

Talking Pensions

For money purchase members & all employees

November 2011



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Welcome

Welcome to your 2011 edition of Talking Pensions, keeping you up-to-date with what's going on in the Kingfisher Pension Scheme (KPS). This edition is for all members of our KPS Money Purchase section, or KPS-MP for short, and employees who haven't yet joined the KPS.

Inside you'll find a summary of the Trustee's formal Report & Accounts, giving you information on the financial position of the KPS-MP.

We've included brief details of your Trustee Directors plus a short 'interview' with Clive Gilchrist, our independent trustee and new Trustee chairman, who gives us an insight into his day-to-day role as a trustee.

On page 5 you can find a quick reminder about your options when investing your retirement account. And on page 7 there's our Scheme news, covering some changes happening in the KPS and in the wider world of pensions today.

I hope you enjoy reading this edition of Talking Pensions.

Dermot Courtier

Secretary to Kingfisher Pension Trustee Limited

Your Trustee board

One of the most important financial choices we all make is about saving towards our retirement and that includes being a member of the KPS. So it's reassuring to know that the KPS is well looked after.

The KPS is run by a trustee company – Kingfisher Pension Trustee Limited. The directors of this trustee company form the KPS Trustee board and are called Trustee Directors.

The Trustee Directors have important responsibilities – they look after the interests of all our members and their beneficiaries and

make sure that the KPS is operated properly and according to the formal trust deed and rules.

The Trustee Directors oversee the KPS through 4 committees that focus on key areas of the day-to-day operations. These committees are the Accounts, Audit & Governance Committee, the Benefits Committee, the Investment Committee and the Defined Contribution (DC) & Retirement Committee (focusing on the money purchase section of the KPS).

Your Trustee Directors are:



BESTrustees plc, represented by
Clive Gilchrist (Independent trustee)
 Chairman of the Trustee board and Chairman of the DC & Retirement Committee and the Investment Committee



Helen Jones
 (employer nominated) - Kingfisher
 Member of the Accounts, Audit & Governance Committee and Benefits Committee



Sally Clifton
 (member nominated) – B&Q
 Chair of the Accounts, Audit & Governance Committee and member of the Benefits Committee



Sarah Gerrand
 (employer nominated) - Kingfisher
 Member of the DC & Retirement Committee and the Investment Committee



Karl Lidgley
 (member nominated) – B&Q
 Member of the Investment Committee and the DC & Retirement Committee



Evelyn Gleeson
 (employer nominated) - Kingfisher
 Member of the DC & Retirement Committee and the Investment Committee



Paul Goulder
 (member nominated) – B&Q
 Member of the Accounts, Audit & Governance Committee



Kerrin Qualters
 (member nominated) – B&Q
 Chair of the Benefits Committee and the Investment Committee



Ian Playford
 (employer nominated) - Kingfisher
 Member of the Investment Committee



Mark Fawcett
 (employer nominated) - Kingfisher
 Member of the Investment Committee and DC and Retirement Committee

After 19 years as one of our Trustee Directors and 7 years as our Trustee Chairman Tony Stanworth decided to retire from the Trustee board from 20 September. Ian Playford has been appointed as a new Trustee in Tony's place, also from 20 September. In addition, Mark Fawcett has been appointed as a new Trustee Director from 1 October 2011.

We'd like to thank Tony for all his hard work and commitment over the years and to welcome Ian and Mark to the Trustee board.



Money matters

Report & accounts

Each year the Trustee records the movement of money into and out of the KPS in its formal Report & Accounts. On this page we've given a brief summary of the full Report & Accounts for the KPS-MP for the year ending 31 March 2011. If you'd like a copy of the full report please see the back page for who to contact.

	£'000s
Value of the KPS-MP at 1 April 2010	19,325
Income	
Contributions	5,239
Transfers in	324
Total income	5,563
Expenditure	
Benefits paid	-209
Payments to or for leavers	-575
Administrative expenses	0
Total expenditure	784
Net returns on investments	1,853
Value of the KPS-MP at 31 March 2011	25,957

Investment overview

The Trustee is responsible for running the KPS efficiently and professionally. We set specific investment objectives for the KPS and, to help us, we appoint professional investment managers. We review the performance of our investments regularly.

The Trustee offers a range of funds provided by Zurich into which you can choose to invest your retirement account. The table below shows how these funds have performed over the last 12 months compared with the target performance set for them.

Fund	Performance to 31 March 2011	Target performance for 12 months to 31 March 2011
Active Global Equity (inc. UK) Fund	8.7%	8.3%
Passive Global Equity (inc. UK) Fund	8.7%	8.8%
Diversified Return Fund	7.9%	7.3%
Pre-Retirement Fund	6.8%	6.5%
Pre-Retirement Inflation Linked Fund	6.8%	6.7%
Money Market Fund	0.4%	0.5%
Ethical Fund	4.8%	9.1%
Shariah Fund	4.9%	5.1%

You can find full details about these funds in the Fund Fact Sheets – log onto our website at www.kingfisherpensions.com.

Your retirement service

Buying your pension

When you retire you use your retirement account to buy a pension. You can shop around for your own pension, to find the best deal for you based on your personal circumstances. Or you can use the retirement service offered by Hargreaves Lansdown.

Hargreaves Lansdown will:

- send you a retirement pack explaining what you need to do to set up your pension;
- give you the opportunity to consolidate your KPS-MP funds and any pension funds you may hold in other pension arrangements into one income;
- provide access to an online tool that will show you the options open to you and the effects these may have on your retirement income.

You can, if you prefer, seek the services of an independent financial adviser to help you set up your pension – log onto www.unbiased.co.uk to find an adviser in your area.

Further details of Hargreaves Lansdown's retirement service can be found on our website at www.kingfisherpensions.com.



Not a member?

More than a pension

The KPS-MP doesn't only give you a retirement pension – it also provides valuable financial security for your family when you die by paying benefits to your dependants. It also allows you to take your pension early should you suffer from serious ill health which prevents you from working.

It's portable too, so you don't lose it if you leave the company – you can take it with you.

Is joining easy?

Yes! You can join the KPS-MP once you have worked for the company for one year.

Zurich will send you more information about the KPS-MP and a Joining Form just before you complete your year's service. All you need to do is fill in the Joining Form and send it to the Group Pensions Department.

If you've already worked for the company for a year or more, just speak to your HR adviser and ask for a Joining Form or download a copy from our website at

www.kingfisherpensions.com.



You can do it

CLASSES B&Q

Making your money work for you

Many people select the automatic investment fund offered by their trustees when deciding where to invest their pension savings. But there's plenty of evidence around to show that many of us could do better by selecting our own investment funds from the range offered by our trustees.

It's your choice

While the Trustee is responsible for looking after the KPS-MP investments, deciding where to invest your retirement account is down to you. However, the Trustee recognises that not all of us are expert investors and we may need a little help and guidance.

So, to make things easier for you, the Trustee has pre-selected a number of investment funds that provide a good balance between risk (the possibility your investment might go down) and reward (the potential gain). You can invest your retirement account in any one or more of these funds.

What if I can't decide what to do?

If you feel unable to make your own investment decisions you can opt for one of the alternative 'Lifestyle' investment options.

Lifestyle is a process through which your retirement account is gradually moved from more risky funds into more cautious funds the closer you get to retirement. It aims to achieve higher growth when you are younger through equity investments (company shares). Then, in the 5 to 10 years before your retirement date your retirement account is automatically moved into other less risky investments that should reduce the risk of experiencing a sudden drop in value just before you retire.

Review regularly

Remember, saving for a pension is a long-term business so, wherever you choose to invest, it's important you review your investments regularly. And if you need advice, why not talk to an independent financial adviser – you can find an adviser in your area by logging onto www.unbiased.co.uk.

Did you know?

More than 10 million people in the UK today can expect to live to see their 100th birthday.

British Vita, Pensions World, March 2011

The proportion of the total working population aged 65 or more has doubled to 3% since 2001.

ONS, Occupational Pensions, June 2011

If you gave up just one cup of latte or mocha every day, you could save nearly £50 a month which you could put into your pension savings...!



Profile Clive Gilchrist

Job - Deputy Chairman of BESTrustees plc, Chairman of Kingfisher Pension Trustee Limited

Family - Married with 2 adult daughters

I share my investment knowledge and experience with the other members of the Committee when they make decisions about the investment of the KPS's assets and the investment funds we offer our money purchase section members...

How did you first get into pensions?

I started my career as a graduate trainee stockbroker and then moved into pensions investment management. In 1978 I joined the Post Office pension fund, with responsibility for managing investment portfolios for the Post Office and British Telecom pension funds. I have been an independent trustee since 1992 when I started BESTrustees, and 2 years ago became an independent trustee director of the Kingfisher Pension Scheme (KPS).

What other areas of the pensions world do you get involved with?

I've served on various councils and committees for organisations within the pensions industry for many years, including the National Association of Pension Funds and the Association of Corporate Trustees. As an independent trustee I work with a wide range of pension funds and I chair a number of trustee boards and investment committees.

I'm also a regular speaker at pension and investment conferences and often find myself quoted in the pension and business press. Actually, I have a regular guest column in the magazine **Pensions Week** which I thoroughly enjoy writing.

When did you take on Chairmanship of the Trustee for the KPS?

I became Chairman of the KPS Trustee in September 2011 after Tony Stanworth stepped down. I'd been on the KPS Trustee Board for 2 years at that stage and was delighted to be asked to take on the role of Chairman. I'm looking forward to the challenge of the extra responsibility the role brings with it.

I'd like to take this opportunity to thank Tony for all his hard work and commitment over the years – he'll be a difficult act to follow!

Which Trustee Committees do you sit on and what do they do?

I'm Chairman of the Investment Committee and I share my investment knowledge and experience with the other members of the Committee when they make decisions about the investment of the KPS's assets and the investment funds we offer our money purchase section members.

I'm also Chairman of the DC Retirement Committee which sits regularly to discuss and consider any issues arising on the administration and general day-to-day running of the money purchase section of the KPS.

What do you do in your spare time, to relax?

I like to spend time at home with my family and my dogs and I enjoy pottering in my garden. I love to travel whenever I can and I play badminton regularly, although badly!



Scheme news



Coming soon...

Your new and improved KPS website, helping you plan for your retirement. Easier to use and navigate around, with more information at your fingertips, it'll give you access to the information you need, when you need it.

We hope to be going live later this year so keep an eye out for details.



We live in changing times

The Government recognises the need to make changes to the way we save for retirement. Costs are increasing, people are living longer and the State pension scheme has to evolve to keep up with these changes.

Some fundamental changes have already been made to the State pension scheme and more are proposed. Here's a quick summary of the main changes and some of what's to come:

- **State pension age** is being equalised for men and women at age 65 by 2018. This will rise to age 66 by 2020. There are further plans to raise it to 68 by 2046.
- **Basic state pension** now increases each year by the greatest of general earnings rises, inflation or 2.5%. Currently £102.15 a week (for a single person) or £163.35 a week (married couple).
- **State second pension** that part of the State pension that is linked to how much you earn. Proposals are being considered to change the way this pension is worked out, possibly to a flat-rate amount. We'll keep you informed of developments.

Money Advice Service



In our last edition of Talking Pensions we mentioned an organisation called the Consumer Financial Education Body (CFEB). CFEB has recently changed its name and is now known as Money Advice Service.

Money Advice Service is an independent advice organisation that can help you understand and manage your money better. It offers step-by-step guides to help you get to grips with your money. For more information, go to www.moneyadvice.org.uk.

A new provider

 You may remember we sent you a letter in July explaining that the Trustee undertook a review of the KPS-MP administration arrangements and decided to appoint Zurich as its new administration provider from 1 August 2011.

We're pleased to be able to report that our move across to Zurich has now been completed and you should have received a letter from Zurich outlining how the investments you previously held with Prudential have now been switched across to similar funds with Zurich.

If you haven't received your letter, or you'd like further information, please contact the Group Pensions Department – contact details can be found on the back page.

A step forward

From October 2012 employers across the country will start to automatically enrol their employees into a pension scheme. With an estimated 8 to 9 million employees in the UK not currently saving into a pension, this will be a major step forward in the Government's plans to encourage people to plan for their retirement.

We will be one of the first employers to start the ball rolling, with a possible enrolment date of early 2013 for many of our employees who aren't yet members of the KPS. But there's nothing you need to do yet and we'll be giving you full details of what this means to you nearer that time.

Kingfisher Pension Scheme **online**

For the latest information and online guidance on the KPS, visit the website at www.kingfisherpensions.com.

On the website you can:

- register to receive the latest news from the KPS;
- download a copy of KPS guides and forms;
- review the latest financial information on the KPS;
- use the glossary to help you understand pension jargon, like lifetime allowance, annuity and triviality;
- find links to useful websites where you can find an independent financial adviser, review independent information about pensions from The Pensions Advisory Service or request a forecast of your State pension benefits;
- employed and deferred KPS-MP members can also view the current value of their retirement account by following the instructions from the Home screen.

We're always pleased to receive feedback on our website, so please send your comments to the Group Pensions Department – see below for contact details.

And don't forget, we're currently updating our website to make it even easier to use. Look out for more news later in the year.



**Who to
contact**

Keep us informed

It's important you keep us informed about any changes to your personal circumstances – for example, if you get married or divorced, have children or move house. If you don't, the Trustee may find it difficult to pay your benefits when the time comes. So if any of your personal details change, please let us know.

It's also important to keep your Beneficiary Form up-to-date to make sure the Trustee can consider who you'd like any benefits paid to in the event of your death. Beneficiary Forms are available to download from the Literature & Forms page under the Money Purchase section of our website – please return your completed form to the Kingfisher Group Pensions Department.

Administrators

The KPS-MP is administered by **Zurich**

Contact their Helpline: **0800 500 3144**
(Monday – Friday, 9am to 5pm)

Please make sure you have your retirement account number to hand.

Email: supportcentre@uk.zurich.com.

Or you can visit their corporate website at www.zurichcorporatепensions.co.uk

The Kingfisher Group Pensions Department
can be contacted at **3 Sheldon Square,**
Paddington, London, W2 6PX

Your HR & Payroll contacts

For information about other company benefits you can contact your company's HR/payroll department on one of the telephone numbers below:

B&Q 02380 690 100

Screwfix 019 3541 4100

Kingfisher 020 7644 1163

KITS 023 8081 6551

