members of the management team, who have provided the following update for inclusion in this newsletter:

#### "Company update regarding Sopra Steria Group SA ("the Group") and the Pandemic

Since the beginning of the COVID-19 crisis in March 2020, the Group's priority has been protecting the health of its employees and ensuring continuity of service. In the acute phase of the crisis, the use of remote working was scaled up to include more than 90% of employees, and governance was adjusted to ensure more agile management of the Group. Cost-cutting programmes were launched starting in April.

With the spread of the pandemic and measures restricting movement and imposing lockdowns, there was a widespread decline in client orders and additional business under existing contracts. However, the extent of this decline varied widely from one business sector to another.



Given the context of the COVID-19 pandemic and in a spirit of responsibility, the Board of Directors of Sopra Steria Group SA decided to submit a resolution for shareholder approval at the General Meeting on 9 June 2020 to forgo distribution of a dividend in respect of financial year 2019.

Amidst this crisis, the Group was able to draw on its resilient fundamentals. Its activities are centred around recurring contracts, which make up around 40% of its revenue (business process services, IT infrastructure management, application maintenance and software maintenance). It also has a sizeable presence in the public sector, which contributes around one third of its revenue. Lastly, its sales strategy focuses on strategic clients, which are mainly key accounts.

As such, the Group's H1 2020 revenue was relatively resilient only 1.8% down on the previous H1 period, and operating profit came in at a margin of 6.1% (6.8% in H1 2019)."

### Investment and Plan Funding

Global financial markets have been subject to volatility as a result of the impact of the COVID-19 pandemic. Although the impact on the Plan has been partially mitigated due to the Trustee's liability matching and hedging strategies. The long term impact on the value of investments and liabilities is currently uncertain and the Trustee continues to monitor the position closely.

The Trustee uses Aon's Risk Analyzer modelling tool to monitor the funding position of the Plan. The Risk Analyzer allows the Trustee to access funding information which is updated daily. The table below shows the funding level of the Plan at the 2019 valuation date and the approximate positions as at 31 March 2020 and as at 30 September 2020.

	Triennial Valuation as at 31.03.2019 (£m)	Funding Update as at 31.03.2020 (£m)	Funding Update as at 30.09.2020 (£m)
Market Value of Assets (i.e. investments)	187.3	184.1	197.9
Value of Past Service Liabilities (i.e. current and future pensions)	205.0	206.3	209.2
Past Service (Shortfall)/Surplus	(17.7)	(22.2)	(11.3)
Funding level	91%	89%	95%

# Investment

## SMP investment strategy

The Trustee's investment objective is to invest the assets of the Plan prudently with a view to ensuring that members' benefits are paid as and when they fall due. In setting the investment strategy, the Trustee first considered the lowest risk asset allocation that it could adopt in relation to the Plan's liabilities. The asset allocation it has selected is designed to achieve a higher return than the lowest risk strategy, whilst maintaining a prudent approach to meeting the Plan's liabilities.

The Trustee has worked with Aon to develop, in consultation with the Company, an investment strategy which is intended to meet the general objective. The Trustee has agreed to allocate the Plan's assets to three portfolios; a Growth portfolio, a Credit portfolio and a Liability Matching portfolio (designed to move in line with a proportion of the Plan's liabilities).

Following the transfer of assets consequent to the merger, the investment objectives and strategy of the Trustee of the Merged Scheme, as they relate to the SMP Section, are essentially unchanged from those of the SMP Trustee prior to the merger.

Over the year to 31 March 2020, as a result of an improvement in the funding level, the Trustee de-risked the investment strategy. The Plan reduced its exposure to Growth assets by 10% with proceeds invested across the Credit and the Liability Matching portfolios, 2.5% and 7.5% respectively.

The fund managers of the Growth and Credit portfolios are mandated to out-perform various investment performance benchmarks, which themselves are expected to out-perform the Plan's liabilities.

**During the year ended 31 March 2020, the Plan's strategic asset allocation targets moved as follows:**

Liability Matching portfolio: from 32.5% to 45% (+/- 5%).

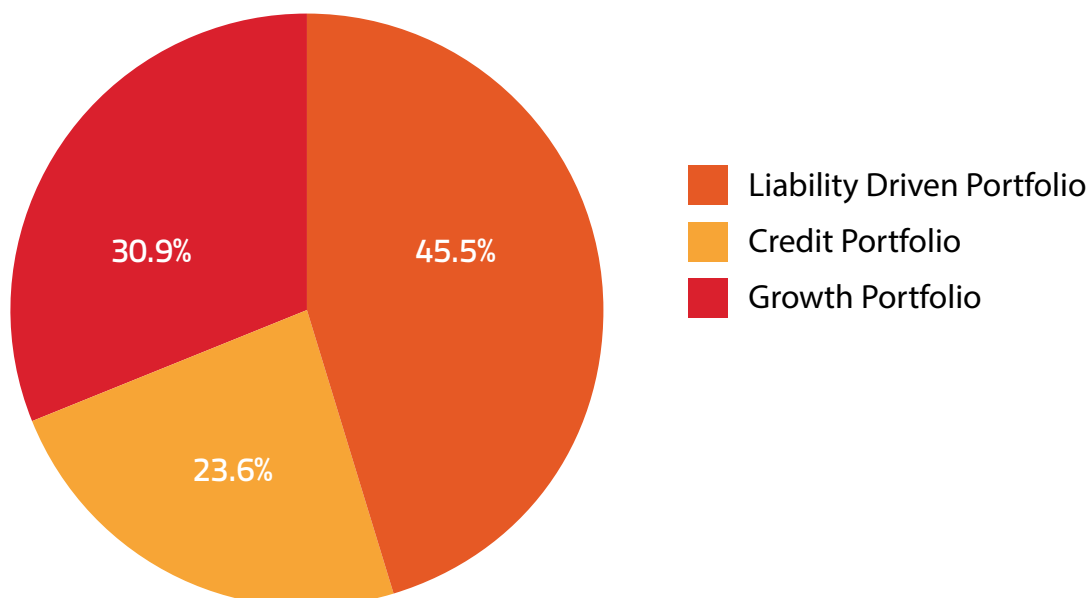
Credit portfolio: from 27.5% to 25% (+/- 5%).

Growth portfolio: from 40% to 30% (+/- 5%).

As at 31 March 2020 the actual allocations were 45.5%, 23.6% and 30.9% respectively. The market volatility on the back of the COVID-19 pandemic resulted in the portfolios being out of line with their new targets at year end.

In April 2020 the Joint Investment Committee decided not to rebalance the portfolios given liquidity and market volatility concerns.

## Plan assets as at 31 March 2020



## Liabilities

The Plan's liabilities are affected in part by movements in interest rates and inflation. Detrimental changes in interest and inflation rates may be managed by setting up a hedge to limit the negative effects of these movements. However, hedging may also limit the benefits of positive future movements in markets and it therefore needs to be managed carefully. Corporate bonds, index-linked gilts and derivative instruments are all used to hedge against inflation and interest rate risks.

## Investment performance

During the year ended 31 March 2020 the economic environment continued to be challenging.

The Plan's overall investment performance, including Liability Driven Investment (LDI), was 3.5% over the 12 months to 31 March 2020 and 5.7% pa over the three years to that date. More information on the performance of the Plan's investments during the period is shown in the Investment Report which forms part of the Trustee's Report and Financial Statements for the year ended 31 March 2020.

## Investment market update

**Aon, the Plan's investment consultants, have provided the following update on investment markets.**

'After reaching all-time highs in mid-February, global equities sold off sharply as COVID-19 infection numbers grew and governments worldwide ramped up virus containment measures. This led to a deep recession for major economies, including the United Kingdom in the second quarter of 2020. Following the announcement of unprecedented fiscal and monetary stimulus packages across Europe and the United States, equities rebounded strongly. This upward trend was also supported by the swift reopening of many economies in the second quarter of 2020. While it may be tempting to believe equities are on firm ground, fears of a second wave of infections led to a reversal in momentum towards the end of the third quarter of 2020, emphasising how sensitive the markets are to the ongoing pandemic.

Over the period, UK gilt yields fell to all-time lows. This was primarily as a result of COVID-19 and the subsequent fiscal and monetary response by major central banks and governments across the world. The Bank of England's references to negative interest rates (which can already be seen at some maturities in the gilts market) and a continuation of quantitative easing programmes are likely to maintain downward pressure on yields in the near-term. As a result, the value placed on the Plan's liabilities has increased over the period. There was a rise in yields over the third quarter of 2020 as a result of increased issuance of gilts but the overall trend has been downwards.

While the global pandemic continues to be the overarching influence on global markets, the conclusion of Brexit trade talks between the UK and the European Union, as well as the outcome of the US Presidential election, are likely to have a significant impact on markets. The Trustee adopts a diversified approach to managing risk within the Plan's investment strategy and continues to look for opportunities to diversify risk further.'

# Other matters of interest

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## Pension scams

Unfortunately, pension scams remain topical. Indeed, the Pensions Regulator (TPR) has flagged particular concerns that scammers may see COVID-19 as an opportunity to target pension savers. There is a concern that members might increasingly look to transfer their benefits, prompted by the perceived instability of their employers or volatile financial markets.

TPR has gone as far as to provide a letter in conjunction with the Financial Conduct Authority (FCA) and the Money and Pensions Service to be issued by scheme trustees to all members considering a transfer of their benefits. In particular this highlights the protection available to defined benefit (DB) pension scheme members from the Pension Protection Fund (PPF).

The PPF has a duty to protect people with an eligible defined benefit pension when an employer becomes insolvent. So, if you are a member of an eligible DB scheme and your employer becomes insolvent and cannot afford to fund the scheme so that it has enough assets to pay you the benefits due, then the PPF will pay you compensation, subject to certain limits. If for example you transfer your Plan or Merged Scheme benefits to a personal pension arrangement, you will lose the potential protection of the PPF. More information on the PPF and the level of protection it gives to eligible DB schemes can be found at: [www.ppf.co.uk/who-we-are](http://www.ppf.co.uk/who-we-are)

**Please remember that you cannot change your mind once you have transferred out of a DB pension.**

You must remain vigilant and aware that scammers see your pension pot as an attractive target, so here are some reminders of the key things you should watch out for if approached about your pension.

### **NO REPUTABLE FIRM WILL COLD CALL TEXT OR EMAIL YOU OUT OF THE BLUE ABOUT YOUR PENSION**

#### **Unsolicited contact**

Have you been contacted through a cold call or a text message? Reputable pension providers or advisers will not use this sales technique. Cold calls or texts are a common way to introduce a person to a scam and the pushier the salesperson, the more likely it is to be a scam.

#### **Single investment**

Putting all your eggs in one basket is rarely a good idea. Usually a reputable financial adviser will recommend a range of investments to reduce or spread risk. Any suggestion that you invest all of your pension fund in a single speculative investment should be treated with a high level of caution.

#### **Home visits and couriered paperwork**

Again, these are not usually offered by reputable pension firms, not least due to the costs associated with them. If home visits and/or couriered paperwork are part of the deal then it is likely to be a scam. Applying pressure on people in this way is a technique used by scammers to persuade people to transfer quickly without the chance to take proper advice.

#### **Unrealistic levels of investment returns**

In today's investment market, the sort of high returns that scammers offer are unrealistic and would introduce significant risk to your pension fund. Be very wary of marketing material that promises big investment returns and/or targets 'sophisticated investors'. Remember, if it looks too good to be true, it probably is. Always discuss your options with a properly regulated professional independent financial adviser before making important decisions.

#### **Accessing part of your pension before age 55**

Unless you are in very serious ill health, or one of the very few people with a protected pension age, this is a scam, pure and simple. It can also lead to severe tax penalties.

#### **Overseas investments**

Overseas investments, especially overseas property investments, must be treated with a great deal of caution and they are likely to be unregulated investments. Proper research should be conducted and, once again, you should speak to a professional independent financial adviser.

Find the latest guidance from the Pensions Regulator here:

[www.thepensionsregulator.gov.uk/en/pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams)

The Administrator of the Plan and the Merged Scheme is in regular contact with the Regulator to identify potential scams, has processes to try to identify these schemes and may raise concerns with you prior to any transfer proceeding; however, as noted above, you should continue to be vigilant. Once a transfer has been made, it is too late to revisit your decision.

## **Guaranteed Minimum Pensions (GMP): Reconciliation and Rectification; Equalisation**

### **GMPs**

Your pension in the Plan or the Merged Scheme may include an element called a Guaranteed Minimum Pension (GMP) if you had pensionable service at any stage between 6 April 1978 and 5 April 1997. You may be aware that GMPs are a major issue within the pensions world at the moment. Below is a short introduction to what a GMP is, as well as information on the two key projects relating to GMPs which are affecting pension schemes, including the Steria Plans – GMP reconciliation and rectification and GMP equalisation.

### **What is a GMP?**

Between 6 April 1978 and 5 April 1997, an employer could arrange for the members of its company pension scheme to pay reduced National Insurance contributions in exchange for building up a smaller State pension. In its place, the Government required those members to accrue a minimum level of pension in their employer's pension scheme, known as the Guaranteed Minimum Pension or 'GMP'. Despite all the subsequent changes to the State pension system, this GMP remains payable from the Plan or the Merged Scheme.

### **GMP reconciliation and rectification**

Separate GMP records were kept by both the pension scheme itself and the Government. In common with other affected pension schemes, the Trustees of the Plans and the Merged Scheme are in the process of ensuring that their GMP records match those held by the Government, in order to ensure that members receive the correct benefits from the Plan. This may result in some benefit adjustments where differences are identified. This exercise is known as GMP reconciliation and rectification

### **GMP equalisation**

You may recall that, some years ago, pension schemes went through a process (where necessary) to correct (in relation to benefits earned after 17 May 1990) the inequality that arose when normal retirement ages were 65 for men and 60 for women. It was not clear at that time whether this process should also have addressed the inequalities inherent in GMPs (which continue to be payable from age 65 for men and age 60 for women). However, in 2018 a court case, involving the Lloyds Bank pension schemes, decided that it is necessary to adjust members' overall benefits so as to eliminate the inequalities inherent in GMPs earned between 17 May 1990 and 5 April 1997. This is known as GMP equalisation.

### **The Steria Plans' GMP project**

The Trustees of the Plans are currently undertaking an exercise to complete GMP reconciliation and rectification and GMP equalisation. The Trustees are not yet at a stage of identifying for all members whether they are affected by any adjustments to their GMP required by way of GMP rectification and/or GMP equalisation. Some members do not have a GMP because they did not earn benefits between 6 April 1978 and 5 April 1997. Others have a GMP but will not be affected by either rectification or equalisation. Some members will be affected by one and other members will be affected by both. The project will continue within the Merged Scheme.

# Pensions Administration

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## Retirement planning

The Pensions Regulator's website ([www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)) and NI Direct ([www.nidirect.gov.uk](http://www.nidirect.gov.uk)) provide helpful information on pension, savings and choosing an authorised pensions adviser. Other websites, such as the Money and Pension Service (which is a free, independent service set up by the Government and funded by a levy on the financial services industry) offer good advice on budgeting. You can find out more on their website: [www.moneyandpensionsservice.org.uk](http://www.moneyandpensionsservice.org.uk)

## Getting further advice

None of the Company, the Trustee and the Trustee's advisers is allowed to give you advice about your personal finances. There are a number of issues on which the Trustee strongly suggests that you take professional independent financial advice, particularly for example if you are contemplating a transfer of your benefits to another arrangement. Information on how to find a suitable financial adviser in your area can still be found on-line at [www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk). In addition, the Financial Conduct Authority provides an on-line register of firms it regulates at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register). You should check that your financial adviser is fully qualified and establish what their charges are before seeing them.

## Retirement quotations

Since the new pension flexibilities were introduced by the 2014 Budget, the Plan Administrator has received an increased number of requests for retirement and transfer quotations. As there are a number of factors which may affect the amount you will receive, you should contact the Plan Administrator for an up to date quotation before making any firm decisions regarding your retirement.

Please note that if you are not still employed by the Company when you reach your Normal Retirement Age, the Plan Rules require that you take your pension from your Normal Retirement Age.

## Tracing past pensions

If you have lost track of a pension scheme of which you are (or were) a member and need its contact details, the Pension Tracing Service (which is free of charge) has access to information for over 200,000 schemes, may be able to provide you with contact details. Details can be found under Advisers and Useful Contacts on page 18.

## Increases to pensions in payment

Following an increase in the Retail Price Index (RPI) of 2.4% and an increase in the Consumer Price Index (CPI) of 1.7% during the 12 months to September 2019, pensions were increased as required by the Rules. Different elements of Plan pensions in payment may be subject to different rates of increase. Pensioner members have been notified of increases in their payments as from April 2020.

## Expression of Wish forms

Members can name the person or persons they would like to receive any cash sum which may be payable on their death by completing an Expression of Wish form. The Trustee has a discretionary power, in most circumstances, to pay any cash sum on death to a beneficiary nominated by you rather than to your estate. Although the Trustee cannot be bound by your nomination, mainly for tax reasons, they will be able to take your wishes into account.

You can complete an Expression of Wish form here [www.ssrbs.co.uk](http://www.ssrbs.co.uk) or you can ask Capita to send a form to you.

If you have previously completed an Expression of Wish form, please think about whether your circumstances have changed as it might need to be updated. If you have been in receipt of a pension from the Plan for more than 5 years you do not need to complete an Expression of Wish Form as there are no lump sum death benefits applicable after that period. Please note that if you are still employed by Sopra Steria this Expression of Wish form is separate from and in addition to any similar forms that you may be asked to complete for Sopra Steria.

# Scheme website

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## SSRBS website

In order to enhance communication with members the Trustee has established a dedicated Merged Scheme website which can be found at [www.ssrbs.co.uk](http://www.ssrbs.co.uk). The website is set up and maintained for the Trustee by Capita. In the short term the website may also provide information about the current Plans as we transition to the new Merged Scheme.

The intention is that future member communications such as newsletters or the correspondence you have recently received about Member Nominated Directors and the Merged Scheme Q&As will be posted to the website. In recent years pension schemes have been required to provide increasing amounts of information on a wide range of topics and the Trustee believes that providing this information via the website will allow members to access the latest up to date information about the Merged Scheme at any time.

### **The information available on the website will develop over time and is planned to include:**

- The Merged Scheme's Statement of Investment Principles which sets out the Trustee's approach to investing the Merged Scheme's assets
- The Merged Scheme's Annual Report and Accounts
- The Merged Scheme's privacy notices
- Annual Newsletters
- The Merged Scheme's Q&A documents
- Relevant Merged Scheme policy documents such as the Member Nominated Directors Policy
- Expression of Wish form for members to complete or download and send to Capita
- A link to allow members to provide their email addresses
- Merged Scheme contact details
- Links to external pension information
- Links to information about pension scams

The website will also be the preferred medium for the Trustee to communicate important information to members such as the recent communications on how the Trustee has been managing the Plan in relation to the COVID-19 pandemic.

The Trustee believes that members will find the website to be a useful resource for general information about the Merged Scheme and pension matters.

Members will still have the option to request documents from Capita if they do not have access to the internet.



# Electronic communications

– Help us to save money for the benefit of the Scheme and its members

With almost 7,000 members and other beneficiaries, the potential savings through sending member communications electronically on the Scheme is considerable, as the printing and postage costs associated with issuing member communications could be reduced significantly. Communicating electronically is more environmentally friendly and enables the Trustee to share matters which may be of interest. Moreover any savings realised would benefit the Scheme, and ultimately its members.

When we wrote to you about the merger we asked you to provide us with an email address which we can use to provide you with more timely communications.

Thank you very much for those of you who did this. However, the Trustee still only has email addresses for 38% of the Scheme's membership, so we are taking this opportunity to ask you again to provide us with an email address. If you are not sure whether we hold an up to date email address for you then please do contact Capita to check this. The easiest way to advise us of your email address is online via the SSRBS website. Alternatively, you can email Capita. Please include your full name, the Section of the Merged Scheme to which you belong (i.e. the SMP Section), and your unique Member Reference (which has been included on recent communications) or your NI number.

PLEASE ONLY DO THIS BY EMAIL to [steria@capita.co.uk](mailto:steria@capita.co.uk).

Those who have already responded, or are current employees with a Sopra Steria email address, will have received the notification for this newsletter electronically.

## 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 the address for enquiries attached.

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 Plan or the Scheme (as the case may be), 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.

## Complaints and disputes

If you would like to raise an issue in relation to the administration of your pension you should in the first instance contact the administrator using the contact details on page 17. If the matter remains unresolved, there are a number of resolution channels available:

- To pursue an informal resolution, please contact the Sopra Steria Secretariat by email to [pensions@soprasteria.com](mailto:pensions@soprasteria.com)
- The Trustee has an Internal Disputes Resolution Process. If you want to make a formal complaint, you can request a copy from the Administrator (Capita) or from the Secretary to the Trustee.
- If a complaint is not satisfactorily resolved, the Government appointed Pensions Ombudsman can investigate complaints of injustice caused by maladministration either by the Trustee or by the Administrators, or disputes of fact or law.

The Pensions Advisory Service, which is part of the Money & Pensions Service, is also available to offer advice at any stage. Their details can be found under Advisers and Useful Contacts on page 18.



# The Steria Management Plan advisers and useful contacts

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## The Secretary to the Trustee:

Peter Cashmore  
Steria Management Plan / Sopra Steria Retirement  
Benefits Scheme (SMP Section)  
Three Cherry Trees Lane  
Hemel Hempstead  
Hertfordshire  
HP2 7AH

Email: [pensions@soprasteria.com](mailto:pensions@soprasteria.com)

## Plan's Advisers

### The Administrator

Capita Employee Benefits (Capita) is your principal point of contact whilst a member of the Plan or the Scheme and may be contacted using the following contact details for enquiries about your pension entitlements.

## Contact details for members' enquiries:

Steria Management Plan  
Sopra Steria Retirement Benefits Scheme  
(SMP Section)  
c/o Capita Employee Benefits  
P O Box 555  
Stead House  
Darlington, DL1 9YT

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

Telephone: **0330 3115119**

The above phone number starts with "03". "03" numbers cost no more than a national rate call to an "01" or "02" number and count towards any inclusive minutes in the same way as "01" and "02" calls. These rules apply to calls from any type of line, including mobile, BT, other fixed lines and payphones.

## When to contact the Administrator

**To avoid any difficulties in contacting you or in processing your benefits please notify Capita, using the contact details above, as soon as possible in the following circumstances:**

- if you get married or enter into a civil partnership, or change your name, your home address or your email address;
- if you start proceedings for divorce or dissolution of a civil partnership (an information pack is available which may help you);
- to notify the Trustee of your financial dependants and/or nominated beneficiaries in relation to the payment of any benefits under the Plan or the Scheme in the event of your death, or to amend any previous notice to this effect. If you are a current Sopra Steria employee, you should also complete forms in respect of the Sopra Steria Life Assurance Scheme and the Sopra Steria GPP, which are available through Lifestyle, Sopra Steria's flexible benefits scheme.

**You can also contact Capita if you would like to see any of the following Plan or Scheme documents, some of which are also on the Scheme website:**

- the Statement of Funding Principles (the Trustee's policy for funding benefits)
- the Statement of Investment Principles (the principles underlying the Trustee's investment policy and strategy)
- the Schedule of Contributions and the Recovery Plan (the agreed basis of addressing the funding deficit and the level of contributions being paid)
- the Annual Report & Accounts (the financial position of the Plan or the Scheme)
- the Trust Deed & Rules (the legal documents governing the running of the Plan or the Scheme and payment of benefits)
- the Actuarial Valuation Report or the Summary Funding Statement.

(A charge may be made to cover the reasonable costs of supplying some of these documents.)

### The Scheme Actuary

Greg Tucker FIA of Aon Solutions UK Limited (trading as Aon) is the Scheme Actuary.

### Covenant Advisers

Ernst & Young LLP (trading as EY) advise the Trustee on the financial strength of Sopra Steria Limited and the wider Sopra Steria Group and its implications for Plan funding.

### Investment Consultant

Investment advice is also provided by Aon Solutions UK Limited (trading as Aon).

### Legal Advisers

Legal advice is provided by Gowling WLG (UK) LLP

### Independent Auditors

Crowe U.K. LLP audit the annual accounts of the Plan.

## Statutory and other bodies

### The DWP Pension Tracing Service

The Pension Service 9  
Mail Handling Site A  
Wolverhampton  
WV98 1LU

Telephone 0345 600 2537

[www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

### Office of the Pensions Ombudsman

1st Floor  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

### The Pensions Regulator

Napier House  
Trafalgar Place  
Brighton  
East Sussex  
BN1 4DW

[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

### The Money and Pensions Service

120 Holborn  
London  
EC1N 2TD

[www.moneyandpensionsservice.org.uk](http://www.moneyandpensionsservice.org.uk)

## The Sopra Steria Employee Trust Benevolent Scheme

The Sopra Steria Employee Trust (SSET) exists for the benefit of Sopra Steria's UK and Indian employees and was established in 1981 by a gift of shares from Dame Stephanie "Steve" Shirley, who founded the FI Group, which became Xansa plc prior to being acquired by Sopra Steria.

The Trustee of the SSET has established a benevolent scheme which aims to provide financial support for employees and former employees who are suffering hardship or difficulty.

If you would like more details of this Scheme, please contact the SSET Trustee by email at [sset@soprasteria.com](mailto:sset@soprasteria.com).

# Appendix

## Steria Management Plan ("the Plan")

### Summary Funding Statement as at 31 March 2019

The Directors of Steria (Management Plan) Trustees Limited (the Trustee of the Plan) are very pleased to be able to provide this update of the Plan's funding position at the last full valuation as at 31 March 2019.

The aim of this statement is to address the key question: will the Plan have enough to pay the benefits earned by its members? We hope that you find this information useful.

#### Introduction

The Plan is a defined benefit scheme. The assets to pay for members' pensions and other benefits are held in a common fund. The Trustee's objective is that the common fund is sufficient to pay pension benefits now and in the future. The Plan's funding position is therefore important as it measures whether the common fund is adequate to enable the Trustee to meet its objective.

The Plan is required to have a full actuarial valuation, which calculates the Plan's funding position at a certain point in time, every 3 years. As reported in the annual newsletter the Plan completed the full actuarial valuation as at 31 March 2019 in June of this year.

#### The results of the previous full actuarial valuation

The full actuarial valuation of the Plan as at 31 March 2019 was carried out under the Scheme Funding regulations. The ongoing funding position, compared with the position of the Plan as at 31 March 2018 (the position reported in the previous Summary Funding Statement) is set out below:

	Annual Review at 31.03.18 (£m)	Triennial Valuation at 31.03.19 (£m)
Market Value of Assets (i.e. investments)	186.2	187.3
Value of Past Service Liabilities (i.e. current and future pensions for service to date)	212.6	205.0
Past Service (Shortfall)/Surplus	(26.4)	(17.7)
Funding level	88%	91%

#### The Company has agreed with the Trustee that additional contributions will be paid as follows:

- £5,144,066 per annum until 31 March 2020;
- £5,308,676 per annum from 1 April 2020 to 31 May 2020;
- £399,533 in June 2020;
- £5,137,333 per annum from 1 July 2020 to 31 March 2021;
- £5,316,652 per annum from 1 April 2021 to 31 March 2022;
- £5,434,150 per annum from 1 April 2022 to 31 May 2022;

## **In addition to the above, the Company is paying an expense allowance as follows:**

- £53,811 per month until 31 March 2020
- £55,533 per month from 1 April 2020 to 31 May 2020
- £50,157 in June 2020
- £53,741 per month from 1 July 2020 to 31 March 2021
- £55,617 per month from 1 April 2021 to 31 March 2022
- £56,846 per month from 1 April 2022 to 31 May 2022

On the basis of the assumptions underlying the valuation, it is expected that these contributions, along with the assumed returns on the Plan's investments, will be enough to restore the Plan's funding position on an ongoing basis to 100% by 31 May 2022. The Trustee monitors the Plan's funding position closely and should the funding position not improve as anticipated then the Trustee will consider whether it is necessary to take further action.

### **Reasons for change in the funding level since 31 March 2018**

The value of the Plan's assets increased slightly from £183.3m to £187.3m between the 2018 annual actuarial report and the 2019 valuation largely as a result of better than expected investment returns (including the effects of hedging against falls in gilt yields and increases in inflation expectations) and the significant contributions paid in by the Company.

Over the same period the estimated value placed on the Plan's liabilities decreased from £212.6m to £205.0m. This was mainly due to the positive impact of updating the mortality assumptions to reflect the latest data which has reduced the value of the liabilities. This has been partially offset by changes in market conditions and assumed de-risking trigger points being earlier than those assumed at 31 March 2018.

### **Solvency of the Plan**

As part of each full valuation the Plan's Actuary must look at what the Plan's solvency would be if it started to wind up (come to an end) as at the valuation date. As at 31 March 2019 the Plan was estimated by the actuary to be 74% funded on a solvency basis.

It is important to highlight that the calculation of this figure is a requirement of pension legislation and should not be interpreted as either the Company or the Trustee considering wind up as a future course of action.

In the event that Sopra Steria Limited became insolvent and was unable to support the Plan then the Pension Protection Fund (PPF) might step in and pay compensation to members. There are more details about the compensation available from the PPF on its website at [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk).

### **Use of personal data**

In providing actuarial services to the Trustee, including preparing this Summary Funding Statement, the Trustee, their advisers Aon and the Scheme Actuary require access to personal data about members and their dependants. The General Data Protection Regulations govern how the Trustee, Aon and the Scheme Actuary use and store personal data. Should members have further questions regarding the processing of their personal information, they should contact the Trustee in the first instance (trustee contact details are set out earlier in this newsletter). General guidance is also available from the Information Commissioner's website [www.ico.org.uk](http://www.ico.org.uk).

### **Some small print**

By law we are obliged to make the following disclosures:

- (a) We are required to inform you whether any payment has been made to Sopra Steria Limited under section 37 of the Pensions Act 1995 (payment of surplus to employer) since the date of our last Summary Funding Statement of October 2018. We can confirm that no such payment has been made. The Plan's trust deed and rules only provide for a refund of surplus assets to be paid to the employer in the event that the Plan was being wound up and all of the Plan's benefits and other liabilities had been satisfied and any applicable statutory requirements had been satisfied.
- (b) The Pensions Regulator has not made a direction to modify future accruals, nor given any direction as to how the technical provisions are to be calculated, nor imposed a schedule of contributions.

### **The Directors**

Steria (Management Plan) Trustees Limited

**December 2020**