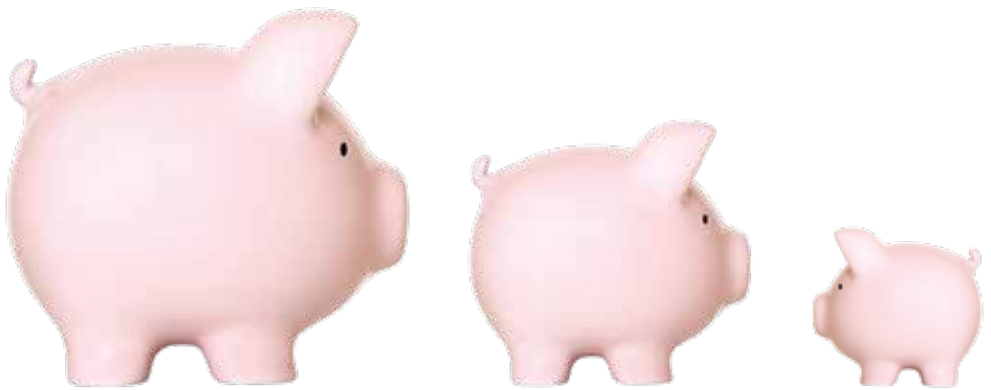


THE PDSA RETIREMENT BENEFITS PLAN (1978)



Member Report

A warm welcome ...

... to the 2018 Member Report from the PDSA Retirement Benefits Plan (1978) (RBP) Trustee

Hello and welcome to your 2018 Member Report.

It doesn't seem long since we sent you the last Report but the world of pensions is constantly evolving and the updates come thick and fast!

Perhaps the most important issue is the new General Data Protection Regulation (GDPR). It's the European Union's comprehensive update of its data protection and privacy rules and it comes into force on Friday 25 May 2018.



It requires us to provide you with a 'Privacy Notice' which is a statement setting out how the RBP collects, uses, retains and discloses personal information. Please turn to page 12 for a more detailed article about the Privacy Notice.

Moving on to other matters now; every three years the Trustee is required to measure the financial security of the Plan by completing an actuarial valuation. We do this by comparing the value of the RBP liabilities to its assets. The liabilities are an estimate of the amount of money required at a defined date to pay all future benefits. The valuation fell due on 31 December 2017 and we have 15 months to complete this. We therefore expect to be able to report on the results of the valuation and the updated financial position in the 2019 Member Report, which will also include the summary funding statement.

In this Report we've included some further information on pension scams. It's a vitally important issue and the Pensions Regulator updates its website and leaflets whenever new scamming techniques come to light. In its most recent report, the Pensions Regulator published five signs of a scam to be aware of and we've listed these on page 21.

We hope that you enjoy reading the 2018 Member Report. Please let us know if there are any topics you'd like to know more about in future issues. Our contact details are at the end of this Report.

John Miller
Chair of the Trustee – The PDSA Retirement Benefits Plan (1978)

Summary Report & Accounts

As at 31 December 2017, the Plan was worth £121 million. This is an increase of £7 million over the previous year. Below is a snapshot of the Plan's finances in the year to 31 December 2017.

Plan at the start of the year £113,403,000

In	Total income	£5,469,000
Less	Total expenditure	£5,394,000
Plus	Increase in market value of investments	£5,335,000
Plus	Investment income	£1,936,000

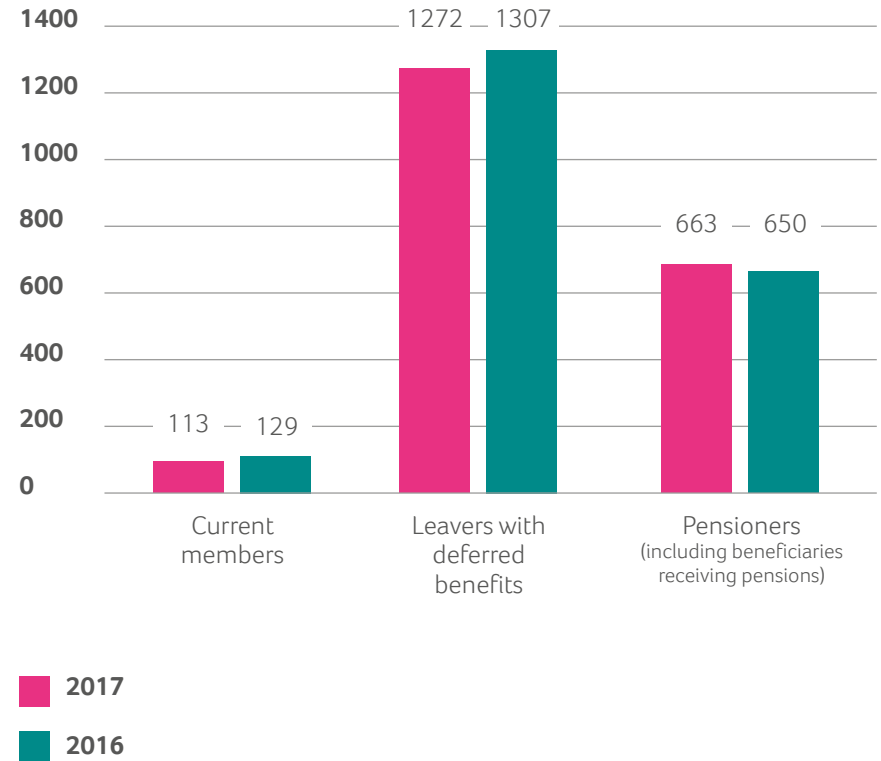
Plan at the end of the year £120,749,000

In	Regular contributions received from PDSA	£ 5,434,000
	Contributions received from members	£17,000
	Additional voluntary contributions	£18,000
		£ 5,469,000
Out	Benefits paid	£2,535,000
	Investment management expenses	£196,000
	Administration and actuarial fees	£294,000
	Audit and accountancy fees	£13,000
	Other expenses	£128,000
	Leavers (transfers out)	£2,229,000
		£5,395,000

RBP Membership

This chart shows a comparison of the RBP's membership as at 31 December 2016 and 31 December 2017.

RBP Members



Keeping us updated about any changes in your circumstances

Expression of Wish Form

The Trustee decides who receives any lump sum death benefit paid from the RBP. Generally, your wishes will be followed as long as you have notified the Trustee beforehand. It is very important that you let us know who you want to receive this money. The Trustee does not have to follow your wishes but it must take them into account when paying out any lump sum. By allowing the Trustee discretion over this payment, it can be made free of inheritance tax. So please make sure your Expression of Wish form is updated whenever your personal circumstances change – for example if you get married, divorced or have children.

It should be noted that if you have already retired, the death benefit payable is the total pension payable for five years less any pension that you have already received. So if you have been retired for one year, the death benefit will be four years annual pension. If you have been retired for more than five years, there is no further death benefit payable and therefore you will not need to complete an Expression of Wish form.



Have you moved home and changed your address?

Please remember to let us know when you change your address so that we can keep in contact with you and provide you with details of your retirement benefit close to your Normal Pension Date, or pension payment details if you are already in receipt of your pension. Please contact the Plan Administrator whose details can be found on page 23.

Investment of the RBP's assets

The investment objective of the RBP is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the RBP payable as they fall due.

The Trustee sets the investment strategy taking into account considerations such as the financial strength of the Society, the long term liabilities of the RBP and the funding agreed with the Society.

Strategy as at 31 December 2017

The RBP's investment strategy is set out in the Statement of Investment Principles (SIP), dated November 2017, prepared by the Trustee in accordance with the requirements of the Pensions Act 1995 (as amended by the Pensions Act 2004) and the Occupational Pension Schemes (Investment) Regulations 2005. A number of investment strategy changes were made during 2017:

- **Insight LDI:** In early 2017, the Trustee's decision to move to Insight and invest in their Liability Driven Investment Funds (LDI) was implemented.
- **Appointment of Pictet:** In March 2017, the Trustee appointed Pictet Asset Management as one of its managers, and an initial investment of £11.7 million was made into the Dynamic Asset Allocation Fund, funded by a transfer from the RBP's holdings with BlackRock.

This is a diversified growth fund that aims to deliver similar returns to those on equities over the long term but with a lower level of volatility, thus helping to reduce the volatility of the RBP's funding position.

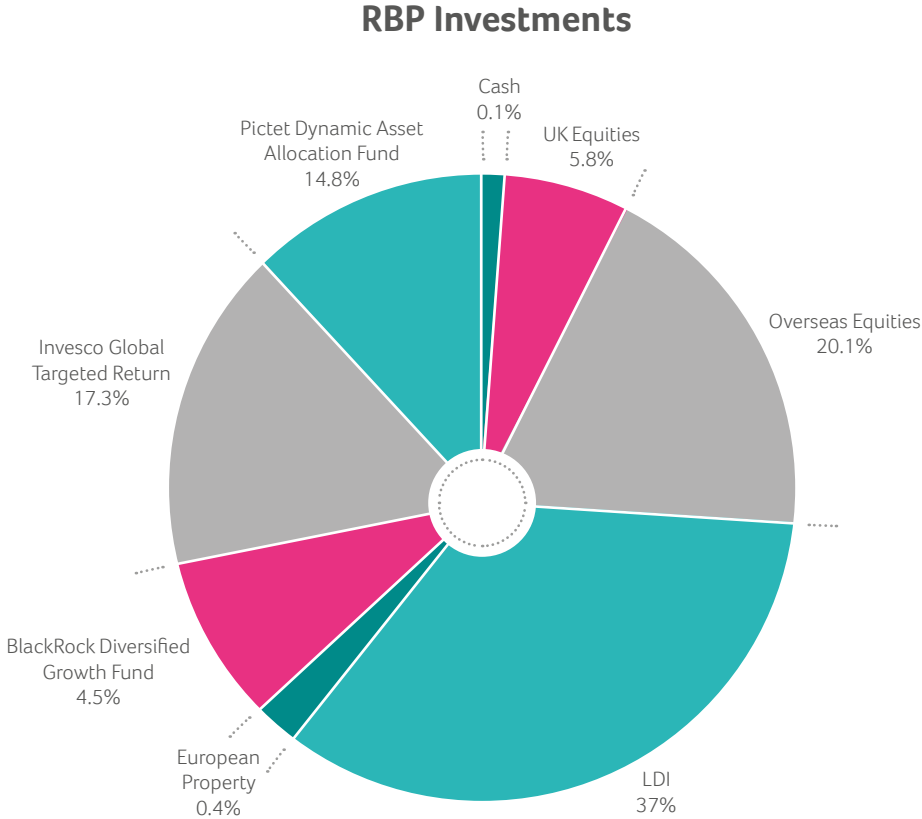
- **BlackRock Equity restructure:** In July 2017, the RBP restructured its assets held with BlackRock. This was due to the fact that BlackRock was closing their Currency Hedging Fund the RBP was invested in. To continue to hedge the RBP's currency exposure in equities, the RBP added the currency hedged version of each of BlackRock's overseas developed equity funds.

The Statement of Investment Principles was updated and signed on 21 November 2017. As at 31 December 2017 the overall strategy was to hold:

- 37.5% in investments that move broadly in line with the value of the long-term liabilities of the RBP. Part of this investment is in LDI and comprises of UK Government bonds (gilts), gilt repurchase agreements, interest rate swaps and cash instruments. This part of the portfolio also incorporates holdings in an Absolute Return Bond Fund. The purpose of these assets is to hedge against the impact of interest rate and inflation movement on long term liabilities.
- 62.5% in return-seeking investments comprising UK and overseas equities, investment property, and diversified growth funds.

Investment split

The split of assets over the period is shown in the following chart:



In addition to the above, £30.4 million is held by the RBP in an insurance policy to match the majority of pensions in payment (and therefore these pension payments are secured by this policy). There is also £1 million held by the RBP in relation to members' Additional Voluntary Contributions



RBP News

Update on the Closure of the RBP

The RBP remains on track to close to future accrual of benefits on 5 April 2019. This means that all remaining active members will cease to build up further benefits after this date and will be given the choice to join the Society's Group Personal Pension Plan (GPP) instead. Deferred and pensioner members are not affected by this change.

Additional Voluntary Contributions (AVCs)

Last year we reminded you that if you are still making AVC payments, these will cease when the RBP closes to future accrual on 5 April 2019. However, as you will be entitled to join the GPP, you will be able to make additional contributions to the GPP instead, subject to the Annual Allowance. You can find information on of the Annual Allowance on page 10.

As your RBP AVC benefits are defined contribution in nature, you may wish to transfer your AVCs from the RBP to the GPP if you choose to join the GPP in April 2019. Before considering doing so, you would be well advised to seek independent advice from an Independent Financial Advisor (IFA). The Trustee is not allowed to provide you with Financial Advice in this matter so if you do not have a financial advisor, IFA Promotions can put you in contact with a selection in your area. You can visit their website at www.unbiased.co.uk

RBP website

Don't forget that you can now go online and access the RBP member website where you can find general pensions information and set up your own secure online account. For example, you will be able to download a form to update your beneficiary information or change your address details. You will also be able to view your last benefit statement if you are an active member. Go to www.pdsarbp.co.uk to register and get started.



Keeping your information safe

Where we have given you (or where you have chosen) a password which enables you to access certain parts of the member website, you are responsible for keeping such password confidential. Please do not share your password with anyone.



Current Issues

Lifetime Allowance to Rise by CPI in April 2018

HM Treasury has confirmed that the Lifetime Allowance will increase by the consumer prices index from April 2018 from £1 million to £1.03 million.

As a reminder, the Lifetime Allowance is the amount of savings you can take from all of your combined UK occupational and personal pension schemes without a tax charge being applied. If you take more than the current Lifetime Allowance from your combined UK pension savings, you may be subject to a tax charge unless you have protections in place such as Fixed Protection 2016.

Annual Allowance

The Annual Allowance is a limit to the total amount of contributions that can be paid to defined contribution pension schemes (such as the PDSA Group Personal Pension Plan) and the total amount of benefits that you can build up in a defined benefit pension schemes (such as the RBP) each year. The limit is set by HMRC and if you exceed this, you may need to pay an Annual Allowance charge to HMRC.



The Annual Allowance for the 2018/2019 year is currently 100% of your yearly earnings up to a cap of £40,000. You should also be aware that if you access defined contribution benefits under pension freedoms, you could be caught by the Money Purchase Annual Allowance. For your information a money purchase scheme is also known as a defined contribution scheme.

If you trigger the Money Purchase Annual Allowance you will still have an Annual Allowance of £40,000 in total, but no more than £4,000 can be paid into a defined contribution pension scheme in a tax efficient manner. You can find more information on the Annual Allowance from The Pensions Advisory Service website: www.pensionsadvisoryservice.org.uk

Brexit

The UK's vote on 23 June 2016 to leave the European Union caused significant short term market volatility and is expected to have far-reaching implications for some time. The full ramifications for pension funds will not be known in the short term. In conjunction with the RBP's investment advisor, the Trustee continues to review the RBP's investments and considers the impact of Brexit when making any investment decisions.

General Data Protection Regulation

The General Data Protection Regulation (GDPR) is the new data protection legislation replacing the Data Protection Act 1998. It is a European Union regulation which aims to give people more control over how their personal data is collected, used, stored and shared.

We are required to issue you with a Privacy Notice which provides you with information about how we process your personal data. This can be found on the following page.



Privacy Notice

The Trustee of the PDSA Retirement Benefits Plan (1978) (the “Plan”) needs to hold some personal information relating to you in order to administer your pension benefits. The Trustee is committed to protecting and respecting the privacy of your personal information. This Privacy Notice describes how we treat the information we hold about you.

This Privacy Notice explains the following:

- How we collect personal information about you
- What information we may collect about you
- What we may use your information for
- Who we may share your information with
- Your rights regarding the personal information you provide to us
- Technical information that we may collect about you
- How we keep your information safe
- How long we retain your personal information
- Special categories of personal data
- Changes to this Privacy Notice
- Contact details

By providing us with your personal information (or by allowing PDSA to provide us with your personal information), you agree to the processing of your personal information as outlined in this Privacy Notice.

For the purposes of the General Data Protection Regulation, the Data Controller is Whitechapel Associates Limited, Whitechapel Way, Priorslee, Telford, Shropshire TF2 9PQ.

How we collect personal information about you

Information you give us

You may give us information about you by filling in forms in hard copy or on the member website, or by corresponding with us by phone, e-mail, letter or in person. The information you give us may include your name, date of birth, address, e-mail address and phone number, National Insurance number, financial information, any health issues that relate to you and other personal information required to determine the level of benefits to pay you or your beneficiaries.

Information we receive from other sources

The other main source of information about you is your employer or former employer, who may have provided us with some of the information listed above when you joined the Plan or may have provided us with updates as that information changed over the course of your employment with PDSA. In connection with any application for early payment of a pension on the grounds of incapacity we may also receive information about you from your doctor or other medical advisors.

What types of personal information may we collect about you?

We may hold any or all of the following personal information about you:

- Personal details such as your name, gender, age, date of birth, email address, postal address, telephone or mobile number, description of physical or mental health and identifiers such as National Insurance number
- Family, lifestyle and social circumstances such as details about current marriage and partnerships and marital history, details of family and dependents
- Employment details such as pensionable pay, length of service, employment and career history, recruitment and termination details, attendance record, job title and job responsibilities, financial details such as income, salary
- Bank account details to process pension payments
- Technical information and other information about your visits to the member website
- Any other legitimate personal data relating to the Plan

What will we use your information for?

The Plan has a legal obligation as well as a statutory duty to provide members with certain information. In order to meet these obligations, the Trustee as the Data Controller has a legitimate interest in processing your personal information for a number of purposes including the following:

- To administer the Plan including to process data to calculate and pay benefits
- In relation to any correspondence (including queries relating to your membership of the Plan) related to the administration of the Plan
- To notify you about changes to the Plan
- For statistical, financial modelling purposes (including the actuarial valuation)
- For internal record keeping
- For risk reduction exercises including the insurance of longevity risks and related demographic risks
- To comply with any present or future law, rule, regulation, guidance or directive and with any industry or professional rules and regulations or any applicable voluntary codes
- To comply with demands or requests made by local and foreign regulators, governments and law enforcement authorities, and with any subpoena or court process, or in connection with any litigation.

Privacy Notice

Who we may share your information with

Personal information may be disclosed to persons who may be appointed to carry out part of the Trustee's responsibilities, service providers of outsourced services or other agencies / companies who provide services to the Trustee, who are under a duty of confidentiality.

We may share or disclose your information to any of the following recipients as may be necessary or desirable to administer the Plan and / or comply with contractual obligations relating to it:

- The Plan's administrator (Hymans Roberson LLP) act as a Data Processor and processes member data on behalf of the Trustee
- The Plan's AVC providers (Legal & General, Prudential, Equitable Life, Scottish Friendly Assurance Society Ltd)
- Other service providers, professional advisors and auditors (such as the Plan Actuary who also acts as a joint Data Controller with the Trustee)
- Annuity Providers (Aviva)
- Pensioner buy-in provider (Aviva)
- Local or foreign regulators, governments and law enforcement authorities
- Local and foreign court, tribunals and arbitrators, other judicial committees or enactments of laws

- Investment Managers
- PDSA for the purpose of sending out the Member Report
- PDSA for the purpose of sending out newsletters and birthday and Christmas cards to members who have retired
- Insurance companies and employee benefits consultants for the purpose of insuring the death in service benefits
- With your consent, persons associated with you (such as a financial advisor or a family member)
- Other third parties where printing is outsourced
- Your data will also be shared with Club Vita LLP, who provide longevity (life expectancy) analytics and related information to help us manage the Plan's liabilities
- Personal information may also be shared with other third parties to run mortality and address checks against member records to ensure information is correct and to prevent and detect fraud
- The Trustee may also share your information with PDSA and its professional advisors (including KPMG) in connection with its responsibilities towards the Plan
- In addition, we may share information with third parties when undertaking risk reduction exercises (such as a further pensioner buy-in.)

If any such third party processes personal information, reasonable steps will be taken to ensure that such third party agrees in writing to act only on the Data Controller's instructions and provides appropriate guarantees in respect of the technical and organisational security measures governing the processing to be carried out.

Your rights regarding the personal information you provide to us

The accuracy of the information we hold about you is important to us. Under the General Data Protection Regulation you have the right to access the information we hold about you and have any inaccuracies corrected.

If any of the information we hold about you is inaccurate or out of date or you object to us processing it, please let us know using the contact details on page 17.

You have the right to ask the Trustee to delete or remove any personal data it holds in relation to you if:

- The personal data is no longer necessary for the administration and management of the Plan
- When you object to the processing and there is no overriding legitimate interest for continuing the processing

- Where the Trustee has used consent as the basis for processing personal data (for example providing medical evidence in the case of an ill-health early retirement).

The Trustee will consider any request to delete personal data, however this request will be considered against the requirement to retain the data in order to continue with the proper administration of the Plan and to meet any statutory and legal obligations.

Technical information that we may collect about you

When you visit the member website, we may collect and process the following data about you:

Information that you provide by filling in forms on our site www.pdsarbp.co.uk (the site). This includes information provided at the time of registering to use our site, subscribing to our service, posting material or requesting further services. You may be asked for information when you report a problem with the site.

- If you contact us, we may keep a record of that correspondence
- Details of your visits to the site including, but not limited to, traffic data, location data, blogs and other communication data, and the resources that you access.

Privacy Notice

IP addresses and cookies

We may collect information about your computer. We may obtain information about your general internet usage by using a cookie file which is stored on the hard drive of your computer. Cookies contain information that is transferred to your computer's hard drive.

Cookies are small text files located in browser directories. Cookies are used to enhance a user's experience by ensuring the websites work efficiently, perform certain functions and to provide information to the website owners. Some of the cookies used are essential for the site to operate. We may collect information about your computer for system administration purposes including, where available, your IP address, operating system and browser type. This is statistical data about our users' browsing actions and patterns, and does not identify any individual. Further information can be found at:

www.pdsarbp.co.uk/pdsa/privacy-policy-and-cookies/

Keeping your information safe

We will use appropriate procedures and security measures to process and protect your information. We have contracts in place with our third party providers and regularly check that our providers process and store data in line with the principles of the General Data Protection Act.



How long will we retain your personal information?

The Trustee will consider on a regular basis, whether it is necessary to retain certain records. In doing so the Trustee recognises that pensions are long-term and it is not uncommon for queries or disputes to arise years after a member has left the service of PDSA or even after your pension has been put into payment. In addition, the Trustee may be required to provide evidence that a certain event has actually taken place (such as a transfer from the Plan to another pension provider).

As a general rule, therefore the Trustee has determined that it cannot permanently delete a member's record. Member details and documentation are required to be retained to enable the Plan to be administered in terms of its Rules as well as comply with any statutory or legal obligations. Records will therefore be retained for 10 years after the Plan has discharged all of its obligations to all members under the Rules.

Special Categories of Personal Data

Special categories of personal data is information such as your physical or mental health. The collection and processing of special categories of personal data is very strictly regulated. The Trustee will therefore process personal data that is sensitive personal data in accordance with the requirements of the General Data Protection Regulation.

It is the Trustee's policy to collect special categories of personal data only when absolutely necessary, for example, when considering an application for an ill-health early retirement or determining eligibility for a lump sum or dependant's pension following a member's death. You will be asked to provide your consent for the Trustee to see your medical information.

Changes to our Privacy Notice

Any changes we make to our Privacy Notice in the future will be included in the annual Member Report.

Contact

If you have any questions, requests or wish to complain about how we use your information, please contact us at:

By post:
Whitechapel Associates Limited
(Trustee to the PDSA Retirement
Benefits Plan (1978))
Whitechapel Way
Telford
TF2 9PQ

By email:
waters-hewitt.karen@pdsa.org.uk

What if I am not satisfied with the response?

If you are not satisfied with the response you receive from the Trustee, you can contact the Information Commissioner giving details of your complaint or concerns.

The details are:
Information Commissioner
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Helpline:
0303 123 1113



Current Issues

Pensions Scams

An increasing number of companies are targeting savers with pension scams claiming they can help them take their pension cash early. Individuals may be targeted through websites, mass texting or through cold calls.

RBP members should be wary about giving any information in response to these approaches and of being talked into transferring their pension benefits to other pension arrangements before reaching retirement age.

The Pensions Regulator has updated its tips for protecting yourself from scammers and we have taken the checklist below from the Pension Regulator's website. Visit their site to find out more including a helpful video and guide at www.thepensionsregulator.gov.uk/pension-scams

1 – If you think you've been scammed - act immediately

If you've already signed something you're now unsure about, contact your pension provider straight away. They may be able to stop a transfer that hasn't taken place yet. Then call Action Fraud on **0300 123 2040** to report it.

If you have doubts about what to do, ask The Pensions Advisory Service for help. Call them on 0300 123 1047 or visit the TPAS website at www.pensionsadvisoryservice.org.uk for free pensions advice and information.

If you're aged 50 or over and have a defined contribution pension (a pension not based on your final salary), Pension Wise is there to help you investigate your retirement options. Visit the PensionWise website at www.pensionwise.gov.uk to find out more.

2 – Cold called about your pension? Hang up!

Unsolicited phone calls, text or emails about your pension are nearly always scams. Scammers will often claim they're from Pension Wise or other government backed bodies. These organisations would never phone or text to offer a pension review..

3 – Deals to look out for

Beware of unregulated investments offering "guaranteed returns". These include exotic sounding investments like hotels, vineyards or other overseas ventures, and deals where your money is all in one place – and therefore more at risk. Visit the FCA's Scamsmart website at www.scamsmart.fca.org.uk to see if the deal you're being offered is a known scam, or has the hallmarks of a scam..

Don't be rushed into making a decision. Scammers will try to pressure you with "time limited offers" or send a courier to your door to wait while you sign documents. Take your time to make all the checks you need – even if this means turning down an "amazing deal".

Current Issues

Pensions Scams

4 – Using an advisor? Make sure they're registered with the Financial Conduct Authority (FCA)

Scammers sometimes pose as financial advisers. Check your adviser is registered on the FCA website at www.fca.org.uk register, and that they're authorized to give advice on pensions. If you deal with someone who is not regulated you may not be covered by the Financial Ombudsman Service or Financial Services Compensation Scheme if things go wrong. And don't be taken in by smart websites or brochures – professional-looking marketing materials are not a guarantee of a company's authenticity.

5 - Don't let a friend talk you into an investment – check everything yourself

People have fallen for scams because they'd been recommended by a friend. Do your homework, even if you consider yourself or your friend to be financially savvy. False confidence can lead to getting stung, and with a pension it might be years before you discover you've been scammed.

6 - Contact Hymans Robertson and Action Fraud if you've already signed and think you've been scammed

Hymans Robertson is the Plan Administrator and their contact details are on page 23. You can ring Action Fraud on [0300 123 2040](tel:03001232040). Remember if it sounds too good to be true it probably is.

What do you need to look out for?

If you're thinking of transferring your pension, ask yourself these questions, and call TPAS on [0300 123 1047](tel:03001231047) if you have any doubts.

The company

Did you get cold called?

Is the firm or individual FCA registered?

And are they authorised to give advice on pensions?

Have there been complaints about the advisor, firm or investment? Do a thorough internet search. Also check on forums and social media for mentions.

Is their address a PO Box or a serviced office? Again, do a thorough internet search of the address to check.

Can you contact the business at their registered office?

Is the contact number a mobile number?

The deal

Are you being offered guaranteed returns?

Are the investments regulated by the FCA?

Check at www.fca.org.uk/scamsmart

What are the tax implications?

As well as losing your life savings, you could also get a huge tax bill.

Five signs of a scam to be aware of are:

- A free pension review
- The promise of guaranteed returns on your investment
- Low tax / tax-free rates, including tax-free lump sums
- Exotic sounding and / or overseas investments
- Pressure to sign up quickly to avoid missing out



The RBP Trustee

Whitechapel Associates Limited acts as the Trustee to the RBP and is responsible for ensuring it is run in line with its governing documents and relevant legislation (for example pensions and tax law). Your current Trustee Directors are:

- **John Miller** – Chair of the Trustee – PDSA Nominated
- **Robert Beck** – PDSA Nominated Trustee Director
- **Robert Newcombe** – Member Nominated Trustee Director
- **Karen Hailes** – Secretary to the RBP, PDSA Nominated Trustee Director

The Trustee is able to appoint professionals to look after the day-to-day running of the RBP, however the Trustee remains ultimately responsible for the Plan.

Our Advisors

Although the RBP Trustee Directors are ultimately responsible for the running of the RBP, we delegate some of our day-to-day duties to professional pension experts. Our current advisors are:

Scheme Actuary

Alistair Russell-Smith FIA,

Hymans Robertson LLP, One London Wall, London EC2Y 5EA

Investment Consultants

Barnett Waddingham LLP, St James's House, St James's Square, Cheltenham GL50 3PR

Lawyers

Burges Salmon, One Glass Wharf, Bristol BS2 0ZX

Auditors

RSM UK Audit LLP

Plan Administrators

Hymans Robertson are the RBP administrators and should therefore be your first port of call if you have any updates or queries. You can contact them at:

Post: **Hymans Robertson LLP, One London Wall, London, EC2Y 5EA**

Email: **PDSAPensions@hymans.co.uk**

Phone: **020 7082 6319**



If you would like more details on anything we have covered in this Member Report or if you have any questions in general please contact:

Karen Waters-Hewitt, Pensions Manager

The People's Dispensary for Sick Animals
Whitechapel Way
Priorslee
Telford
Shropshire
TF2 9PQ

T: **01952 290999**

E: **waters-hewitt.karen@pdsa.org.uk**

pdsa.org.uk

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pdsa SINCE 1917
SAVING PETS CHANGING LIVES