



A message from Your Co Chairs Martin and Richard

Firstly, we hope you are well and staying safe. We know this is a troubling time for everyone and we felt it was important to let you know that the Trustee and all parts of the Pension Scheme are still working to look after and deliver your pensions.

We are continuing to monitor the situation, and the performance of the Scheme's investments. We are in regular touch with Mercer and Aegon who manage the operational parts of the Scheme, and they are continuing to do what they need to, to make sure pensions are paid on time.

For everyone - whether you are in the Gold or Silver sections (defined benefit), or the Bronze section or Lifetime Savings Plan (defined contribution) - it is important to remind yourself that pensions are **long term** savings. Decisions about them must be made with care and after careful thought and maybe also advice. Try not to focus too heavily on changes to the value of stocks and shares over short periods.

Martin Carroll & Richard Soper, Trustee Co Chairs

Here are three simple FAQs - one about defined benefit Sections, and two about defined contribution. Remember, your pension savings may be divided between both types:

I'm in one of the defined benefit sections (Gold or Silver) - will the Coronavirus crisis affect my pension?

The pension you have been promised is not affected by changes in the stock market. Ultimately, FirstGroup underwrites your pension. The state pension is also not linked to changes in the stock market. Although some of the Scheme's assets are held in shares, the Trustee has invested these in ways which cushion the impact of the changes we have seen in recent weeks.

I'm in one of the defined contribution sections (Bronze or Lifetime Savings Plan) and I'm close to retirement. How am I affected?

Firstly, don't assume that the kind of falls the stock market has suffered will be reflected in your personal fund. If you are in the Default Fund (Aegon LifePath Capital) and you are very close to retirement, much of your fund will have been converted into less risky assets such as bonds and cash. Although your fund may have taken a hit, the closer you are to retirement, the less this should be.

If you chose to invest in one of the other funds available, it will have been moved in line with the assets within that fund. If you chose a higher risk fund it will have seen greater falls in recent weeks, but it should have also risen more over the longer-term past.

Also remember, the state pension is also not linked to changes in the stock market.

However your own fund has performed, think very carefully before you make any decisions to change, and maybe take advice.

I'm in one of the defined contribution sections (Bronze or Lifetime Savings Plan) but I've got ten or more years to go before retirement. How am I affected?

If you are in the default fund (Aegon LifePath Capital) your savings will have seen a fall in value over the last few weeks. However, it's important to remember that they increased in value by more than 10% in the year before the crisis began. You have ten years or more until you need to draw on your fund, and over that time it is expected that stock markets will recover.

Also remember, the state pension is also not linked to changes in the stock market.

However your own fund has performed, think very carefully before you make any decisions to change, and maybe take advice.

Beware of scams

It is a sad reality that Pension Scams are still a risk even during the current situation. There have been reports of increased scams so we urge you to consider these points.

Watch out if an individual or company:

- contacts you unexpectedly (known as a 'cold call') about your pension money by phone, text message, visiting you in person, or in other ways
- says you can access your pension money before 55 and that they can help you with this
- encourages you to take out a large lump sum, or your whole pension pot in one go, and to let them invest it for you
- asks you to transfer your money quickly, even sending documents to you by courier - never make a rush decision about your pension money
- uses words like 'pension liberation', 'loan', 'loophole', 'free pension review' or 'one-off investment'
- offers you an investment described as 'unique', 'overseas', 'environmentally friendly', 'ethical' or in a 'new' industry



Pension scams. Don't get stung.

Read about avoiding pension scams on the Pensions Regulator website here:
[thepensionsregulator.gov.uk/en/pension-scams](https://www.thepensionsregulator.gov.uk/en/pension-scams)

Who can I talk to?

Please don't panic and make knee jerk reactions. You do not need to make any decisions without knowing the facts and talking to someone who can help. **You have some options:**

The Pensions Advisory Service

Part of the Money and Pensions Service, they have a workforce of paid pensions specialists who have many years of experience working in the pensions industry, there to offer free pension advice to all.

[pensionsadvisoryservice.org.uk](https://www.pensionsadvisoryservice.org.uk)

Pension Wise

Good for those 55 and over who are considering drawing their pension.

pensionwise.gov.uk

Detailed Advice

If you need specific advice on which option, product and provider you should choose then you can always take regulated financial advice. Please visit pensionsadvisoryservice.org.uk/about-pensions/pensions-basics/top-tips-for-your-pension/choosing-a-regulated-financial-adviser for more information on choosing a regulated financial adviser.

Money guidance experts at the **Money Advice Service** are also available to talk you through any money problem, however big or small. You can contact them by phone, online or WhatsApp for free and confidential help. Visit moneyadvice.service.org.uk/en/articles/coronavirus-what-it-means-for-you

Special pension arrangements for the furlough period - FAQs

Who will notify payroll and pensions that I am furloughed?

Your local HR team will notify payroll and pensions of the time you are furloughed.

Will my pension contributions during the furlough period automatically reduce in line with my earnings?

Yes. Contributions will continue to be linked to your pay. Pension contributions for furloughed periods will be based on your furloughed income during furlough periods and for all other times will return to normal levels.

Can I suspend my pension contributions completely during this period?

During this period of furlough only, you can choose to stop all pension contributions, and still remain in the pension scheme. You can do this by emailing pensions@firstgroup.com. Under this arrangement, both your contributions and the company's contributions to the pension would stop entirely.

If I suspend my contributions, will I still be covered by the life assurance?

Yes, for this period only, you will continue to benefit from any life assurance benefits you get through being in the pension scheme.

Can I stop my contributions, start again, and then stop again at a later date?

No. You will only be able to choose to stop pension contributions once during the furlough period. If you then choose to restart your pension contributions, you cannot stop contributions again unless you opt out of the scheme completely. That would mean you will lose your life assurance cover.

Will the chance to opt out without losing service pension benefits be available after the furlough period is over?

No. This arrangement applies only during this exceptional period and will not be available once normal working resumes