



# Member Update – a message from the Chairman of Trustees

June 2020

## Dear Member,

I hope that you and your families are keeping safe and well during these difficult and very challenging times.

I wrote to you immediately after we entered 'Lockdown' to reassure you that the Mineworkers' Pension Scheme (MPS) was in good shape, that all of our employees were already working safely from home, along with those of our suppliers, and that we were very much in a 'Business as Usual' mode. Most importantly, I wanted to confirm that your pension would continue to be paid on time and that we had organised our operations to ensure that we were able to meet your needs for and expectations of service during this very stressful period.

Almost two months on, I am delighted to be able to report that we have been able to continue to provide a high level of service to members during Lockdown and I am confident that we will continue to do so. However, I would, of course, be happy to hear from you if there is anything you feel we might be able to do either differently or better.

Unfortunately, it is now very clear that our lives are not likely to return to what we've previously thought of as 'normal' for some time. As a result, my fellow Trustees and I feel it is important that we provide you with important information and updates about the MPS as quickly and as frequently as possible. Throughout the remainder of this year, therefore, I plan to write to you on subjects that we believe are likely to be important to you as a Scheme member. These updates will replace the normal summer and winter editions of Pensions Newline.

This letter covers two items of news. First, an update on the 2020 Pensioner Representative Trustee Election for the North East England & Overseas Constituency and, second, a summary of the latest Report & Accounts for the Scheme for the year ending 30 September 2019. Our discussions with the Guarantor about the protection of all current bonuses, i.e. so that they can't go into 'Standstill' and be lost, are progressing well and I hope to be able to communicate the outcome later in the Summer.

Finally, I've also included a reminder of the services that the Coal Industry Social Welfare Organisation (CISWO) provide to members. On the final page of this letter you'll find the contact details for the Scheme and some other organisations that you may also find helpful.

We hope that you'll find this update useful. Further information about the Scheme is also available on the Scheme website ([www.mps-pension.org.uk](http://www.mps-pension.org.uk)).

If you would also like to receive these updates via email, you can do so by visiting the Scheme website and clicking on the "communication by email" tab on the right-hand side of the page.

Take care and stay safe.

Yours faithfully



**Chris Cheetham**  
**Chairman of Trustees**  
**Mineworkers' Pension Scheme**

## The 2020 Pensioner Election for the North East & Overseas Constituency

On 30 September 2020, Allen Young's current five-year term of office as the Mineworkers' Pension Scheme (MPS) Pensioner Representative Trustee for the North East England & Overseas constituency is due to end. Under normal circumstances, an election would take place to elect the Pensioner Representative Trustee for the next five-year term.

However, the MPS Trustees are very concerned by the challenges and risks which are likely to be involved in running the election in the midst of the COVID-19 pandemic and we have reluctantly decided to postpone the election until 2021. Allen will therefore remain as a Pensioner Representative Trustee for a further year. The successful candidate in 2021 in the North East England and Overseas constituency will then be elected for a four-year term.

I hope you understand why the Trustees have made this decision in these unprecedented times.

### As a reminder, your Pensioner Representative Trustees are as follows:

- Ken Capstick, Yorkshire and North Lincolnshire
- Bobby Clelland, Scotland, North West England & North Wales
- Anthony Jones, Central and Southern England & South Wales
- Michael Newton, Derbyshire, Nottinghamshire & Lincolnshire
- Allen Young, North East England & Overseas

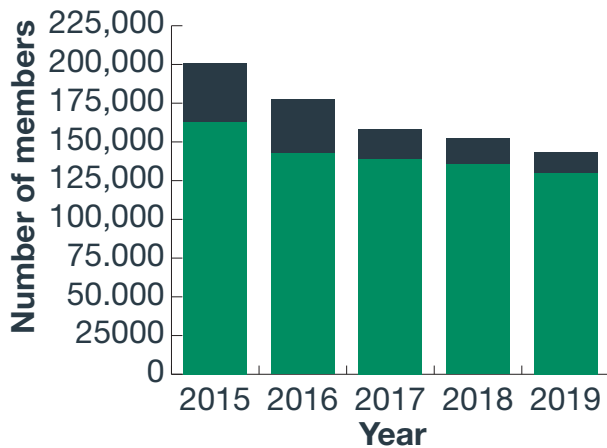
## Report & Accounts Summary for the year to 30 September 2019

We've set out below a short summary of the latest Report & Accounts of the Scheme for the year ending 30 September 2019. A full copy is available from the Trustee's Office and it can also be found on the Scheme's website under the Scheme Publication tab.

### Key Statistics for 2019

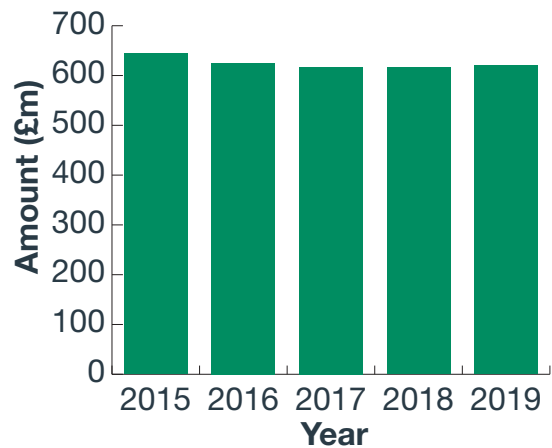
<b>Total number of pensioner members</b>	<b>130,047</b>
<b>Total number of deferred members</b>	<b>13,483</b>
<b>Total benefits paid and transfers out</b>	<b>£696m</b>
<b>Net decrease in the fund during the year</b>	<b>(£326m)</b>
<b>Net assets of the Scheme at the end of the year</b>	<b>£11,653m</b>

## Membership



■ Members in Payment ■ Deferred Members

## Pensions paid (excluding lump sums, trivial commutations and transfers out)



## Five Year Summary of the Fund Account

	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m
<b>Benefits and payments out of the Scheme</b>					
Benefits and transfers out of Scheme	(721)	(882)	(678)	(696)	(696)
Payments to the Guarantor	(92)	(113)	(51)	(526)	(142)
Administrative expenses	(9)	(7)	(6)	(7)	(6)
<b>Net withdrawals from the Scheme</b>	<b>(822)</b>	<b>(1,002)</b>	<b>(735)</b>	<b>(1,229)</b>	<b>(844)</b>
<b>Returns on investments</b>					
Investment income	237	277	290	308	302
Change in market value of investments	97	1,680	1,338	706	256
Investment management expenses	(43)	(50)	(48)	(47)	(43)
<b>Net returns on investments</b>	<b>291</b>	<b>1,907</b>	<b>1,580</b>	<b>967</b>	<b>518</b>
<b>Net increase/(decrease) in the fund during the year</b>	<b>(531)</b>	<b>905</b>	<b>845</b>	<b>(262)</b>	<b>(326)</b>
<b>Net assets of the Scheme at the end of the year</b>	<b>10,491</b>	<b>11,396</b>	<b>12,241</b>	<b>11,979</b>	<b>11,653</b>

## Payments

### Benefits and transfers out of the Scheme

For the year to 30 September 2019 pensions were being paid to over 130,000 members and their dependants. These payments amounted to £696 million over the year.

## **Payments due to the Guarantor**

This represents the payments that are due to the Guarantor as a result of its share of surplus arising from past actuarial valuations. The Guarantor's share of any surplus is paid in instalments over ten years. Payments totalling £142 million were made to the Guarantor during the year.

## **Administrative Expenses**

These are the costs incurred in administering the Scheme and paying the benefits and include legal and actuarial costs. The majority of these costs are spent on pensions administration. It is crucial for the Scheme to be administered effectively to ensure that members' benefits are paid correctly, on time, and their queries are responded to.

## **Returns on Investments**

### **Investment Income**

The scheme invests in certain assets that generate income which is paid into the Fund during the year. This includes rental income from property, interest from lending money to companies, governments or on cash balances, and dividends from equities. The total amount of income received from investments in the year was £302 million, considerably less than the total amount of payments that the Scheme had to make in the year.

### **Change in market value of investments**

Some investments that the Scheme owns do not generate regular income but are invested for the longer term to increase in value. They can then be sold to generate cash for payment of benefits or to make new investments. The Report & Accounts includes the value of such investments as at the end of the Scheme financial year of 30 September. The value will increase or decrease from year to year owing to many factors, including the movements in global stock market prices, interest rates, foreign currency rates and property prices.

### **Investment management expenses**

Managing the Scheme's investments well is vital to the success of the Scheme and requires specialist knowledge and expertise. The Trustees have overall responsibility for the Scheme's investments and have appointed professional investment managers to provide them with advice on the most appropriate investments.

### **Net Increase/(Decrease) in the Fund during the year**

This is simply the difference between the 'return from investments' and the 'payments from the fund'. In the year to 30 September 2019 there was a net decrease of £326 million, so the fund decreased in value from £11,979 million at the beginning of the year to £11,653 million at the end of the year.

## **Investment Strategy**

Because the Scheme has a Government Guarantee that ensures pensions are always paid, the investment strategy for the Scheme can look at investments that have the potential for better returns. This in turn means that the Trustees can target surpluses which provide bonuses to members.

## Coal Industry Social Welfare Organisation (CISWO)

During this difficult period, the Coal Industry Social Welfare Organisation (CISWO) are continuing to provide its personal welfare service and is accepting referrals from individuals themselves, family members and other agencies. The majority of their services can be delivered remotely, and they are working hard to provide support by telephone, email, and post. Their free and confidential service includes:

- Assistance with welfare benefit applications and industry related compensation schemes.
- Advice on mining related issues, including illness and disability.
- Help to access mobility equipment, including walking aids and wheelchairs.
- Support to reduce loneliness and social isolation.
- Advocacy to enable you to express your views and concerns, and defend and promote your rights, including access to information and services.
- Emotional support including loss and bereavement, illness and caring responsibilities.
- Financial assistance at times of exceptional hardship through CISWO grants or assistance through other agencies and charities.
- Access to holidays and convalescence.
- Access to CISWO educational grants for former mineworkers and their dependents.

Their support is available to former mineworkers, partners, widows and any dependent children or adult dependents with a disability.

They have also extended their services to those in their client group most in need, particularly those who are self-isolating and have limited local support and can provide access to essential shopping and prescription collection in some areas.

Please contact your local office if you think they can help:

### North England

Thornycroft Centre, Halfpenny Lane, Pontefract, West Yorkshire, WF8 4AY.

**Call:** 01977 703 384 **Email:** [NorthEngland@ciswo.org.uk](mailto:NorthEngland@ciswo.org.uk)

### South England

Welfare Offices, Berry Hill Lane, Mansfield, Nottinghamshire, NG18 4JR.

**Call:** 01623 625 767 **Email:** [SouthEngland@ciswo.org.uk](mailto:SouthEngland@ciswo.org.uk)

### Scotland

2nd Floor, 50 Hopetoun Street, Bathgate, West Lothian, EH48 4EU.

**Call:** 01506 635 550 **Email:** [Scotland@ciswo.org.uk](mailto:Scotland@ciswo.org.uk)

### Wales

Woodland Terrace, Maesycloed, Pontypridd, Mid Glamorgan, CF37 1DZ.

**Call:** 01443 485 233 **Email:** [Wales@ciswo.org.uk](mailto:Wales@ciswo.org.uk)

## Other Useful Contact Details

For all enquiries regarding your Mineworkers' Pension Scheme (MPS) pension, please get in touch with our Scheme Administrator. Please have your National Insurance number or pension reference number to hand so they can carry out an identification and security check.

You should use these contact details to report the death of a Scheme member.

**Call:** 0333 222 0077

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

MPS  
PO Box 555  
Stead House  
Darlington  
DL1 9YT

### The Trustee's Office

**Call:** 0114 253 6444 384 **Email:** [mps.enquiries@coal-pension.org.uk](mailto:mps.enquiries@coal-pension.org.uk)

MPS Scheme Secretary  
Coal Pension Trustees Services Limited  
Ventana House  
2 Concourse Way  
Sheffield  
S1 2BJ

### HMRC

For any Scheme-related tax queries please contact HMRC. You will need your National Insurance Number and their reference, 083/MPS.

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

**Website:** [www.gov.uk/government/organisations/hm-revenue-customs/contact](http://www.gov.uk/government/organisations/hm-revenue-customs/contact)

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

### Tax Help for Older People (Tax Help)

Scheme members who are aged 60 or above and in receipt of an annual income of £20,000 or less can contact Tax Help for free tax guidance and support.

**Dedicated Scheme phonenumber:** 0333 207 5653

**Email:** [taxvol@taxvol.org.uk](mailto:taxvol@taxvol.org.uk) (please include 'MPS' in the subject of your email)

Tax Help for Older People  
Pineapple Business Park  
Salway Ash  
Bridport  
Dorset  
DT6 5DB