



## Welcome from the Chairman

Welcome to our new-look 2021 newsletter for the Defined Benefit (DB) Structure of the Combined Nuclear Pension Plan (CNPP). I hope you like it and find it interesting. A separate DC newsletter has been prepared for members of the Defined Contribution (DC) Structure of the Plan. Both are available at [cnpp.org.uk](https://cnpp.org.uk)

## Navigating the consequences of Covid-19

These last 18 months have been extraordinary for all of us, and the uncertain times have been long and drawn out. As well as the impact on individuals, the Covid-19 pandemic has affected the DB Structure of the CNPP in two ways. Its economic consequences have affected our funds' performance (see page 3 for details) and we've changed how we organise our operations (see page 6).

Despite the difficulties, the Plan Administrators have delivered a high level of service to the Plan's members throughout the year, and I'd like to thank them for their commitment. I'm also grateful to you, our members, for your patience while the transition to home working took place in 2020.

## We're always focused on running the CNPP well and efficiently

The Trustee's main priority hasn't changed and continues to be ensuring the continued and efficient running of the CNPP. We apply the high level of governance required of us as an authorised Master Trust to both DB and DC benefits, complying with the supervisory requirements set by the Pension Regulator (TPR). This includes rigorously monitoring the business plan objectives, and making sure that your plan is managed, administered and governed to a high standard.

## This year's increase in pension payments

In April 2021, the payments to members who are receiving their pension increased. The increase in excess of any Guaranteed Minimum Pension element, was 1.1% for the CPS and GPS Sections and 1.2% for the Nirex Section.

If you want to know more about your DB benefits, please contact your Plan Administrator. You'll find their details on page 8.

You can also find a copy of the Trustee's Annual Report at [cnpp.org.uk](https://cnpp.org.uk) together with the annual Chairman's Statement covering the Trustee's stewardship of all the Plan's DC arrangements during the year.



**Allan Whalley**  
Chairman of the CNPP Trustees

# Meet your Trustee board

## What your Trustee Board does

Your Trustee Board makes sure the CNPP is run properly and that member benefits are secure.

There are three types of Trustee on the Board:

- Independent Trustees, who do not have any direct personal interest in the CNPP, either through the employers or as members
- Member Nominated Trustees, who are elected by the members of the CNPP
- Employer Nominated Trustees, who are nominated by the NDA from its senior managers or Board members.

Since our last newsletter, there's been one change to the Trustee Board. Frank Rainford has stepped down as a Trustee, and we're pleased to welcome Jeremy Gilmour in his place.

## Independent Trustees

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**Allan Whalley**  
Chairman



**Ingrid Kirby**  
from Capital Cranfield  
Trustees Limited



**Mike Roberts**  
from PAN Trustees  
UK LLP

## Member Nominated Trustees

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**Philip Greene**  
Employed by  
Springfields Fuels  
Limited



**Pip Hatt**  
Employed by  
Magnox Limited



**Claire Toole**  
Employed by  
Sellafield Limited

## Employer Nominated Trustees

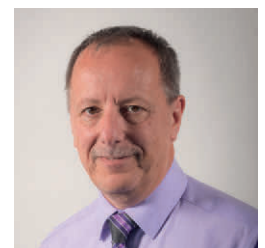
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**Mike Calloway**  
Head of Programme:  
Non-NDA Liabilities  
Assurance at NDA



**Jeremy Gilmour**  
Head of Public  
Affairs at NDA



**Andrew Oldham**  
Head of Financial  
Operations at NDA

# Update on the Plan's financial position

Every three years the Trustee completes a full actuarial valuation of each section of the CNPP.

There are two main purposes to this valuation. First, to determine if each section has sufficient assets to cover the benefits that have built up in the period to the

valuation date – these are known as the liabilities. Secondly, to determine the cost of the benefits that have built up between each full actuarial valuation.

The last full actuarial valuation was completed as at 31 March 2019. Based on its findings, we agreed new contribution rates with each sponsoring employer.

Between the full actuarial valuations, we complete an annual review of the funding position of each section on the anniversary of the last valuation date. The reviews for 31 March 2020 and 31 March 2021 have been completed. The next full actuarial valuation will begin on 31 March 2022.

## Section-by-section funding positions and agreed contributions rates

Here's a section-by-section summary of the 2019, 2020 and 2021 results. There's been some variation in the funding position for each section, but the sponsoring employers have agreed to make additional contributions where deficits exist. The next full actuarial valuation for all sections will be carried out as at 31 March 2022. The results for 31 March 2021 are based on

unaudited assets, so there may be some minor changes when the final values are available.

At the 31 March 2019 actuarial valuation, we negotiated revised contribution rates with the employers to cover the accrual of new benefits and to remove any deficits identified during the valuation. For some sections, the changes occurred before 31 March 2021, but from 1 April 2021

the new contribution rates are being paid towards all sections.

While some sections are currently in surplus – for example, the Closed Section – the deficit contributions agreed as part of the 31 March 2019 actuarial valuation began on 1 April 2021. We will review each of the recovery plans as part of the 31 March 2022 actuarial valuation.

	Section	Closed	Magnox	LLWR	Sellafield	DSRL	Springfields 2
31 March 2019	Assets (£ms)	103.5	120.6	22.4	1,385.3	106.2	164.6
	Liabilities (£ms)	108.6	119.6	25.0	1,507.4	121.1	206.5
	Surplus (shortfall) (£ms)	(5.1)	1.0	(2.6)	(122.1)	(14.9)	(41.9)
	Funding level	95%	101%	89%	92%	88%	80%
31 March 2020	Assets (£ms)	99.2	117.6	23.2	1,367.6	105.2	171.7
	Liabilities (£ms)	89.2	105.8	22.6	1,328.1	107.0	242.8
	Surplus (shortfall) (£ms)	10.0	11.8	0.6	39.5	(1.8)	(71.1)
	Funding level	111%	111%	103%	103%	98%	71%
31 March 2021	Assets (£ms)	112.2	146.3	31.3	1,736.1	135.6	216.5
	Liabilities (£ms)	98.6	139.3	34.2	1,860.6	149.8	249.1
	Surplus (shortfall) (£ms)	13.6	7.0	(2.9)	(124.5)	(14.2)	(32.6)
	Funding level	114%	105%	92%	93%	91%	87%
Contribution information	Future service rate*	n/a	30.9%	32.3%	32.1%	32.2%	53.7%
	Annual deficit contributions (£000s)	550	110	420	19,920	2,110	Varies by year, see below
	Recovery plan end date	31 March 2032	31 March 2032	31 March 2032	31 March 2032	31 March 2032	30 June 2025

	Section	GPS DRS	GPS SLC	GPS Nexia	GPS WEC	Nirex	GPS EnergySolutions
<b>31 March 2019</b>	Assets (£ms)	84.6	681.6	5.2	46.2	36.9	27.2
	Liabilities (£ms)	91.0	624.7	5.6	49.0	37.9	23.3
	Surplus (shortfall) (£ms)	(6.4)	56.9	(0.4)	(2.8)	(1.0)	3.9
	Funding level	93%	109%	92%	94%	97%	117%
<b>31 March 2020</b>	Assets (£ms)	82.7	623.5	5.1	44.4	35.1	25.2
	Liabilities (£ms)	76.8	510.4	6.1	51.2	31.7	23.2
	Surplus (shortfall) (£ms)	5.9	113.1	(1.0)	(6.8)	3.4	2.0
	Funding level	108%	122%	84%	87%	111%	109%
<b>31 March 2021</b>	Assets (£ms)	100.8	705.2	5.9	53.2	39.7	24.3
	Liabilities (£ms)	100.1	571.8	6.1	51.0	34.2	22.4
	Surplus (shortfall) (£ms)	0.7	133.4	(0.2)	2.2	5.5	1.9
	Funding level	101%	123%	97%	104%	116%	108%
<b>Contribution information</b>	Future service rate*	43.1%	25.0%	49.5%	47.0%	n/a	n/a
	Annual deficit contributions (£000s)	1,010	–	Varies by year, see below	–	–	–
	Recovery plan end date	31 March 2032	–	1 April 2023	–	–	–

\*Contribution rate payable by the employer and as a percentage of pensionable earnings. Member contributions are in addition.

(£'000s)		Deficit contributions during the 12-month period to				
Section	Recovery plan end date	31 March 2022	31 March 2023	31 March 2024	31 March 2025	31 March 2026
Springfields 2	30 June 2025	8,200	8,700	9,400	10,300	2,700
GPS Nexia	1 April 2023	100	100	200	–	–

No further contributions are payable to the GPS EnergySolutions Section and it has enough assets to meet all liabilities and expenses ahead of its transfer to an insurance company. The GPS SLC Section was in surplus at the 31 March 2019 valuation date and deficit contributions were only required for the GPS WEC and Nirex Sections until 31 March 2021.

## Payments to the employer

We're required by law to tell you about any payments made from the Plan to an employer. To date, there have been no payments out of the Plan to any of the employers. After the buyout of the GPS EnergySolutions Section when all members' benefits have been secured with an insurance company, any remaining assets will be returned to the employer.

## All sections use the Common Investment Platform

All sections of the Plan, apart from the GPS EnergySolutions Section, use the Common Investment Platform managed by State Street, one of the world's largest managers of institutional investments.

### How the Common Investment Platform is structured

Over the year, the Common Investment Platform has been restructured from two funds to a total of five. These are:

- **Growth Fund** – the main source of investment returns for the Plan over the long term, with a commensurate level of risk and reasonable liquidity
- **Illiquid Growth Fund** – allows the individual sections of the Plan to control allocations to illiquid assets
- **Liquid Credit Fund** – focuses on high-quality corporate bonds to deliver steady returns and income
- **Gilt and Hedging Funds** – both these funds are designed to provide protection in volatile markets and against movements in interest rate and inflation expectations.

## How assets are allocated across the funds

Each section has a different investment strategy that determines how its assets are allocated. The tables below show the fund-by-fund allocation and the overall investment return by section.

### Percentage of assets allocated to the Common Investment Platform funds at 31 March 2021

% of assets in each fund	Section										
	Closed	Magnox	LLWR	Sellafield	DSRL	SFL2	GPS DRS	GPS SLC	GPS Nexia	GPS WEC	Nirex
Growth Fund	50.2	68.8	72.0	72.0	71.9	42.8	61.4	61.3	45.4	39.2	45.9
Illiquid Growth Fund	5.0	7.2	7.6	7.6	7.6	4.2	6.3	6.3	4.5	3.7	4.5
Liquid Credit Fund	20.8	9.0	6.6	6.7	6.6	24.7	13.5	13.7	22.9	27.0	23.5
Gilt and Hedging Funds	24.0	15.0	13.1	13.2	13.1	26.8	18.4	18.6	25.4	28.6	26.1

### Overall investment return between 1 April 2020 – 31 March 2021

	Section										
	Closed	Magnox	LLWR	Sellafield	DSRL	SFL2	GPS DRS	GPS SLC	GPS Nexia	GPS WEC	Nirex
1 yr return to 31 March 2021 (%)	17.1	23.1	24.1	24.3	24.3	15.2	20.8	20.7	16.0	13.8	15.9

Source: Aon, investment managers, State Street. Numbers may not add up to 100% as small cash holdings are not shown in this table.

### How the GPS EnergySolutions Section is managed

Since May 2019, the liabilities for the GPS EnergySolutions Section have been secured with an insurer. In recent years, the section has been invested in a low-risk investment strategy consisting of UK government and corporate bonds.



# Don't let the scammers get your pension

Pension scams are on the rise, and anyone can be a victim of one.

## How to spot a pension scam

Scammers often contact people out of the blue by phone, email or text. This is illegal, and is a likely sign of a scam. They also advertise online and can have websites that look official or government-backed.

Other common signs of pension scams:

- using phrases like 'free pension review', 'pension liberation' and 'guaranteed returns'
- promising that they can get better returns on your pension savings
- offering to help to release cash from a pension before the age of 55, with no mention of the HMRC tax bill that may result
- high-pressure sales tactics. These include time-limited offers to get the best deal and using couriers to send documents, who wait until they're signed
- unusual high-risk investments, which tend to be overseas, unregulated, with no consumer protections. These might include overseas property, renewable energy bonds and forestry
- complicated investment structures
- long-term investments. These often mean people who transfer don't realise something's wrong for several years.

If you receive a message about your pension that you think may be suspicious, you can report it to the National Cyber Security Centre at [nscsc.gov.uk/information/report-suspicious-emails](https://nscsc.gov.uk/information/report-suspicious-emails). Reporting messages may help stop someone else losing their pension.

## What to do if you're thinking of transferring money from your pension

Speak to an independent financial adviser who's authorised by the Financial Conduct Authority before making a transfer. Visit [unbiased.co.uk](https://unbiased.co.uk) to find one. If you still want to go ahead, our Plan Administrators will carry out checks on behalf of the Trustee. However, scammers are getting increasingly sophisticated, so this doesn't mean they'll be able to spot every scam.

For more advice, visit [thepensionsregulator.gov.uk](https://thepensionsregulator.gov.uk) to read their booklet, 'How to spot a scam'.

## Making sure your pension plan runs smoothly during Covid-19

Covid-19 has affected our Plan Administrators at EQ, Aegon and Barnett Waddingham just like everyone else.

The teams have largely been working from home, and our technology and processes have successfully supported this move. Thanks to everyone's hard work and dedication in this difficult environment, we've continued to meet the key tasks related to running the CNPP.

We hope you don't have any problems or concerns about payments or contributions, but if you do please contact your Plan Administrator. You'll find their details on page 8 of this newsletter.

## Tell us who should get your pension

We all want to provide for our loved ones, so it's good to know that your benefits could pay them a lump sum when you die.

You can nominate who you'd like to benefit from your pension by filling in an Expression of Wish form and sending it to your Plan Administrator. Go to [cnpp.org.uk](https://cnpp.org.uk) to download this form. Alternatively, you can ask your Plan Administrator or Employer Representative for one.

People move house and things in our lives change. So, even if you've already filled in an Expression of Wish, it's important to keep it up to date. Please check yours regularly and let your Plan Administrator know if something needs updating.

# Annual Allowance and Lifetime Allowance

By law, there's a limit on the contributions that can be paid into your pension schemes each year without triggering a tax charge. This is known as the Annual Allowance (AA). There's also a limit on the amount you can build up in all your pensions over your lifetime without a tax charge. This is known as the Lifetime Allowance (LTA).

## How much is the Annual Allowance?

The current AA is £40,000 if you haven't started to draw a pension. If you are drawing a pension, for most people the limit is £4,000.

The current AA is calculated differently between the Defined Benefit and Defined Contribution Structures of the CNPP. You can find more details on your annual benefit statement.

If you're liable for a tax charge you may ask the Plan to pay the part of the charge that's to do with your CNPP benefits by taking it from your benefits. If you have any doubts about your tax position, please talk to an independent financial adviser.

## How much is the Lifetime Allowance?

The current LTA is £1,073,100, and will stay at this level until April 2026. If your pension savings are above the current LTA, you'll be taxed at 55% on the amount above that figure. You can find out what percentage of your LTA you've used up as a member of the CNPP on your annual benefit statement. But remember, other pensions may count towards your LTA as well.

Visit [hmrc.gov.uk](https://hmrc.gov.uk) to find out more. Or you may wish to talk to an independent financial adviser. Go to [unbiased.co.uk](https://unbiased.co.uk) to find one.

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## You may also be in the DC Structure of the Plan

You're receiving this newsletter because you're in the DB Structure of the CNPP. But if you are making Additional Voluntary Contributions (AVCs) or you're a member of the Shift Pay Pension Plan, you'll also be in the DC Structure of the CNPP.

Members in the DC Structure can invest in a range of funds to save for when they stop working. These funds are listed in the investment guides, along with the fund's objectives, level of risk and charges. Quarterly fund factsheets also show how the individual funds have performed. Go to the document library at [cnpp.org.uk](https://cnpp.org.uk) to see both the guides and the factsheets. The default fund arrangements for

Shift Pay Pension Plan members are the BlackRock DC LifePath Capital Funds. Charges to members, expressed as a Total Expenses Ratio, that applied to the default arrangements from 1 April 2020 to 31 March 2021 were 0.26%.

Things change, so it's a good idea to review your fund choices from time to time, to check they're still in line with your retirement plans.

continued on next page →

## Go to [cnpp.org.uk](https://cnpp.org.uk) for more information

You can go to [cnpp.org.uk](https://cnpp.org.uk) to find answers to some frequently asked questions around the DC Structure. This is also the place to find the Trustee's Annual Report, which includes the DC investment report and details of costs and charges.

## Helping you plan for what you need when you retire

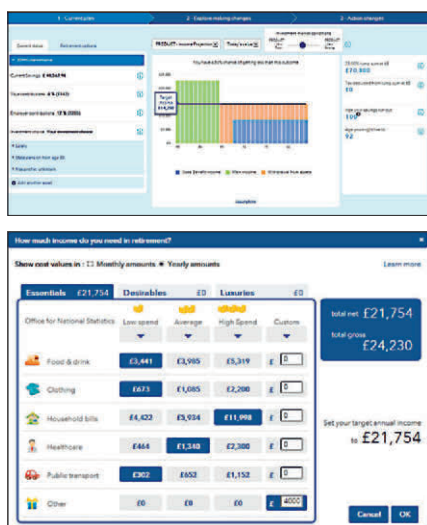
If you have DC funds in the Shift Pay Pension Plan and/or AVCs, you can monitor your DC account any time you want by logging into TargetPlan – Aegon's secure member website. TargetPlan includes myTarget, a retirement planning tool to help you understand what income you might be on track for in retirement.

myTarget lets you:

- find out what income you might get, based on your CNPP account
- see what happens if you take your money in different ways
- add details of any other pensions you have to give you a more complete picture of what you'll have when you retire
- work out what you might spend in retirement
- see how changing your contributions, retirement age or investment choices can make a difference to your income when you retire.

## Activate your TargetPlan account

If you haven't used TargetPlan, it only takes a few minutes to get started. All you need is your account number and national insurance number. Go to [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan) and click on 'activate'.



If you still have queries around AVCs or the Shift Pay Pension Plan, please contact your Plan Administrator. Their details are opposite.

## Keeping your data safe

As the Trustee of the Plan, we hold certain information on you, which is required to administer the Plan and pay your benefits. The Trustee, as data controller for the Plan, is required to provide you with information about the personal data we hold about you, how we use it, and the safeguards that are in place to protect it.

The Trustee issued its privacy notice in 2019 to provide you with further details on how it complies with General Data Protection Regulations. Go to [cnpp.org.uk](https://cnpp.org.uk) to see a copy of this document.



## How to get in touch and give feedback

If you have any questions about your pension, your benefits, or need to make any changes to the information we hold for you, get in touch with your Plan Administrator. You can also give them feedback on this newsletter or any other aspect of the Plan.

Who your Plan Administrator is depends on which part of CNPP you are in.

### DB Structure members

Contact EQ. This includes for any queries around AVCs or the Shift Pay Pension Plan.

**Phone:** 0333 207 6523

**Email:** [CombinedNuclearPensionPlan@equiniti.com](mailto:CombinedNuclearPensionPlan@equiniti.com)

**Post:** CNPP, PO Box 5167,  
Lancing BN99 9AY

### Nirex Section members

Contact Barnett Waddingham

**Phone:** 0333 1111 222

**Email:** [Nirex@barnett-waddingham.co.uk](mailto:Nirex@barnett-waddingham.co.uk)

**Post:** CNPP, St James' House,  
St James' Square, Cheltenham,  
Gloucestershire GL50 3PR