



Combined Nuclear Pension Plan

Welcome from the Chairman

Welcome to our 2023 newsletter for the Defined Benefit (“DB”) Structure of the Combined Nuclear Pension Plan (“CNPP”). 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

We’re always focused on running the CNPP well and efficiently

The Trustee’s main priority continues to be ensuring the efficient running of the CNPP. The Trustee maintains high levels of governance and complies with the supervisory requirements set by the Pensions Regulator to achieve this. The Trustee diligently monitors its business plan objectives and ensures that your Plan is managed, administered, and governed to the highest standards.

31 March 2022 actuarial valuation results

The Trustee has completed the actuarial valuation of the Plan, as of 31 March 2022. As part of this valuation, the Trustee and the Employers agree on the amount of money to contribute to the ongoing

accrual of retirement benefit and, if necessary, to rectify any deficit. Additional information about the latest valuation results can be found on page 5.

Reforming the future benefit structure of the CNPP

The NDA has asked the Trustee to make changes to the Plan, which will affect the way your Defined Benefits accrue in future. The future accrual of benefits will change from being based on final salary to Career Average Revalued Earnings (CARE). These changes will only impact your future benefits. It doesn’t apply to any benefits you’ve earned before the change takes place.

The Trustee will issue further communications to members shortly, and members can find the latest information on the CNPP website. Further information about CARE can be found on page 6 of this newsletter.

I hope that you will find this newsletter interesting. If you want to know more about your Plan, please contact the Plan Administrator. You’ll find their details on page 8.



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 3 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.

The current Trustee Board as at 31 July 2023 is shown to the right.

Independent Trustees



Allan Whalley
Chairman



Mark Condron
from Capital Cranfield
Trustees Limited

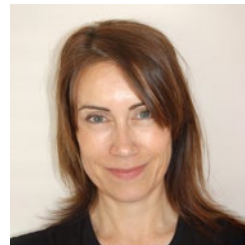


Raymonde Nathan
from PAN Trustees
UK LLP

Member Nominated Trustees



James Crabtree
Employed by Nuclear
Transport Solutions



Pip Hatt
Employed by
Magnox Limited



Claire Toole
Employed by
Sellafield Limited

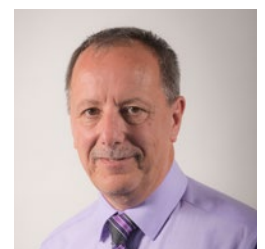
Employer Nominated Trustees



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



Jeremy Gilmour
Head of Community
and Economic
Development at NDA



Andrew Oldham
Director Group
Finance at NDA

Don't let 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. They might even knock on your door. 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 ncsc.gov.uk/information/report-suspicious-emails

Reporting messages may help stop someone else losing their pension.



Pension Scammers: Don't get suckered in

If you want to know what you can do to keep safe, this short animation shares top tips to avoid getting suckered in by pension scammers. Watch it, and



share it with anyone you know who might be thinking about moving their pension money. You can access it using the QR code, or go to YouTube and search for 'Pension Scammers: Don't Get Suckered In'.

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 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 to read their booklet, 'How to spot a scam'.



Go to cnpp.org.uk to find out more about your Plan

You can go to cnpp.org.uk to find answers to frequently asked questions around the DB Structure. This is also the place to find documentation relating to the DB Structure, such as the Trustee's Annual Report and the Statement of Investment Principles.

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 of money when you die.

You need to tell us who you want this money to go to. You can nominate who you'd like to benefit from your pension by filling in an Expression of Wish form.

You can ask your Plan Administrator or Employer Representative for a form. You can also download the form from cnpp.org.uk

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.

Key information from the 31 March 2022 actuarial valuation

Total assets
£3,365m

Total liabilities
£3,335m

Total surplus
£30m

Update on the Plan's financial position

Every three years the Trustee completes an 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.
- Second, to determine the cost of the benefits that have built up between each full actuarial valuation.

If at the valuation date, the assets are lower than the liabilities, this is known as a shortfall or deficit. Conversely, if the assets are greater than the liabilities, this is known as a surplus. If the Scheme Actuary identifies a shortfall in the assets, the Trustee of the Plan will agree with the sponsoring employers a 'recovery plan' that aims to remove the shortfall over an agreed period of time.

The Scheme Actuary recently completed a full actuarial valuation of the Plan's assets and liabilities as at 31 March 2022 (the valuation date). Based on the findings of the valuation, we agreed new contribution rates with all of the sponsoring employers for benefits earned up to and beyond the valuation date.

31 March 2022 actuarial valuation results

A summary of the 31 March 2022 results split by section is shown on the next page. The 'Funding Valuation' is what the Trustee agreed with each sponsoring employer and the results are used to determine the recovery plan contributions and the ongoing contribution rate for the accrual of new benefits.

As part of the valuation, the Scheme Actuary is required to determine the funding level on a wind-up or 'solvency' basis. This is an assessment of the funding level if all of the Plan's benefit earned up to the valuation date were to be secured in full with an insurance company. As insurers are required to take a cautious view, the cost to secure the benefits is very high when compared to the actuarial valuation. By law, the Trustee is required to notify members of the solvency funding position. Benefits in the GPS EnergySolutions section were secured with an insurer towards the end of 2022. However, there is no expectation that the rest of the Plan is to be wound up and the pensions secured with an insurance company.

An annual update of the funding position will be carried out as at 31 March 2023. The funding position of each section at 31 March 2023 is likely to have improved since the 31 March 2022 actuarial valuation. The next full funding valuation for all sections will be carried out as at 31 March 2025.

Payments to the employer

The Pensions Act 2004 requires that, from time-to-time, the Trustee informs members of 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. Following the buyout of the GPS EnergySolutions section in November 2022, no further liabilities remained in the section. A refund of the remaining assets will be returned to the employer once the section has been wound up.

Sections in deficit at the actuarial valuation date

Section	Magnox	LLWR	Sellafield	DSRL
Valuation results				
Assets (£ms)	159	36	2,010	158
Liabilities (£ms)	164	39	2,114	175
Surplus (shortfall) (£ms)	(5)	(3)	(104)	(17)
Funding level	97%	92%	95%	90%
Solvency valuation				
Assets (£ms)	159	36	2,010	158
Liabilities (£ms)	263	75	3,767	304
Surplus (shortfall) (£ms)	(104)	(39)	(1,757)	(146)
Funding level	60%	48%	53%	52%
Contributions for accrual of benefits (% earnings)				
Existing rate	30.9%	32.3%	32.1%	32.2%
New rate	35.7%	33.4%	34.7%	34.9%
Date new rate begins	1 April 2024	1 April 2024	1 April 2024	1 April 2024
Deficit contributions				
Amount paid before 31 March 2023	–	£1,000,000	£50,000,000	£2,110,000
Annual contribution	£330,000	£370,000	£4,000,000	£2,550,000
Date annual contributions begin	1 April 2024	1 April 2026	1 April 2026	1 April 2026
Recovery plan end date	31 March 2032	31 March 2032	31 March 2032	31 March 2032

*Contribution rate payable by the Employer and as a percentage of Pensionable Earnings. Member contributions are in addition.

Sections in surplus at the actuarial valuation date

Section	Closed	GPS DRS	GPS SLC	GPS Nexia Solutions	Nirex
Valuation results					
Assets (£ms)	117	111	727	6	40
Liabilities (£ms)	98	108	596	5	33
Surplus (shortfall) (£ms)	19	3	131	1	7
Funding level	119%	103%	122%	120%	121%
Solvency valuation					
Assets (£ms)	117	111	727	6	40
Liabilities (£ms)	153	182	893	8	44
Surplus (shortfall) (£ms)	(36)	(71)	(166)	(2)	(4)
Funding level	76%	61%	81%	75%	91%
Contributions for accrual of benefits (% earnings)					
Existing rate	–	43.1%	25%	49.5%	–
New rate	–	43.7%	25%	42.7%	–
Date new rate begins	n/a	1 April 2024	1 April 2022	1 April 2023	n/a

*Contribution rate payable by the Employer and as a percentage of Pensionable Earnings. Member contributions are in addition.

Changes to the Annual Allowance and Lifetime Allowance

By law, there's a limit to how much you can pay into your pensions without triggering a tax charge. In April 2023, the government changed these limits. You can now pay more money into your pension before you have to pay tax.

The annual allowance

The total amount that can go into all of your pensions each year without paying extra tax is called the annual allowance. This has increased from £40,000 to £60,000 a year if you haven't started to draw a defined contribution (DC) pension. If you have started drawing a DC pension, the limit might be lower.

If you build up benefits in a defined benefit (DB) pension, your annual allowance is based on how much the value of your pension increases over the year.

If you build up pension savings in a DC pension, your annual allowance is based on how much money you and your employer put into your pension.

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.

The lifetime allowance

The limit on how much can go into your pension over your lifetime without triggering a tax charge is known as the lifetime allowance (LTA). From April 2024, the LTA will be officially abolished, so you won't have to pay a charge, no matter how much you pay into your pension. The government has also said no one will have to pay extra tax for the tax year 2023-2024 if they go over the present allowance.

However, the tax-free cash limit will still be linked to 25% of the previous LTA, which currently stands at £1,073,100. This means you can take 25% of your pension pot tax free, up to a maximum of £1,073,100.

Protecting your data

As the Trustee of the Plan, we hold certain information about 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, and updated it in April 2023, to provide you with further details on how it complies with General Data Protection Regulations. Go to cnpp.org.uk to see a copy of this document.

Career Average Revalued Earnings

You may have heard about the proposal to reform future Final Salary pension accrual to Career Average Revalued Earnings (CARE) accrual. This will be a significant project for the Trustee as it will be supporting the NDA with implementation.

This change will relate only to future service. It won't affect any benefits built up in the Plan before the change takes place. We'll keep you updated as the project progresses.

Paperless communications

As part of its commitment to sustainability and the environment, over the next 18 months the Trustee intends to move to digital communications with Plan members. However, if you prefer, you will be given the opportunity to opt out of this approach and to continue to receive paper-based communications. Otherwise Plan members will receive information such as newsletters and Annual Benefit Statements digitally. The Trustee will provide more information to Plan members in due course.

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.

If you've not chosen where you'd like your contributions to be invested, they'll go into BlackRock DC LifePath Flexi Fund. The cost of this fund has been reduced from 0.26% to 0.23% per annum. For other funds, you can find the details of the charges online in our investment guides.

Where to find our investment guides and fund factsheets

Go to the documents library at cnpp.org.uk and filter by 'Defined Contribution' and 'Investment Guides' to see the investment guides for the DC Structure.



You can also view quarterly fund factsheets that show the performance of individual funds. You'll find them at cnpp.org.uk by clicking on 'Defined Contribution' and then 'Fund factsheets'. Or you can scan the QR code

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.

Keep track of your pension with TargetPlan

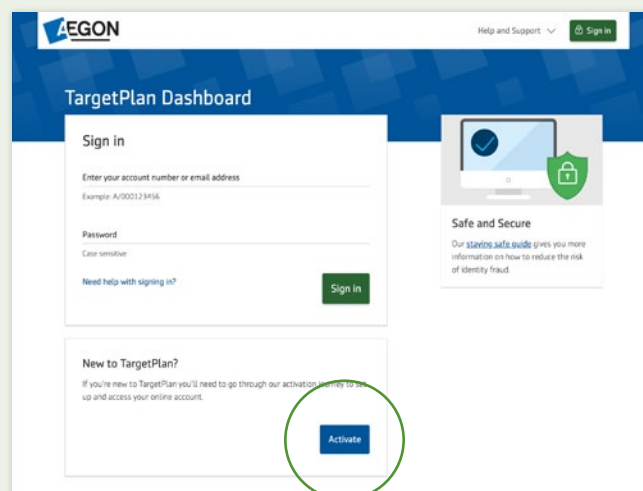
If you have DC funds in the Shift Pay Pension Plan and/or AVCs, you can monitor your DC account any time you want with TargetPlan. TargetPlan lets you manage your pension account from your phone, tablet or computer any time you like – all in a secure way. It's like online banking for your pension.

TargetPlan gives you a complete picture of your retirement savings. It lets you:

- review your contributions
- change your target retirement age
- change your investment options
- use myTarget – a pension calculator that helps you work out how much income you might need when you stop working, and get on track if you're not on target.

Activate your TargetPlan account

You can use TargetPlan on your computer or via an app on your phone. However you want to access it, you need to register for TargetPlan on your computer if you haven't used it before. It only takes a few minutes to get started. All you need is your National Insurance number and your account number – you can find this on your annual statement. If you don't have a statement or need help activating your account, you can call Aegon on 01733 353 414 or email at my.pension@aegon.co.uk



1. Go to aegon.co.uk/targetplan on your computer
2. Click the 'activate' button to register to manage your pension online – you'll find this on the sign-in dashboard
3. After 48 hours, download the Aegon app to manage your pension from your phone. This is available from both the Android and Apple app stores.

If you have queries around AVCs or the Shift Pay Pension Plan, please contact your Plan Administrator.

Making sure you're in the right investments at the right time

If you have any DC, AVC or Shift Pay investments, Aegon offer a collection of funds as part of your pension fund investment choice. The funds automatically reallocate investments as you approach retirement to reduce market risk. These funds are known as the LifePath funds.

LifePath funds aim to provide you with an opportunity to grow your retirement savings with the CNPP. As you approach retirement age, they automatically begin to shift your savings towards lower risk investments. At the same time, they align your CNPP pension account with how you'd like to take your retirement benefits.

To make the most of this personalised approach, it's important to register with TargetPlan and keep your target retirement date up to date. You can access TargetPlan at aegon.co.uk/targetplan

You can find further information on LifePath funds, including the different options and how they work, on the CNPP website at cnpp.org.uk/wp-content/uploads/2023/07/Combined-Nuclear-Pension-Plan-CNPP-LifePath-Funds.pdf

Merger of DRSL and Magnox Sections

You may be aware that the Dounreay Site Restoration Limited (DSRL) Section was merged into the Magnox Section on 1 April 2023. As a consequence, all DSRL members of the CNPP are now in the Magnox Section. The Trustee would like to reassure affected members that the merger of the Sections will not change their benefits within the CNPP.



How to get in touch and give feedback

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

Post: CNPP
PO Box 5167
Lancing
BN99 9AY

Nirex Section members

Contact Barnett Waddingham

Phone: 0333 1111 222

Email: Nirex@barnett-waddingham.co.uk

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