



Mineworkers'
Pension
Scheme

Your 2022 newsletter

Newsline

Meet the people who look
after your pension **p4**

Your Scheme's 70th birthday **p6**

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get paid **p15**



Looking after
Mineworkers'
pensions
since 1952

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Welcome to your 2022 newsletter

We send this newsletter to let you know what we've been doing and how we've been looking after your pension.

The cost of living crisis is rarely out of the news, and we know rising prices mean your pension has to stretch further. Therefore, the Trustees were delighted that the government agreed to bring forward protection for existing bonus pensions. Without this, bonus pensions would have been reduced this and next year. They're now fixed and won't be reduced for any reason. If your pension is in payment you will have already received a letter explaining how this will boost your pension. If your pension is not yet in payment you will receive a benefit statement in the New Year. You can read more about this excellent piece of news on page 3.

This came about because your Trustees asked the government to do more to protect Scheme members. The Trustees have a duty to act in your best interests. This duty is at the heart of everything we do. You can read more about the Trustees – who we are, what we do and what we can't do – on page 4.

Unfortunately, the recent challenging times look set to continue into 2023 and beyond. We look ahead to what that might mean for the next valuation of the Scheme, due in 2023, on page 9.

And finally, your Scheme celebrated its 70th birthday this year. A handful of our members have been with the Scheme since its inception in 1952. We're commemorating the Scheme by looking back at that year, and how the Scheme has evolved since, on page 6.

In between these highlights, you'll find plenty of facts about the Scheme, useful information and guidance. We also want to keep you updated with news that might affect you. I wish you happy reading.

As this newsletter should be with you in time for the festive season, I will also take the opportunity to wish you a Merry Christmas and a Happy New Year!



**PAUL TRICKETT
(CHAIR)**

Here's what you might have missed since our last newsletter...



Your pension is safe with us

You might have seen stories in the news about turmoil in UK financial markets following the ill-fated mini budget in September and the knock-on effect this had on some pension schemes. Some coverage has even suggested that schemes were at risk of collapsing before the Bank of England intervened.

We can assure you that the Mineworkers' Pension Scheme wasn't directly affected by the problems many UK pension schemes faced. This is because our investment strategy doesn't involve something called 'Liability Driven Investment', which has been badly affected by the volatile markets.

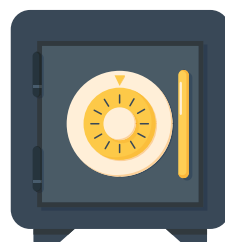
One of the reasons for that is the Government Guarantee gives us the freedom to manage our investments in a different way from many other schemes. The Guarantee also means that your pension will be paid no matter what happens to the Scheme's investments.

Your bonus pensions are now protected

Inflation is high at the moment, which means your pension has to stretch much further. Bonus protection measures guarantee your existing bonus pensions cannot be reduced. This means that in 2022, instead of a total increase to your pension of at least 4.2% of your guaranteed pension, you got an increase of 11.8% of your guaranteed pension. The Government originally said 'yes' to bonus protection measures from 2024. Because inflation has gone up so much recently, your Trustees no longer felt this was good enough. They were determined to bring the measures forward.

The Trustees went to talk to the government with Stephanie Peacock, the MP for Barnsley East. They made the case to Greg Hands, the Minister of State for Business, Energy and Clean Growth. After the meeting, the government agreed to bring bonus protection measures forward with immediate effect.

The Trustees are thrilled they were able to do this for you, and are grateful to Stephanie who was instrumental in securing the meeting with government. It has put more money in members' pockets at a time when prices are rising.



Helping you with your taxes

No one should pay more tax than they need to, especially with the cost of living going up. The Trustees want to help members as much as they can at this time. One service they can point to is a UK charity called Tax Help for Older People. This is a charity that can help you check if you're paying the right amount of tax. If you aren't claiming all the allowances you're entitled to, your tax bill could be higher than it should be.

Organisations like this may be able to help you lower your tax bill if it's too high, and get a refund if you've paid too much tax in the past. You can read more about this service on page 12.

The role of the Trustees

Meet the people who look after your pension.



Being a Trustee is like running a multibillion business – with all the responsibility that involves. And how the Scheme is run has a direct impact on how much money you have in your pocket. That’s why the role is so important, and having the right people for the job is crucial.

Who are the Trustees?

There are 10 Trustees in total. Five of them are elected by members. The other 5 are appointed by the other Trustees for their skills and experience. No Trustee is appointed by the government.

Elected Trustees initially serve for a 5-year term, but there’s no limit to the number of times they can be re-elected. Appointed Trustees initially serve for a 3-year term, and can be appointed up to 3 times.

Whether they are elected or appointed, all the Trustees have the same key responsibilities.

Your elected Trustees are:

(front row, left to right)

Anthony W. Jones, Central and Southern England and South Wales, first elected in 2012, re-elected since last newsletter

Bobby Clelland, Scotland, North West England and North Wales, first elected in 2009

Ken Capstick, Yorkshire and North Lincolnshire, first elected in 2016

Alan Gascoyne, Derbyshire, Nottinghamshire and Lincolnshire, previously served 2006–14, re-elected since last newsletter

(inset)

Allen Young, North East England and Overseas, first elected in 2005

Your appointed Trustees are:

(back row, left to right)

James McAleenan, first appointed in 2018, *Chair of the Risk and Assurance Sub-committee*

Paula Hay-Plumb, appointed since the last newsletter, *Chair of the Member Experience Sub-committee*

John McLaughlin, first appointed in 2021, *Chair of the Investment Sub-committee*

Paul Trickett, first appointed in 2017, *Chair*

Ian Maybury, first appointed in 2014

How Trustees work

The Scheme has rules that set out how it operates and the Trustees have a legal responsibility to work within those rules. The rules give the Trustees important responsibilities and powers. These include:

- Making sure that every one of the Scheme's pensioners is paid the right pension, at the right time, without fail. And that they receive any increases they are entitled to.
- Setting the strategy for how the money in the Scheme is invested. Sometimes the Scheme makes more money than it needs to pay members' pensions. This is known as a surplus.
- Boosting members' incomes by giving them bonus pensions when the Scheme's investments have generated a surplus.
- Appointing specialists to help the Trustees carry out their responsibilities. These include investment managers to give advice on the best way to invest the Scheme's money, and administrators who make sure members are paid on time.

The Trustees have a duty to act in the interest of the members. Everything they do and every decision they make comes back to this duty.

What Trustees can't do

- They can't change the Scheme rules – only the government can do that. But the government can't change anything without talking to the Trustees first. And they can't change the rules in a way that would lower members' pensions.
- The law says that the Trustees can't directly campaign or lobby the government. However, they can and do express their opinion on issues to do with the Scheme, including possible changes to the Scheme rules. They can also provide facts about the Scheme to help people better understand how the Scheme works.
- Trustees have to work in members' overall interests. This means they have to treat different member groups fairly. Similarly, they can't take up one person's cause and champion it above the interests of all other members. These are two of the many ways that Trustees differ from other roles that look after people's interests, such as union representatives or Members of Parliament.

A final word on Trustees

Trustees need to look at the big picture. Decisions they take can be complex, involve lots of moving parts, and may have far-reaching consequences. So the Trustees often have to balance trade-offs. When this happens, they always focus on what's in the members' overall interests, even if this means making decisions that may not be popular with everyone.

Got questions about your pension or the Scheme?

The Scheme has a dedicated team of administrators to serve members. They answer the hundreds of queries that the Scheme receives each week.

For all enquiries regarding your Mineworkers' Pension Scheme (MPS) pension, please get in touch with your Scheme Administrator. Contact details are provided on the back of this newsletter.



Your Scheme's 70th birthday

The Mineworkers' Pension Scheme turned 70 this year, and it remains as committed to looking after its members as it did on the day it was founded.

Your Scheme was set up on 1 January 1952. That same year 228 million tonnes of coal was dug out of UK soil. On any given day that year, some 700,000 miners descended several hundred feet underground to dig for the coal that powered Britain.

The original Mineworkers' Pension Scheme was the larger of two pension schemes in the coal industry. Over half of eligible employees joined the scheme straightaway – 564,000 members. Just six months later, 80% of employees had signed up for membership.

Outside the pits, Britain was still recovering from the Second World War. Rations were being eked out. Housing was in short supply. But change was in the air. A young Queen was waiting in the wings to be crowned. The tills in Britain's first supermarkets began to ring. A smattering of households boasted a television set. An economic boom that would reshape the country was only a few years off.

A changed industry

Mining was changing too. In 1952, the Miners' Welfare Committee, which controlled the purse strings of the Miners' Welfare Fund, was disbanded. Since its inception in 1921, it had spent £30 million improving the working conditions of miners. Funded by a levy on coal, it had paid for canteens, clubs and medical centres, among other things. With nationalisation, the work it did for miners was transferred to the National Coal Board.

By 1952, over 400 pithead baths had sprung up in collieries across the UK. Thanks to the tireless campaigning of social reformers, a separate levy was established to fund a bath building programme. The baths washed away the sweat and dust that had previously clung to miners on their long walks home.

However, some things never changed. The shaft with its great wheels still flagged collieries on the landscape. The glow of the safety lamp, one of the most recognisable inventions in mining history, still burned bright.



A timeline of the Scheme

1952

The Scheme was established. Membership was voluntary. Contributions were paid on a flat-rate basis, with members paying no more than 20p a week.

1961

Membership became compulsory for all eligible employees.



1975

MPS became a final salary scheme, with contributions increasing to 5% of pensionable earnings, matched by British Coal. This allowed for more generous pensions to be paid in retirement.

1994

The Scheme closed to contributions following privatisation. British Coal stepped down as sponsor, and the government became Guarantor for the Scheme.



Facts about your Scheme

Today, MPS is one of the **20 largest** pension schemes in the UK.

Members contributed **£1.1 billion** to the Scheme. Another **£3.2 billion** was contributed by British Coal.

Between January 1952 and 30 September 2021, around **£20 billion** was paid out to Scheme members.

Over **1,600** of the Scheme's current members have been in the Scheme from the very beginning, joining on **1 January 1952**

In this Scheme we have over **180 centenarians**. At least **10** of them are over **105** years old.



Your Scheme in numbers

We've picked out some of the most important figures from the Report and Accounts for the year ended 30 September 2021, to show you how your Scheme has evolved over the past year.

→ Our Report and Accounts explains how we've been looking after your pension. It will give you some information about the Scheme's membership and how the Scheme's investments have been managed. We've highlighted the most vital points, but you can find a lot more detail, including a copy of the Report and Accounts, on our website.

NUMBER OF MEMBERS IN THE SCHEME AT THE END OF THE SCHEME YEAR



130,369

(2021)



135,900

(2020)

HOW MUCH MONEY THE SCHEME HELD IN INVESTMENTS AT THE END OF THE SCHEME YEAR



(2021)



(2020)

HOW MUCH THE SCHEME PAID TO MEMBERS IN TOTAL OVER THE SCHEME YEAR



£700 million

(2021)



£694 million

(2020)

APPROXIMATELY HOW MUCH WAS PAID TO MEMBERS EVERY 4 WEEKS



£54 million

(2021)



£53 million

(2020)

Valuation

Every three years, an actuary will weigh up how much money there is in the Scheme, and how much is needed to pay members. This is called a valuation. The actuary will calculate whether there is an excess of funds, known as a surplus, or a shortfall, known as a deficit. Bonus pensions can be increased if there is a surplus. In the past, they could also be reduced if there was a deficit. But existing bonus pensions are now protected and cannot be reduced for any reason. And there will always be enough money to pay your pension, thanks to the Government Guarantee.

The last valuation was carried out in September 2020. The markets were still reeling from the Covid pandemic and investments hadn't performed as well. The Scheme had a deficit. However, this had no impact on your bonus pensions. This was because your Trustees successfully secured an agreement with the government that member bonuses would be fixed for 6 years instead of 3, following a large surplus in 2017.

Challenging future outlook

The next valuation is in 2023. It's too soon to know what the results of this valuation might be. Investments performed well in the 12 months up to 30 September 2021, but events since then – such as the war in Ukraine and turmoil in the UK financial markets – have made markets volatile. These are challenging times for all investors, including pension schemes. New bonus pensions at the next valuation, and future valuations, will only be possible if the Scheme's investments perform well and there is a surplus. However, if there is a deficit, existing bonus pensions will not be reduced.

Where your money is invested

Potentially higher investment returns, which are needed if we're going to pay more bonus pensions in the future, go hand-in-hand with increased risk. We can afford to take comparatively more risks thanks to the Government Guarantee because, whatever happens, we will always have enough money to pay your pension.

As you can see from the graph on this page, the vast majority of our investments are held in what are called 'growth assets', such as shares. These give us a better chance of generating higher returns. But with the opportunity for higher returns comes higher risk.

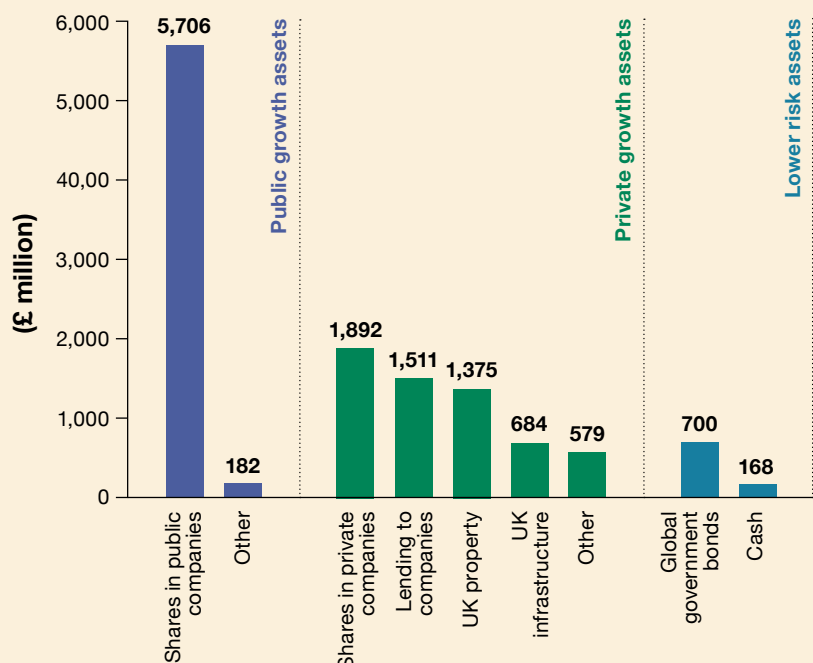
Many assets pay out income. We can use this income to help pay members' pensions. But because of the amount of money we pay out every year, this income isn't enough on its own. So it's normal for us to sell some of the Scheme's assets to pay pensions. Ideally, we'll do this when we can get the best price – for example, we might

sell shares in public companies when they've gone up in value.

But the nature of a riskier investment strategy means this isn't always possible. When we need money to pay pensions but the value of the Scheme's investments has fallen, we sell assets which are typically labelled lower-risk assets, such as government bonds. These kinds of assets aren't expected to grow as much as shares, but their value is usually much more stable.

We invest in public and private markets. The public markets are open to all investors, such as companies listed on the stock exchange. Some of our investments in public markets include shares in some of the biggest companies in the world, such as Facebook, Microsoft and Amazon. Private markets aren't traded publicly. On the next page, you can see some of the growth assets we invest in on the private market.

Where the Scheme was invested at the end of 2021



Investing for good

Investments that make a positive impact on the world are often linked to higher returns. Here are some examples of our investments that are doing good for society and for the environment.

Solar farms

Solar farms harvest sunshine to produce clean energy. One of the solar sites owned by the Scheme on behalf of members is Rolleston in Staffordshire. Last year Rolleston generated enough electricity to power 5,400 homes. This spared the environment 3,310 tCO₂ worth of emissions. Over the next 40 years, the site will produce enough renewable energy to power 3,600 UK homes a year. This will help East Staffordshire Borough Council meet its target of net zero carbon emissions by 2040.



The world's first hydrogen double decker bus

StreetDeck Hydroliner, the world's first hydrogen double deck bus, was created by Wrightbus. The Scheme, on behalf of members, has a stake in this company through a private equity fund. Wrightbus has pledged to leave its carbon footprint behind and not sell any diesel buses from 2025. The StreetDeck Hydroliner promises to steer the industry towards a new era of climate-friendly transport.

Extra care housing

Albion Mill in Blackburn is an Extra Care scheme that houses people with care and support needs. The Scheme owns this property on behalf of members too. Albion Mill looks after people with disabilities, long-term health conditions and dementia. Completed in 2021, the scheme focuses on working with the local community, fulfilling a critical social purpose.



How the Government Guarantee works



We explain how the Government Guarantee both protects your pension and gives us the best chance of being able to pay bonus pensions.

The Government Guarantee is by far the best way of making sure members' pensions are safe. That's why the Trustees opted for it in 1994. In the years since, this has proved to be a good decision. As well as giving members security, the Guarantee has allowed Trustees to invest more ambitiously than they would otherwise have been able to, leading to bonus pensions for members.

What is the Government Guarantee?

- The Guarantee promises that members will always receive the pension entitlements they earned up to the time British Coal was privatised. So, if ever there isn't enough money in the Scheme to pay members' pensions, the government will make up the difference.
- Over the years, the Government Guarantee has allowed the Trustees to invest in assets that typically generate higher returns. This has paid off and the Scheme's investments have made a surplus on several occasions.
- The government and the Scheme shared this surplus 50/50. The Trustees used this surplus money to boost members' income by awarding bonus pensions.

In short...

The Government Guarantee provides a valuable safety net. It also gives the Trustees the best chance of generating a surplus through more ambitious investments, which they can use to boost pensioners' incomes.

Given the way the Scheme works, what's the best way to improve members' pensions?

- The best way to increase pensions is to try to generate a surplus through the way money is invested in the Scheme. We can then use the members' share of the surplus to give members bonus pensions.
- Over the years, we've been successful with this approach. This has allowed us to give members pensions that, at the beginning of 2022, were around 30% higher than they would otherwise be.
- Any other way of improving members' pensions would involve changing the rules of the Scheme – and only the government can do that. We engage with the government when we think the Scheme rules could work better for members. For example, when we brought forward bonus protection earlier this year.
- The government has made it clear that it won't change the rules of the Scheme unless it's in the interests of taxpayers as well as Scheme members. So, to be credible and to increase the chances of a change happening, we need to be realistic and constructive about what we ask for.

How to...

Get help with your taxes

Free, expert help on your taxes is only a phone call away.



If you're worried about your taxes, we have partnered with a charity that can help you. Tax Help for Older people can give you guidance and support on anything to do with your tax. They can help you find out if you're paying too much tax, or just give you a hand with your tax return.

Some of the ways they can help you:

- Tell you what your options are if your spouse has died
- Help you check that you're on the right tax code
- Check that you're receiving all the tax allowances you're entitled to

The charity has helped many members of this Scheme, and feedback has been excellent. Some have managed to lower their tax bills. A few have received tax refunds. Many more are enjoying better peace of mind.

Contact Tax Help for Older People (THfOP)

By phone:
0333 2075653

If you can't get through, please leave a message. THfOP will do their best to get back to you within 48 hours.

By email:
taxvol@taxvol.org.uk

By post:
Tax Help for Older People,
Unit 10A,
Pineapple Business Park,
Salway Ash, Bridport,
Dorset, DT6 5DB

Here's what some of our members said about the service:

“Thank you. You've been so very helpful, we would not have known about claiming Married Couples Allowance and it will save a lot of tax.”

“I am so grateful for your help. I was at a loss of how to help my mum get this lump sum tax sorted. It's brilliant to know you can help.”

“At least I now know what to expect when my Mineworkers' pension starts.”

“I was dreading all of this but you have made it so much easier to understand.”

TAX HELP
FOR OLDER PEOPLE

Protect your pension from scammers



You've worked hard for your pension – don't let anyone take it away.

The Trustees were concerned to hear that some Scheme members have been approached by scammers. One member even had someone come to their door pretending to be an employee of the Scheme. Fortunately, this scam attempt wasn't successful. But pension scammers are sophisticated criminals, and it's easy to be lured in.

→ **If you haven't started taking your pension**, they might try to persuade you to transfer out of the Scheme. They could promise you 'early access' to your money or 'guaranteed' returns in exchange for moving to a different arrangement. But remember: if it's too good to be true, it probably is.

→ **If you're currently taking your pension**, a scammer might try to get your bank details. They could do this by ringing you up and pretending to be someone from your bank, or even someone who works in law enforcement.

We have taken the Pensions Regulator's scams pledge, which means we're committed to combatting scams.

Pensions scammers are very convincing, but there are warning signs you can watch out for.

Do not talk to anyone who contacts you out of the blue about your pension

- Many scams start with an unexpected phone call or an email offering a free pension review. Just say no.
- They might pretend to be from Pension Wise or a government department. These organisations would never call or text to offer a pension review.
- It is illegal to cold call someone about their pension. If anyone calls you offering a free pension review – hang up.
- Absolutely no one from MPS would pay you an unsolicited call. If someone knocks on your door claiming to be from the Scheme, they are lying.

Check that any company you talk to is authorised by the Financial Conduct Authority (FCA)

They might claim to be authorised by the government. You can easily check if they're telling the truth:

- Go to [fca.org.uk](https://www.fca.org.uk) or call the FCA on 0800 111 6768 to see if they're on the FCA's register.
- They might claim to be from a company on the register. You can check by seeing if their contact details match.

Get independent advice from a professional

Only take advice from someone who is qualified. Find an independent financial adviser who's qualified to talk to you about your pension at [directory.moneyadvice.service.gov.uk](https://www.directory.moneyadvice.service.gov.uk)

Take your time – do not let anyone rush you

Scammers often urge you to act fast to avoid losing out. They know that the more time you have to think, the more likely you are to realise you're being conned. Don't give them any personal details like your bank details, address or pension information.

If someone won't give you the time to make all the checks you need walk away.

Get help if you think you're being scammed

If you've been contacted by someone who could be a scammer, tell us immediately by contacting the administrator using the details on the back of this newsletter. You can also report them to the police at [actionfraud.police.uk](https://www.actionfraud.police.uk) and the FCA at [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

How to...

Manage your pension online



Do you need to know something about your pension or the Scheme? The quickest way to find what you're looking for is probably through our websites. We have two websites – one can tell you all about the Scheme, the other lets you access information about your pension.

If you want to...

- Register for our online portal to access your pension records
- Find information about the Scheme
- See the latest news and updates about the Scheme

Go to www.mps-pension.org.uk

If you want to...

- Update your personal details
- Make or refresh an Expression of Wish
- View your pension payslips or P60 information
- See how much your pension is worth now

Go to <https://mps.hartlinkonline.co.uk>

What will happen to your pension after you die?

→ **Without an Expression of Wish, we can't take your wishes into account.**

When you die, we may be able to pay a pension and/or a lump sum to your spouse, your civil partner, or someone else close to you. Who is eligible and how much they get will depend on your circumstances.

If your circumstances allow us to pay money to someone close to you, you can tell us who you'd like this money to go to by filling in an Expression of Wish form. If you've already filled one in, it's important to keep it up to date so that it reflects your current circumstances. We aren't bound by your nomination and any money must be paid in line with the rules of the Scheme, but we'll always take your wishes into account where we can.

You can make or update an Expression of Wish by contacting your Scheme Administrator. Contact details are provided on the back of this Newsletter. Alternatively, you can also do so online.

Go to <https://mps.hartlinkonline.co.uk>

Report the death of an MPS member

→ **These are the steps you'll need to take when an MPS member passes away.**

If an MPS member has passed away, let us know as soon as you can. We need to know so we can stop making their pension payments. Any payments made after they die will need to be paid back. This could be an unnecessary hassle for you at a very difficult time.

Contact the Scheme Administrator

You will need to tell the Scheme Administrator about the death. You need to do this even if you have used the Government's 'Tell Us Once' service. The Tell Us Once service will not contact the Scheme Administrator.

You can write, call or email. The contact details are at the bottom of the page. We'll be able to help you more quickly if you have the following details to hand:

- The deceased member's National Insurance number OR
- The deceased member's Pension Reference Number

Contact details

By phone:
0333 222 0077

By email:
mps@capita.co.uk

By post:
Mineworkers' Pension Scheme
PO Box 555
Stead House
Darlington
DL1 9YT

Paydays in 2023

IF YOUR PENSION IS PAID EVERY 4 WEEKS



IF YOUR PENSION IS PAID EVERY 13 WEEKS



IF YOUR PENSION IS PAID ONCE A YEAR



Contact details

Who to contact and how to reach them.

If you have any enquiries about your pension or the MPS Scheme, contact the Scheme Administrators

By phone:

0333 222 0077

By email:

mps@capita.co.uk

By post:

Mineworkers' Pension Scheme
PO Box 555
Stead House
Darlington
DL1 9YT

HMRC

If you have any queries about the tax you pay on your MPS pension, please contact HMRC. You will need your National Insurance number and their reference, 083/MPS.

By phone:

0300 200 3300
(overseas: +44 135 535 9022)

By post:

Pay As You Earn and Self-Assessment
HM Revenue & Customs
BX9 1AS

CISWO The Coal Mining Charity

CISWO provides a personal welfare service which aims to improve the quality of life for former employees of the coal industry and their families. They offer support and guidance relating to mining related issues, illness, disability, assistance with welfare benefits and industry related claims and compensation schemes. They also offer help to access mobility equipment and grants as part of a wider support package. They do this mainly through a confidential home visiting service or by telephone.

For further information or to refer yourself, a family member or friend, please contact them:

By phone:

01709 728115

By email:

mail@ciswo.org.uk

Or follow the link through their website: www.ciswo.org.uk

Concessionary Fuel and Cash in Lieu (NCFO)

For queries about your concessionary fuel allowance, please contact the NCFO. You will need your National Insurance number.

By phone:

0345 759 0529

By email:

ncfo@capita.co.uk

By post:

National Concessionary Fuel Office
PO Box 64
Sheffield
S1 1XL

