



Defined Contribution (DC) members

Your pension matters

Information about your Affinity Water Pension Plan

Issue 12 | November 2025

AffinityWater

Welcome

We hope you are keeping safe and well.

Your pension matters is our annual newsletter about the Affinity Water Pension Plan (which we'll refer to as 'the Plan'). In this issue, we cover a range of topics we think you'll find interesting, including the latest pensions news, an investment update and our annual accounts. If there's anything you'd like to see in future newsletters, do let us know.

If you need clarification on any pension-related issues, please visit our [Pension Portal](#). If you can't find the information you need, feel free to email the Pension Trustee or call the Hymans Robertson helpline (contact details are provided on page 10).

Over the past year, with help from the Plan's legal team we completed a Trustee and Board effectiveness check. The purpose of the exercise was to make sure we meet the Pension Regulator's requirements.

I'd like to thank the entire Pension Trustee team for their hard work, commitment and continued dedication, and for supporting me to manage the Plan in the best interests of our members. We take great pride in delivering robust governance, successful outcomes and overall value to you all.

Michael Calabrese, Chair

The check covered a range of best-practice areas, including decision making, record keeping, overall Trustee governance, Trustee knowledge and understanding, conflicts of interest and risk management.

As part of this process, we also considered feedback from the Plan's advisors on various Trustee processes and procedures, and on how we communicate with our members. We compared ourselves to other pension plans too, including some that are far larger than ours.

Overall, the comments we received were very positive – you're in safe hands!

On the Board

The Trustee Board did not change during 2024/25. Its members are:



Michael Calabrese

– Chair and Employer Nominated Director



Eddie Lintott

– Member Nominated Director



Dina Pope

– Employer Nominated Director



Steve Spencer

– Employer Nominated Director



Thomas Stoten

– Member Nominated Director



Hetal Kotecha

– professional Independent Trustee Director, Independent Governance Group.



The Trustee Company Secretary is **Florence Anichebe**.

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Three organisations provide specialist services and advice to the Trustee:

- **Hymans Robertson**
– administration, actuarial services and investment management
- **Eversheds Sutherland** – legal
- **KPMG** – the Plan's auditor.

Managing your pension plan

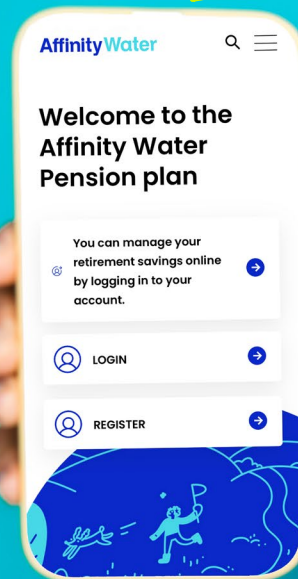
Our Pension Portal gives you instant access to all your pension information, making it easier for you to manage your pension.

Registering online takes just a couple of minutes. Here's how to do it:

- visit <https://www.affinitywaterpensions.co.uk>
- click on 'Register'
- enter your details [surname, date of birth, national insurance number, personal mobile and personal email address].

You can access the Portal on any device and any platform. Once you've logged in, you can complete a wide range of tasks. Here are some common examples:

- update your personal details in real time
- view your current fund value
- access your statements
- request a retirement quote [if you are approaching normal retirement age*].



For everything you need to know about pensions, including the State Pension, visit our website.

Have you completed your Expression of Wish form?

If you pass away while you're still a member of the Plan, some of your pension entitlements may pass to your surviving spouse, civil partner or dependant(s). But if you haven't completed your Expression of Wish form, the Trustee may not be aware of your final wishes. Don't put off this important task – on the [Pension Portal](#) it's quick and easy to complete.

If you're approaching retirement...

You should receive a retirement pack from Hymans around six months before your normal retirement date. To prevent unnecessary hold-ups, register for our [Pension Portal](#) [if you haven't already done so] and double-check that your contact details and preferred method of communication are up to date.

Hymans Robertson – happy to help

Some changes can't currently be made on the Portal, like initiating a transfer into the Plan or changing your investment choices. You'll need to contact Hymans Robertson instead, via the helpline [0207 082 6182] or by email [affinity@hymans.co.uk].

Email the Affinity Water Payroll team if you have a query about:

- **contributions** – including making changes to them)
- **retirement** – outside of the normal retirement age or before requesting a retirement quote
- **payroll deductions or your payslip.**

@ pensionsadmin@affinitywater.co.uk

We recommend that you seek independent financial advice before taking any actions in relation to your retirement savings plans.

* Normal retirement age is the specific age set by a pension scheme at which a member can access their pension benefits without any reductions or enhancements.

Steps to stay scam safe

Pension fraud is a growing problem, with scammers becoming ever more sophisticated. Thankfully the Pension Scams Action Group (PSAG) is helping to stop them in their tracks. It's a multi-agency taskforce comprising members from law enforcement, government and industry, all working together to tackle pension fraud.



The PSAG has produced a four-step checklist designed to help keep you scam safe. Use it if ever you're approached about your pension:

STEP 1

Is the offer unexpected?

Legitimate pension providers are highly unlikely to contact you out of the blue about your pension. Be wary of free pension review offers and/or promises of high or guaranteed returns.

STEP 3

Stop and think – are you being rushed or pressured?

Pressure to act quickly or you will miss out is often a warning sign. Take your time to make all the checks you need and remember, if it sounds too good to be true, it probably is.

STEP 2

Have you checked who you're dealing with?

The Financial Conduct Authority (FCA) website has a Financial Services Register. You can check it to make sure that anyone offering you advice or services is authorised to do so. A firm pretending to be authorised is known as a 'clone firm' and may have a clone website that looks exactly like the real deal.

Tip: double check their contact details against the register to see if they match. Always ensure a firm is FCA authorised or you won't be protected by the Financial Ombudsman Service or Financial Services Compensation Scheme if something goes wrong.

Website: register.fca.org.uk

Phone: 0800 111 67 68



STEP 4

Should you seek impartial advice or guidance?

MoneyHelper

Free and impartial information and guidance available online, over the phone and via webchat.

Website: moneyhelper.org.uk

Phone: 0800 011 3797



Financial advisors

If you can, it's a good idea to invest in speaking to a financial advisor. Often large amounts of money are at stake and they will be able to help you make the right decision for you.

Tip: check that any advisor you choose to use is regulated by the FCA.



Stop! Think Fraud

Learn more about how to spot and avoid scams.

Website: stopthinkfraud.campaign.gov.uk

"Scammers tricked me out of my £45k pension"



Watch this video of a pension scam victim urging others to stop, think and ask themselves whether something is genuine or too good to be true.

If you suspect a scam, report it to **Action Fraud**.

Website: actionfraud.police.uk/contact-us

Phone: 0300 123 2040

Action Fraud
National Fraud & Cyber Crime Reporting Centre

Our pledge to protect you...



The Trustee Directors committed to the Pensions Scam Pledge by taking action to protect our members and to follow the principles of the Pension Scams Industry Group's Code of Good Practice.



PSIG
PENSION SCAMS INDUSTRY GROUP

Market background

- **Global economic growth** remained robust during the 12 months to 31 March 2025, particularly in the US where strong consumer demand and government spending provided significant support.
- **The UK economy** achieved modest gains, buoyed by a strong start to the year.
- **The eurozone economy** also expanded, though its progress was reduced by weakness in the manufacturing sector.
- **Headline Consumer Price Index (CPI) inflation in the UK** fell from 3.2% in March 2024 to 2.6% in March 2025. Meanwhile core inflation in the UK, which excludes volatile energy and food prices, fell from 4.2% to 3.4%.
- **Base rates** – the US Federal Reserve and European Central Bank lowered their base rates to 4.5% and 2.5%, respectively. Given underlying inflation pressures, the Bank of England lowered its base rate of interest more slowly – from 5.25% to 4.5% in the 12 months to 31 March 2025.
- **Bonds** – following government spending pledges on defence and infrastructure, European sovereign bond yields rose as investors anticipated heavier issuance and stronger growth. UK 10-year government bond yields rose by 0.7% to 4.7%, largely because of the Autumn Budget implying a higher gilt issuance and the government outlining further spending on defence and infrastructure.
- **Global credit spreads** narrowed, driven by optimism around fiscal support. During the 12 months to 31 March 2025, sterling and European investment-grade credit spreads narrowed by 0.1% to 1.1% and by 0.3% to 3.3%, respectively. The European loan market also returned 7.7% due to income and spread tightening over the period.
- **Global equity markets** rose by 8.0% during the 12-month period, despite falls in Q1 2025. The UK outperformed due to its above-average exposure to financials, while strong consumer spending supported modest US outperformance. European stocks underperformed on a more cautious outlook for luxury consumer discretionary companies. Japan was the worst-performing region as yen strength and trade headwinds affected the export-oriented market.

Industry news

THE PENSION SCHEMES BILL

Pensions Schemes Bill

The government has set out its vision for bigger, better, and less fragmented DC workplace pensions, as well as greater flexibility over returning surpluses to employers and members in DB schemes. Alongside the Bill, the government has published a [roadmap](#) setting out the timing and phasing of the numerous reforms. The Bill will now pass through Parliament, so there is still scope for changes to be made. The aim is for the Bill to become law in 2026.

NMPA to rise from 55 to 57

The Normal Minimum Pension Age (NMPA) is the earliest age when members of registered schemes can access their benefits without incurring an unauthorised payment tax charge. Some members who are in poor health or have an existing 'protected pension age' may be able to take their benefits earlier. On 6 April 2028 the NMPA will rise from 55 to 57 (except for members of uniformed public service schemes).



New national Pensions Dashboard

Backed by the government, the Pensions Dashboard is a free-to-use online platform currently in development.

The Dashboard will enable people to:

- view information about their unclaimed state, private and workplace pensions in one secure place
- reunite with forgotten funds
- plan their retirement with greater confidence.

The Trustee is working closely with Hymans Robertson to ensure we will be connected to the Dashboard at the start of the national roll-out.

Top tip

To give yourself the best chance of being able to view information about all your pensions once the Dashboard becomes available, make sure all your pension schemes hold up-to-date information for you.



You can review and update the personal data held for you by the Affinity Water Pension Plan on the [Pension Portal](#).

Investment update

An overview from Hymans Robertson

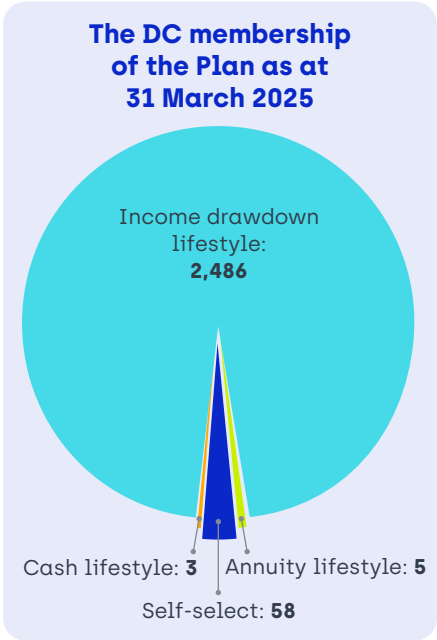
As of 31 March 2025, the Plan's DC assets totalled approximately £85m.

Members can invest in a lifestyle option – this is where investments are made on a member's behalf according to a pre-determined investment strategy.

There are three different lifestyle investment options. Each automatically changes the funds a member is invested in, based on how close they are to retirement. The options reflect the type of retirement benefit that a member may be expected to target.

The income drawdown lifestyle is the default option for members who do not make a decision on their investments or on the type of lifestyle strategy for their DC pot. DC members who wish to make their own investment choice can decide to invest their savings and contributions in any of the self-select range of funds available in the DC section.

You can find more details on how the Trustee constructs the Plan's asset allocation in the *DC Statement Of Investment Principles* on the **Pensions Portal**.



Lifestyle	Target retirement benefits	Strategy in the approach to retirement
Income drawdown	Assumes that members will use their DC pot to draw an income in retirement	Invests in a diversified range of assets to maintain prospects for savings growth while providing some stability of the value of savings
Annuity purchase	Assumes that members will use their DC pot to purchase an annuity at retirement	Invests in funds that should help protect the member's annuity purchasing power
Cash	Assumes that members will use their DC pot to take a cash lump sum rather than regular income	Invests in lower-risk assets to protect the value of savings against changes in the market

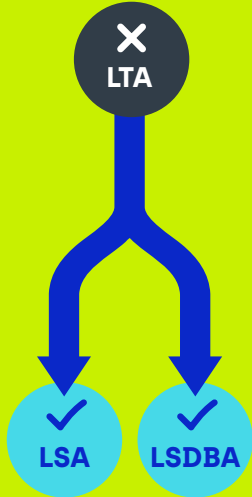
Industry news

Lifetime Allowance abolished

The Lifetime Allowance [LTA] used to limit how much you could build up in pension benefits over your lifetime before an additional tax charge was applied. The LTA charge was removed on 6 April 2023 and abolished from pensions legislation 12 months later.

Two allowances introduced

The amount you can receive tax-free from registered pension schemes is now limited by two new allowances: the Lump Sum Allowance [LSA] and the Lump Sum and Death Benefit Allowance [LSDBA]. These two allowances were introduced on 6 April 2024 and replaced the Lifetime Allowance [LTA].



New certificate – TTFAC

Transitional tax-free amount certificates [TTFACs] were introduced on 6 April 2024. If you took benefits before this date, you should consider whether applying for a certificate will be beneficial for you or not – the outcome will depend on your individual circumstances.

When applying, you must submit complete evidence. If you don't, your application may be rejected. Examples of appropriate evidence include financial records, benefit crystallisation event [BCE] statements and bank statements.

There's no turning back!

Beware: once you apply for a TTFAC there is no option to withdraw the certificate, even if it results in a worse outcome than the standard transitional calculation.



Warning: seek independent financial advice before applying for a TTFAC!

Changes in the DC Plan over the year

The main investment objectives of the DC Plan are to facilitate good retirement outcomes for members and to help members achieve 'benefit adequacy', (in other words, an appropriate placement income). Over the period to 31 March 2025, no changes were made to the DC Plan's investment strategy.

The strategy continues to invest in a mix of Legal & General funds, some of which have sustainable investment criteria. These funds also 'tilt' towards companies with better environmental, social and governance (ESG) scores. The sustainability criteria exclude companies that are involved in:

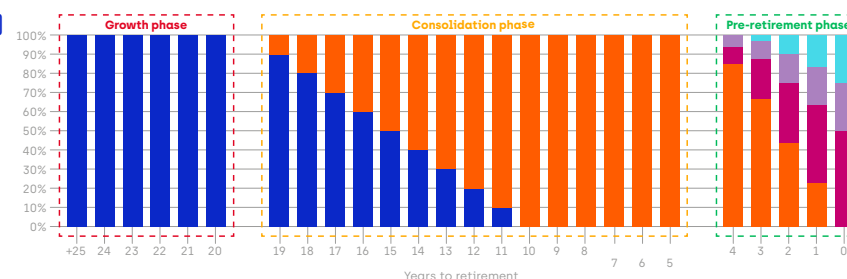
- coal mining
- manufacturing controversial weapons
- breaching the United Nations Global Compact (laws governing human rights, labour and corruption).

These funds also favour companies with solid plans to cut carbon emissions. The fund has a target to cut emissions by 50% relative to a standard global equity index, and to reduce emissions by a further 7% every year.

The glidepath charts for the three DC investment strategies are shown below.

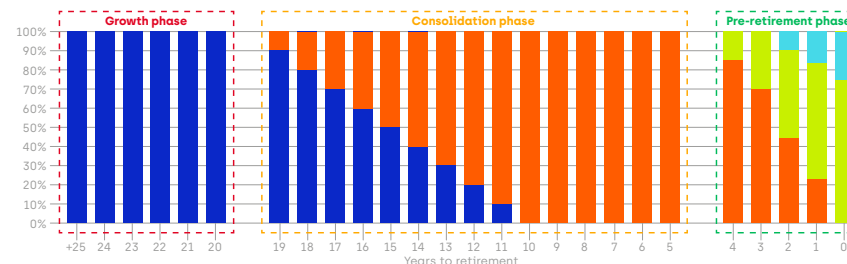
Income drawdown (default)

- Affinity Water Growth Fund
- L&G Dynamic Diversified Fund
- L&G Retirement Income Multi-Asset Fund
- L&G AAA-AA-A Corporate Bond All Stocks Index Fund
- L&G Cash Fund



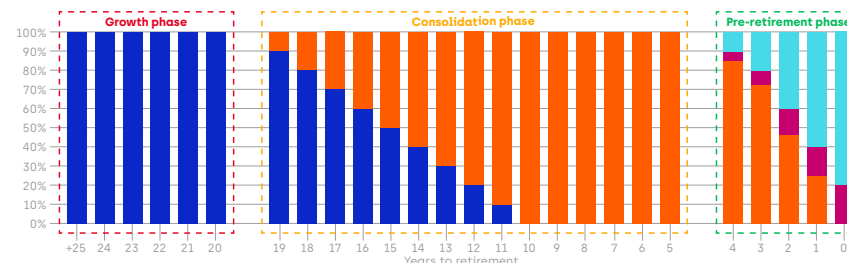
Annuity purchase

- Affinity Water Growth Fund
- L&G Dynamic Diversified Fund
- L&G Pre-retirement Fund
- L&G Cash Fund



Cash

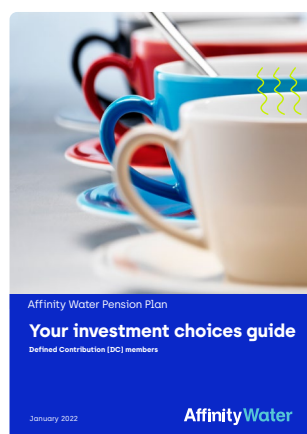
- Affinity Water Growth Fund
- L&G Dynamic Diversified Fund
- L&G Retirement Income Multi-Asset Fund
- L&G Cash Fund



The Trustee and its advisors regularly monitor the range and performance of the Plan's DC funds.

More details on the investment strategies are available on the **Pension Portal**:

- *Your investment choices guide*
- *DC Statement Of Investment Principles*



All the DC assets are managed by Legal & General Investment Management.

The Trustee has delegated all day-to-day investment decisions to Legal & General, to make sure the DC funds are managed efficiently.

Funds available

The table below shows the full range of the DC funds (please note that past returns are not a guide to the future).

Funds	31 March 2025 12-month performance [after fees]	31 March 2025 12-month benchmark/ target	Description	Strategic purpose
World Equity Fund	4.8%	5.5%	Global equities managed on a passive index-tracking basis	Provide long-term growth in the period leading up to retirement
Affinity Water Growth Fund*	3.7%	3.9%	Global equities with an emphasis towards ESG and factor-based investing, managed on a passive index-tracking basis	
UK Equity Index Fund	10.3%	10.5%	Global equities with an emphasis towards ESG and factor-based investing, managed on a passive index-tracking basis	
Dynamic Diversified Fund	4.8%	9.5%	UK equities managed on a passive index-tracking basis	
Managed Property Fund	6.6%	6.4%	Invested across a wide range of traditional and alternative asset classes with the aim of providing long-term investment growth	
Corporate Bonds Fund	2.0%	2.2%	High-quality corporate bonds invested on a passive index-tracking basis	Modest growth in excess of equivalent government-backed securities
Future World Annuity Aware Fund	-3.2%	-3.6%	Passively managed fund invested in assets that reflect the assets underlying a typical non-inflation-linked pension annuity product	Modest growth to capture the returns of the gilt and corporate bond markets, while broadly tracking annuity prices
Retirement Income Multi Asset Fund	3.8%	8.7%	Invested across a wide range of traditional and alternative asset classes with the aim of providing income-based returns and some capital preservation	Modest growth and aims to hold assets which are suitable for members intending to use their savings for a flexible retirement income arrangement
Cash	4.9%	5.1%	Cash	Provide for those taking benefits as cash, including the tax-free lump sum at retirement

*The Affinity Water Growth Fund is a composite fund comprising the Future World Fund and Future World Global Equity Index Fund

Source: Legal & General, 31 March 2024

Report and accounts summary

Shown below is a summary extract from the latest Trustee’s report and accounts [completed in July 2025]. It details the monies coming into and out of the DC section of the Plan between 1 January 2024 and 31 December 2024.

Opening balance as at 1 January 2024 = £70,650,000			
Monies in	£000	Monies out	£000
Employer’s contributions	7,454	Cash sums on retirement and death [including returns of contributions on death]	[1,600]
Employees’ contributions [ordinary]	415	Fees and expenses*	[1]
Interest on cash deposits and other miscellaneous income	47	Individual transfers between AWPP sections and to other pension schemes	[761]
Change in market value of investments	9,179	Annuities purchased	[183]
Income from insurance	735	Return of contributions due to members leaving the Plan	[1]
Group and individual transfers into the Plan	137		
Total income	17,967	Total expenditure	[2,546]
Closing balance as at 31 December 2024 = £86,071,000			

* Costs of administration of the Plan are paid by the Employer, except as noted above.

Membership of the Plan

1,195

active members at 1 January 2024

162

new entrants

8

retirements

96

leavers

2

deaths

1,251

active members at 31 December 2024

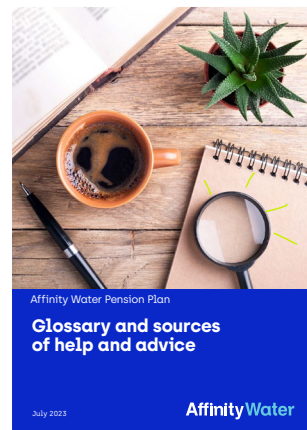
1,247

members with preserved benefits at 31 December 2024

To find out more...

There's loads more information on the Pension Portal, including a range of factsheets and useful documents. Click on the four links below to view some of the most popular ones:

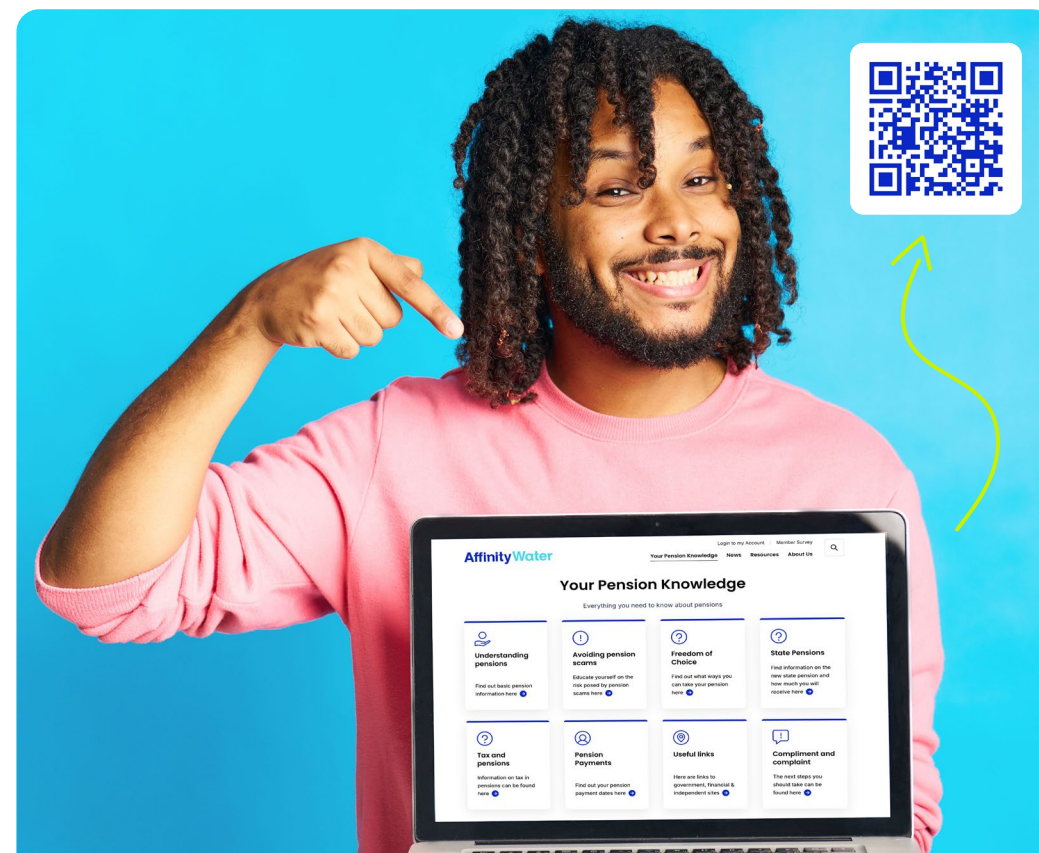
- **Glossary and sources of help and advice**
- **AWPP Third Definitive Trust Deed and Rules**
Sets out the legal basis for the Pension Plan and Trustee
- **Statement of Investment Principles**
Explains the principles underlying our DC investment strategies to achieve our objectives (including the basis on which the Trustee invests the money paid into the Plan)
- **Lifetime Engagement Plan**
Sets out what happens when you join the Plan, the information that you receive annually and what happens when you get closer to retirement



AffinityWater

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AL10 9EZ

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Need help?

If you have any questions about this issue of *Your pension matters*, please contact: pensiontrustee@affinitywater.co.uk

If you need help with any aspect of your pension, from registration to username or passwords, the Hymans Robertson team will be happy to help. Simply call the Hymans Robertson helpline on **0207 082 6182** or email affinity@hymans.co.uk

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