

BOC Pension Scheme



Summary Report and Accounts 2020





Chair's welcome

Welcome to the 2020 Summary Report and Accounts for members of the BOC Pension Scheme (the Scheme).

As always, inside this newsletter you can find financial information about the Scheme from the 2020 Scheme year, a summary of its funding position, as well as an update on the Scheme's investment performance.

We also know that it's a concerning time for many of us because of the Covid-19 pandemic. While, of course, this is first and foremost a healthcare issue, there have also been implications for pensions. On pages 8-9 we outline what the impact has been, how to avoid the pension scams that have been rising since the pandemic started, and an update from the admin team.

In this edition, you'll also find updates on other Scheme news, such as the timing of the actuarial valuation and the launch of our new member website, www.bocpensions.co.uk

As ever, if you have any feedback or suggestions for future editions of this newsletter, please get in touch with us using the contact details on the back page.

John Hylands

Chair of the Trustee Board

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The headlines

You can read more detail about the financials of the Scheme on pages 4-7. However, if you just want a quick overview, you can read the summary below.

The fund value was

£2.890 billion

This is a decrease on the previous year

Expenditure has risen to

£142.647 million

Income has fallen to

£27.702 million

Investment performance was **lower** than the target (benchmark) over one year, but **higher** over three and five years.

Visit page 8 for information about how Covid-19 affected this 31 March figure, and how investments could improve over the longer term.

There were

20,683 members

This includes people still working for the Company (active members), people who have left the Company or opted out of the Scheme (deferred members), and people receiving their Scheme pension (pensioner members).

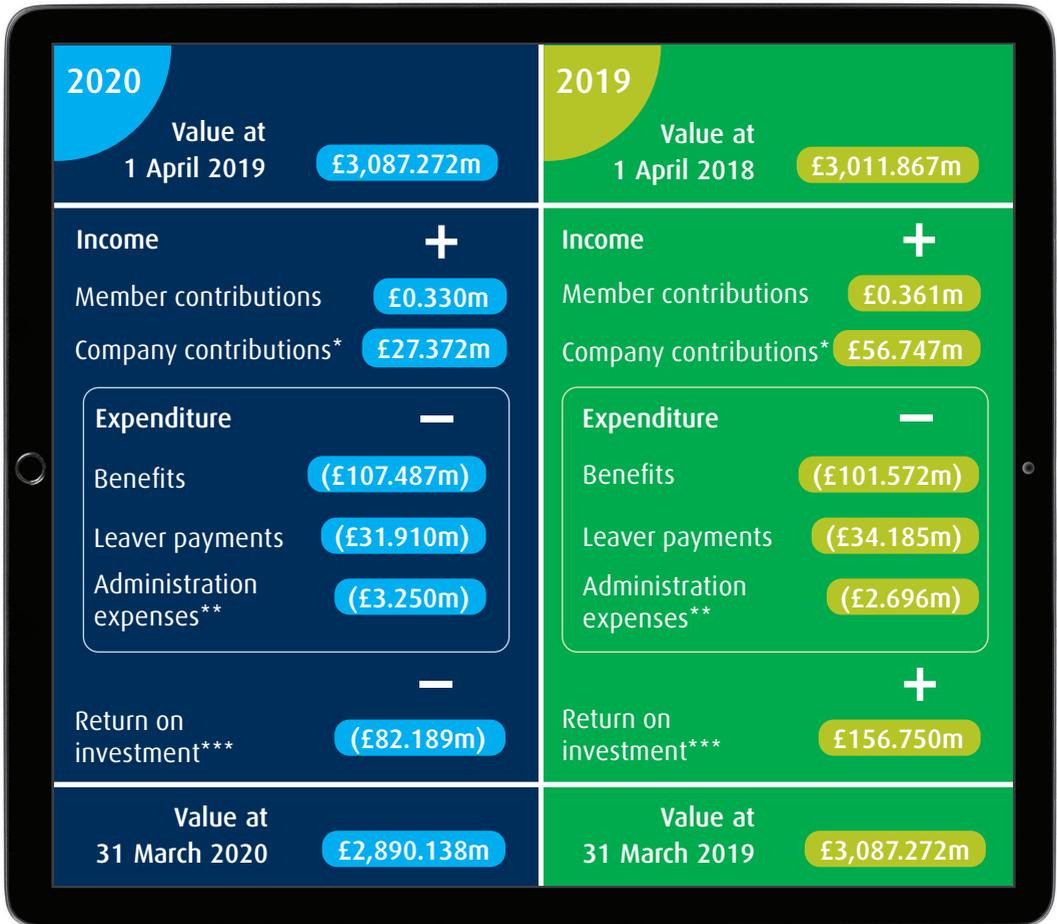
Please note: Figures have been rounded



Financials

The Trustee creates an Annual Report and Accounts to show how the finances of the Scheme have changed over the Scheme year.

You can see the Scheme's levels of income and expenditure for the year ended 31 March 2020 compared with income and expenditure for the year ended 31 March 2019 in the graphic below.



* Company contributions include member contributions paid via Salary Exchange and additional contributions made by the Company to strengthen the Scheme's funding position. It also includes reimbursement of the Pension Protection Fund (PPF) levy by the Company.

**Administration expenses include the PPF levy.

***After management charges.

Membership details

You can see how many members were in the Scheme as at 31 March 2020 below:



Want more detail?

We've provided a summary of the key financials in this newsletter, but if you'd like more detail you can read the full Annual Report and Accounts by scanning this QR code or by visiting www.bocpensions.co.uk – simply select your member type, and go to the 'Forms & Documents' page.



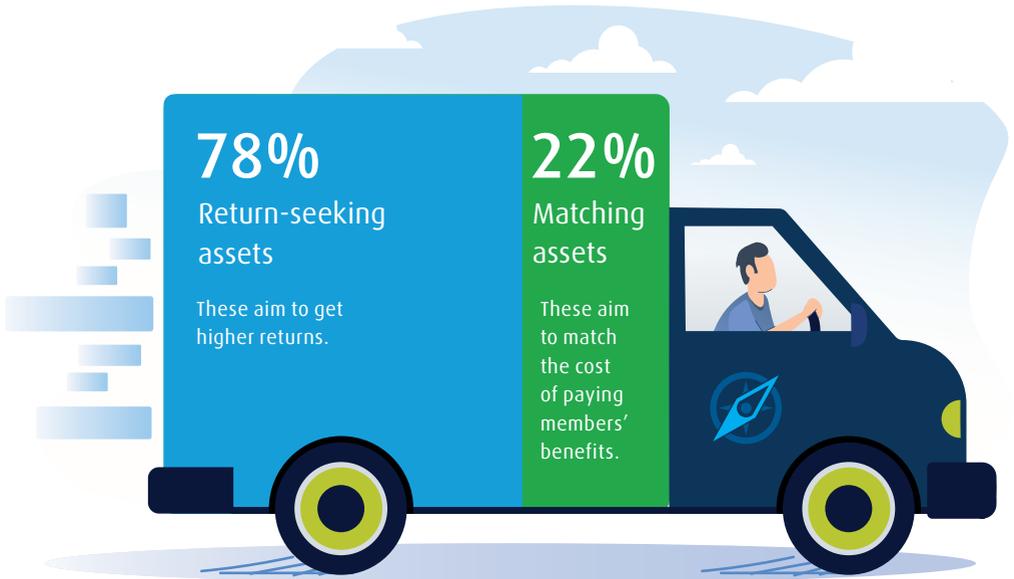
Investments

The Trustee's aim when investing is to make sure the money in the Scheme (assets) is sufficient to pay members' benefits (liabilities).

Choosing how to invest

In order to achieve its aim, the Trustee chooses an investment strategy based on the recommendations of its investment adviser. It chooses a balance of return-seeking assets, which aim to get higher returns; and matching assets, which aim to match the cost of paying members' benefits.

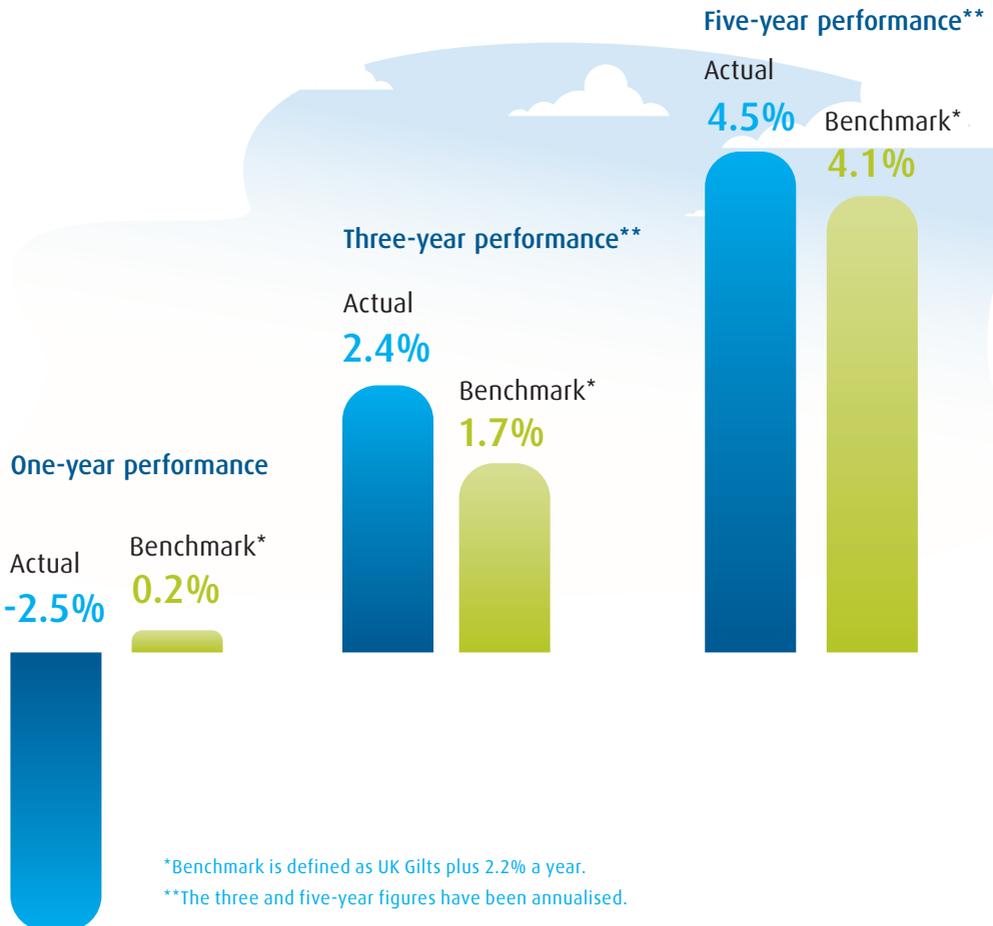
You can see how the Scheme's assets were invested at 31 March 2020 below:



Investment performance

To track the performance of the Scheme's investments, the Trustee uses an independent performance measurement service called BNY Mellon Analytical Solutions.

This service compares the actual investment performance against a target (called a benchmark). The graphic below shows how the Scheme's actual investment performance compared with the benchmark over one, three, and five-year intervals.





Scheme news

Covid-19 updates

1. Scams

The Covid-19 outbreak has seen scammers adapt their way of working to take advantage of the coronavirus pandemic. To keep your money safe from scammers, remember to always be wary of unexpected calls or messages. Be extra cautious – don't be rushed into making a decision, and always check who you're dealing with. Make sure that the company you're dealing with is registered with the Financial Conduct Authority at register.fca.org.uk

Remember, we will never ask you for your bank details over the phone.

2. Investments

Please rest assured that the Trustee always invests with a long-term approach in mind. Any short-term dips in the value of investments should not change the ability of the Scheme to pay members' benefits. For instance, as the investment performance results on page 7 show, the Scheme's investments were **2.3%** below the benchmark over a one-year period. This is reflective of how the investment markets were impacted by the Covid-19 pandemic as at 31 March 2020. However, over three and five-year periods, they outperformed the benchmark by **0.7%** and **0.4%** respectively.

Currently, the Scheme invests just **25%** of its assets in equities, which are more sensitive to changes in the stock market than other types of investments. This means that the vast majority of the Scheme's investments are better protected from market volatility.

3. An update from the Team

Our Team is doing an excellent job of handling member queries under difficult circumstances. However, if you need to contact BOC Pension Services, please be aware that if members of the Team become ill we may not be able to process your calls or enquiries as quickly as usual. Every enquiry is logged on the system, and they'll get back to you as quickly as possible.

Actuarial valuation update

The triennial (three-yearly) valuation for 2020 has recently been completed. We will write to you with the full results later this year. For the most recent funding summary from 2019, you can read the Summary Report and Accounts newsletter on the 'Forms and Documents' page of the website at www.bocpensions.co.uk

Change to the minimum pension age and State Pension age

The minimum age at which you can claim your private pension is rising from 55 to 57 from 2028, which coincides with increases to the State Pension age. If you think you might be affected by this change and need help with your retirement planning, you should contact an independent financial adviser. You can find one near you at www.unbiased.co.uk

The State Pension age has also now increased for anyone born between 6 October 1954 and 5 April 1960. If you were born during this period, you will now become eligible to receive the State Pension on your 66th birthday.





Your new website

Last year we built a new website for you, our members. You'll find it at the same address as the old site – www.bocpensions.co.uk

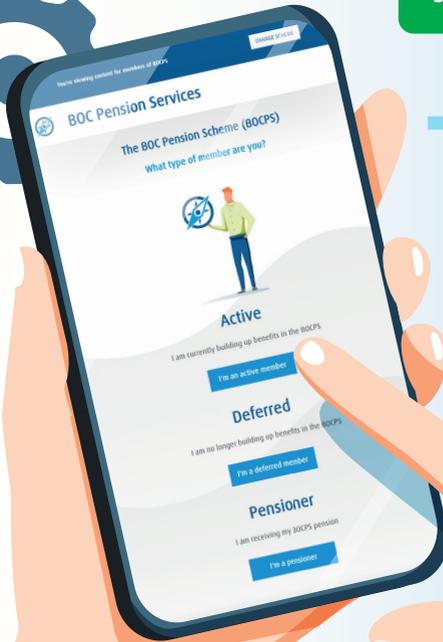
Visit the new site today for:

Scheme information

Important forms and documents

Latest news

Online tools



Visit www.bocpensions.co.uk today



Who looks after the Scheme?

The Scheme is managed on a day-to-day basis by the Trustee.

The Trustee is made up of eleven Directors (there are currently two vacancies). Seven of these are appointed by the Company, and four are nominated and elected by members of the Scheme.

Your Trustees

Company-Appointed Directors:

- John Hylands (Chair, Independent Trustee)
- George Emmerson (Capital Cranfield, Professional Trustee)
- Dale Gowland (Gases, Guildford)
- Keith Russell (Gist, Chineham)
- Andrew Smith (Gases, Guildford)
- Vacancy
- Vacancy

Member-Nominated Directors

- David Beech (Retired member)
- Simon De Vall (Gases, Guildford)
- Clive Morton (Retired member)
- John Whiting (Retired member)

Advisers

The Trustee is also supported in the running of the Scheme by several advisers and administrators:

- Scheme Actuary (Richard Shackleton (FIA); Hymans Robertson LLP)
- Investment Adviser (Mercer Limited)
- Bank (HSBC Bank plc)
- Auditor (Ernst & Young LLP)
- Investment Manager (BOC Pensions Limited)
- Benefits Administrators (BOC Pension Services & ADP (Pension Payroll))
- Legal Adviser (Mayer Brown International LLP)
- Medical Adviser (Medigold Health)
- Covenant Adviser (Penfida Limited)

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Contact us

BOC Pension Services

The Priestley Centre, 10 Priestley Road, The Surrey Research Park,
Guildford, Surrey GU2 7XY

Helpline 0800 096 3214

Email pensions.uk@boc.com



www.bocpensions.co.uk

Legal note

Please note that this newsletter is intended to provide information and nothing in it grants any legal right to benefits. Your entitlement to benefits is defined in the Trust Deed and Rules (as amended from time to time). You can download a copy of the current Trust Deed and Rules from the website at www.bocpensions.co.uk or request one from BOC Pension Services. If you are a pensioner or a deferred member, you should ask for a copy of the edition which applied when you retired or left service. Nothing in this newsletter constitutes financial advice. It is your responsibility to obtain financial advice if you decide that you need it. To find details of financial advisers in your area visit www.unbiased.co.uk