



# Pensions Update

DXC Pension Plan – LPC Section

August 2024





# Message from the Chair of the Trustee Board



**The Trustee Board is very pleased to present this year's edition of *Pensions Update* – the newsletter for members of the DXC Pension Plan's LPC Section.**

The pensions landscape never seems to stay still for long and 2023 was no exception. The outcome of the general election will undoubtedly have some impact on pensions legislation and best-practice guidance in 2024, and the Trustee will consider any implications to you and the wider governance of the Plan in due course.

I am pleased to say that there has been a general improvement in funding levels across the DXC Pension Plan. As I write, the Plan is almost fully funded on the low-risk basis, which the Trustee monitors closely. I hope this gives you a great deal of confidence in the future security of your benefits.

In October 2023, the Company sponsored a transfer of our Rebus members' assets and benefits to the pension schemes managed by DXC UK Trustee Ltd, which went very well and actually improved their security.

Additionally, DXC has decided that, for operational and efficiency reasons, it wishes to combine the management of its UK pension plans under one governing body. After careful due diligence, DXC has proposed that the DXC Pension Plan should be managed from 1 September 2024 by DXC UK Trustee Ltd and not by your current Trustee, and you can read more about this on page 10. This change will have no impact on your benefit entitlement from the DXC Pension Plan. Further information will be available via the DXC Pension Plan's member website ([dxcpensions.com](https://dxcpensions.com)) nearer the time.

Finally, this will be my last *Pensions Update* as I will soon be retiring after more than 20 years as a Trustee Director of the Plan. It has been a remarkable journey for me, and an honour to have represented your interests for so long. It has been a privilege to work with so many committed and knowledgeable Trustee Directors over the years and have the support of such excellent professional advisers. I am confident that the new Trustee will look after your best interests in the next phase in the Plan's lifespan, and may I wish you every success for the future.

Mark Greenhalgh  
**Chair of the Trustee Board**



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# Pension matters

## An update on pensions dashboards

Last year it was announced that the timetable for launching pensions dashboards would be pushed back to give the pensions industry more time to get ready for this major project.

Since then, the Department for Work and Pensions has published new guidance setting out a staged timetable for pension schemes to connect to the pensions dashboards ecosystem. The timetable highlights that the earliest staging dates for larger personal pension or stakeholder schemes would be 30 April 2025.

When it's launched, the dashboards will provide a single place where you can get information about all your pension savings across all schemes, as well as track down any lost pension pots.

## New Plan administrator: Aptia

On 1 January 2024, Aptia purchased Mercer's UK pension administration services, including the administration services Mercer previously provided for the Plan.

Our pensioners have already been notified, but Aptia is now in the process of rebranding all communications, which means that the information you are used to receiving from Mercer is going to change to the new green and blue branding of Aptia. Please be assured that the rebranding will not change the service you receive or your pension benefits.

Changes in branding began in July 2024, so the regular and ad-hoc communications you receive, plus the online portal used to contact Aptia, will now look different to before.

If you'd like to know more about Aptia, you can visit their website at [aptia-group.com](https://www.aptia-group.com)







### **Lifetime Allowance abolished**

In his March budget last year, the-then chancellor announced a raft of changes to pensions tax allowances which included plans to abolish the Lifetime Allowance (LTA). The LTA was a limit on the amount of pension savings you could build up tax free over your lifetime. An LTA tax charge was applied if you went over the limit, but this was removed with effect from 6 April 2023. The government has now replaced the LTA with two new lump sum limits. These probably won't apply to most members but if you think you may be affected, you should consider taking financial advice.

You can usually take up to 25% of your pension as a tax-free lump sum. The new Lump Sum Allowance (LSA) limits this to £268,275, unless you have previously applied to HMRC for LTA protection (in which case a higher limit may apply).

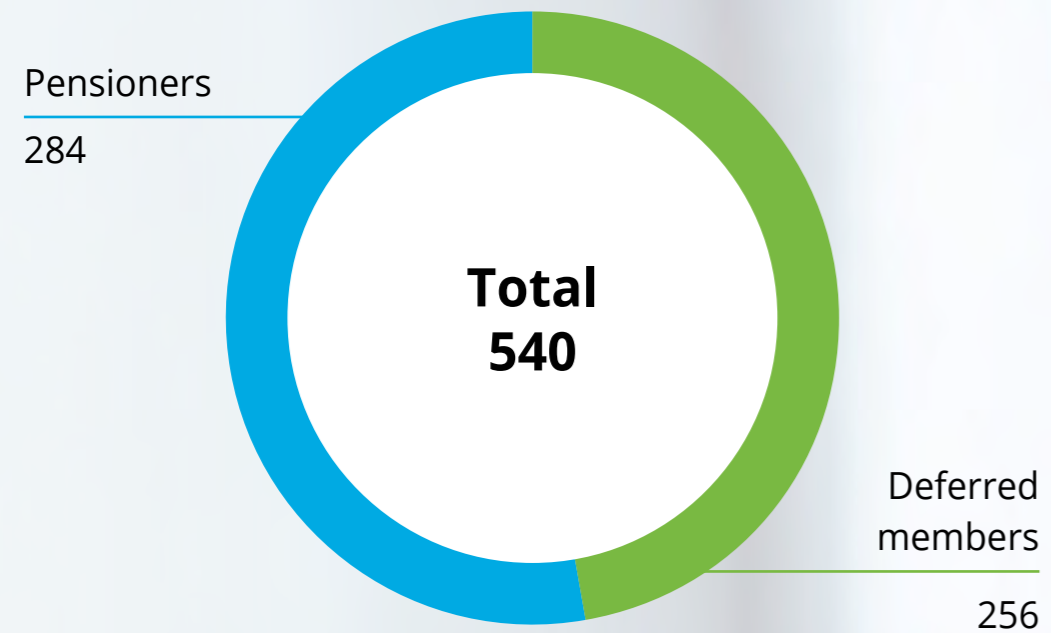
There is also the Lump Sum and Death Benefit Allowance (LSDBA), which restricts the amount of lump sum death benefits that can be paid tax free from all registered pension schemes to £1,073,100 (unless you have LTA protection, in which case a higher limit may apply).



# Membership

**As at 31 December 2023, you were one of 7,680 members in the various sections of the Plan.**

While the total membership includes other sections, the LPC Section accounts for 540 members.





# Plan noticeboard

## Visit the Plan website

Don't forget that the Plan website is on hand 24/7. Through it, you can access helpful information about your section of the Plan, as well as updates about the world of pensions and a wealth of tools and resources to help you through every step of your retirement journey.

Simply visit [dxcpensions.com](https://dxcpensions.com) to get started.













## Everything you can do on OneView

OneView gives you access to real-time information about your pension in three clicks or less.

### What can you do on OneView?

-  Update your personal details
-  Review your nomination of beneficiaries/expression of wish
-  Find information about the Plan
-  Send queries to the Plan administrator
-  Track the progress of any request you have made
-  Use the retirement modelling tool to get retirement illustrations
-  Change your bank details (pensioners)
-  View your pension payslips and P60 (pensioners).

To log in to OneView, visit <https://v3.aptiaoneview.co.uk/CSCPENSIONS/login> and enter your user ID and passcode.

#### *Trouble logging in?*

If you know your original 10-digit access code, you can reset your OneView credentials online by clicking 'Forgot your user ID or passcode' on the login page.

If you have never registered to use OneView, you will need to phone the customer relations centre to register on 0370 607 0054.



## The transfer process: what happens when you request a transfer quote

A transfer value represents the monetary value of your pension benefits within the Plan. It's the amount you'd receive if you decide to transfer your pension to another arrangement.

When you request a transfer value quote, you will receive an information pack from the Plan administrator, which will include your transfer value statement and a checklist of information you will need to return for the transfer process to begin. Don't forget: if your transfer value is more than £30,000, you will need to seek independent financial advice from an FCA-regulated adviser before your transfer can proceed.

Once you have your quote, you have three months to decide if you'd like to proceed. If you go ahead with the transfer, the Plan administrator will let you know the information they need from you, and the transfer will take up to two months to complete, though in most cases it's less.



### Validation

**Two weeks**

The Plan administrator will check the documents you've returned and request anything from you that is missing.



### Disinvestment

**Two weeks (70% of cases)**  
**Four weeks (20% of cases)**  
**Six weeks (10% of cases)**

The administrator will begin the process of disinvesting the amount of money that represents your benefits.



### Payment

**One week**

The payment will be made to your chosen scheme and you will receive confirmation when this is complete.



Scan this QR code to watch a video put together by the Plan administrator, designed to help you understand what you need to do once you have your quotation. Alternatively, if you have any questions, you can get in touch with the Plan administrator directly via [pensionuk.aptia-group.com](https://pensionuk.aptia-group.com)



## Update on your Trustee Board

DXC currently has two Trustee Boards overseeing its UK occupational pension plans. DXC Pension Trustee Ltd is responsible for managing the DXC Pension Plan and DXC UK Trustee Ltd manages two other large pension plans.

Following a strategic review, DXC has taken the decision to combine its Trustee Board arrangements. From 1 September 2024, DXC UK Trustee Ltd will become the Trustee of the DXC Pension Plan and will be responsible for managing the Plan. The DXC Pension Plan's Trustee Board is supportive of this change and has agreed that four of the incumbent Trustee Directors will be on the Board of DXC UK Trustee Ltd.

This will have no impact on your benefit entitlement from the DXC Pension Plan and is purely an operational change. Further information on the change in Trustee will be available via the DXC Pension Plan's member website ([dxcpensions.com](https://dxcpensions.com)) nearer the time. However, should you have any immediate queries, you can contact the Plan Secretary (Ian Armitage) at [ian.armitage@isio.com](mailto:ian.armitage@isio.com).

## Making a complaint

Complaints or disputes about any aspect of the Plan are rare and are normally resolved quickly and informally. However, in the exceptional circumstance when they cannot be resolved by this approach, the Trustee has a formal procedure in place, as required by the Pensions Act 1995.

Following a review of the existing complaints process, the Trustee recently took the decision to simplify the Plan's Internal Dispute Resolution Procedure (IDRP) by moving from a two-stage to a one-stage process. This change was introduced to enable complaints to be reviewed and decided in a more streamlined way.

If you are unable to resolve a complaint informally, you can find information about the Plan's formal complaints process through the Plan's administrator. Alternatively, you can contact the Plan Secretary, who will be able to provide you with guidance on the process for submitting a formal complaint. The Plan Secretary can be contacted at:

[ian.armitage@isio.com](mailto:ian.armitage@isio.com)

Mr Ian Armitage  
Secretary to the Trustee of the DXC Pension Plan  
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Dingwall Road  
Croydon CR0 2LX



# Summary Funding Statement

**Every three years, the Plan actuary carries out an actuarial valuation, which is a detailed look at the financial position of the Plan to check if there is enough money (assets) to pay the benefits due to members (liabilities).**

To work out how much the Plan needs to pay members' benefits, the actuary must make some assumptions about what will happen in the future, such as how long members might live, what inflation will be and how the Plan's investments will perform. The assumptions used are set by the Trustee.

The valuation shows the Plan's funding level, which is the percentage of the liabilities that can be covered by the assets. If there is a shortfall, the Company may need to pay extra contributions into the Plan. Following the valuation, the Trustee and the Company finalise the results and agree the level of contributions that are needed. This is recorded in a formal document called the Schedule of Contributions and, if there is a shortfall, a Recovery Plan.

## What is the LPC Section's latest position?

The most recent valuation looked at the position as at 30 June 2021. Since then, the actuary has also carried out annual updates as at 30 June 2022 and 30 June 2023. The results of both the valuation and the annual updates are shown in the table below.

	Valuation 30 June 2021	Annual update 30 June 2022	Annual update 30 June 2023
Value of the assets	£65.8m	£55.2m	£47.5m
Value of the liabilities	£65.9m	£54.5m	£43.2m
Surplus/(shortfall)	(£0.1m)	£0.7m	£4.3m
Funding level	100%	101%	110%



### How has the position changed?

Both asset and liability values fell significantly in the year to 30 June 2023, mainly because of large rises in gilt yields. The reduction in liabilities was partially offset by deferred pension revaluations and pension increases being higher than expected because of high inflation. Overall, the funding level improved because the reduction in the liabilities was more than the corresponding reduction in the value of assets.

The figures in the table on the previous page show the position of the LPC Section on the ongoing basis, which assumes that the Plan continues in its current form.

### What contributions are the Company paying?

As part of the 2021 valuation, the Trustee and the Company agreed that the following contributions would be paid to the LPC Section:

- £437,500 per quarter from 1 July 2021 to 30 September 2022
- as the recent inflation rate has exceeded the 2021 valuation assumption, if the annual funding update reveals a shortfall, the Company will make additional contributions to the Plan.

These contributions were sufficient to address the shortfall shown at the 30 June 2021 valuation, and so no further contributions are currently due.

The Trustee regularly reviews the Plan's funding position and the future contributions scheduled to be paid by the Company. The Trustee will discuss the required future contributions with the Company again as part of the next valuation, which is due as at 30 June 2024. We will provide you with more details about that valuation in next year's newsletter.

### How secure is my pension?

The Trustee's aim remains for the Plan to have enough money to pay pensions now and in the future, but this depends on the Company carrying on in business and continuing to support the Plan. To test the future viability of the Company, the Trustee assesses the 'employer covenant' and receives regular financial information from the Company.

The level of the LPC Section's investment risks was reduced further in 2023 to protect the security of members' benefits.



## What if the Plan was wound up?

If the Company were to decide to stop supporting the Plan, it is expected to pay the Plan enough money to buy all the benefits that members have built up from an insurance company. This is called the wind-up or solvency funding position.

- The solvency funding level at the most recent valuation date of 30 June 2021 was 83%, which represents a shortfall of £13.5 million.
- At the annual funding update of 30 June 2023, the estimated solvency funding level had improved to 99%, with a reduced shortfall of £0.3 million.

The fact that we have shown the solvency position does not mean that the Company is thinking of winding up the Plan. It is simply another piece of information to help explain the financial security of your benefits.

## What if the Company became insolvent?

In the unfortunate circumstance that the Company should go out of business without these benefits having been secured, the Pension Protection Fund (PPF) may take over the Plan and pay compensation to members. If this were to happen, the pensions received from the PPF may be less than the full benefit earned in the Plan, depending on your age and when your benefits were earned. Further information and guidance is available at [ppf.co.uk](https://www.ppf.co.uk)

## Climate-change governance and reporting

The Trustee has now published its report on climate-change governance and reporting in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021. The report sets out the Trustee's identification, assessment and management of climate-change risk and can be found on the Plan website:

[dxcpensions.com/docs/DXC\\_Pension\\_Plan\\_TCFD\\_Report.pdf](https://dxcpensions.com/docs/DXC_Pension_Plan_TCFD_Report.pdf)

## Important information

The Pensions Regulator has considerable powers to intervene in the running of the Plan, such as imposing a schedule of contributions. It has not needed to use these powers in relation to the Plan.

We need to tell you if there has been any payment of surplus to the Company since the previous Summary Funding Statement was issued. Such payments can only arise in very limited circumstances, and there has never been a payment of surplus out of the Plan's funds to the Company.

## Where can I get more information?

If you would like to know more, please contact the Plan administrator.



# Investment update

When investing the Plan's assets, the Trustee's main objective is to ensure that the Plan has enough money to pay benefits to members when they are due. Taking advice from its investment advisers, the Trustee also consults with the Company before deciding on a target investment return and an allocation of assets to achieve this.

Although the Trustee is responsible for the overall investment strategy for the Plan, it delegates the day-to-day management of the portfolio to the Plan's investment managers, who act in line with the Trustee's strategy.

## How are the assets invested?

As at 31 December 2023, the investment strategy for the LPC Section was:



- Liability Driven Investments (LDI) 48%
- Investment-grade corporate bonds 40%
- Multi-asset credit 12%



## Changes to the investment strategy

The Trustee keeps the investment strategy under regular review. Since our last update, the Trustee has been preparing the portfolio for a potential buy-in transaction in the future when the liabilities are insured with an insurer. For the LPC Section, this has resulted in a number of changes to the investment strategy, resulting in the investment strategy shown on page 14. Notable changes include:

- removed the allocations to equities and diversified growth, reducing investment risk
- reduced the allocation to less-liquid credit assets to increase liquidity within the scheme's portfolio
- increased the allocations to Liability Driven Investments and investment grade corporate bonds.

These changes allowed the level of protection provided by the assets, when compared to the Section's liabilities, to be increased, whilst reducing operational and investment risk. The changes also improved the overall liquidity of the Section.





**Investment performance (% p.a.)**

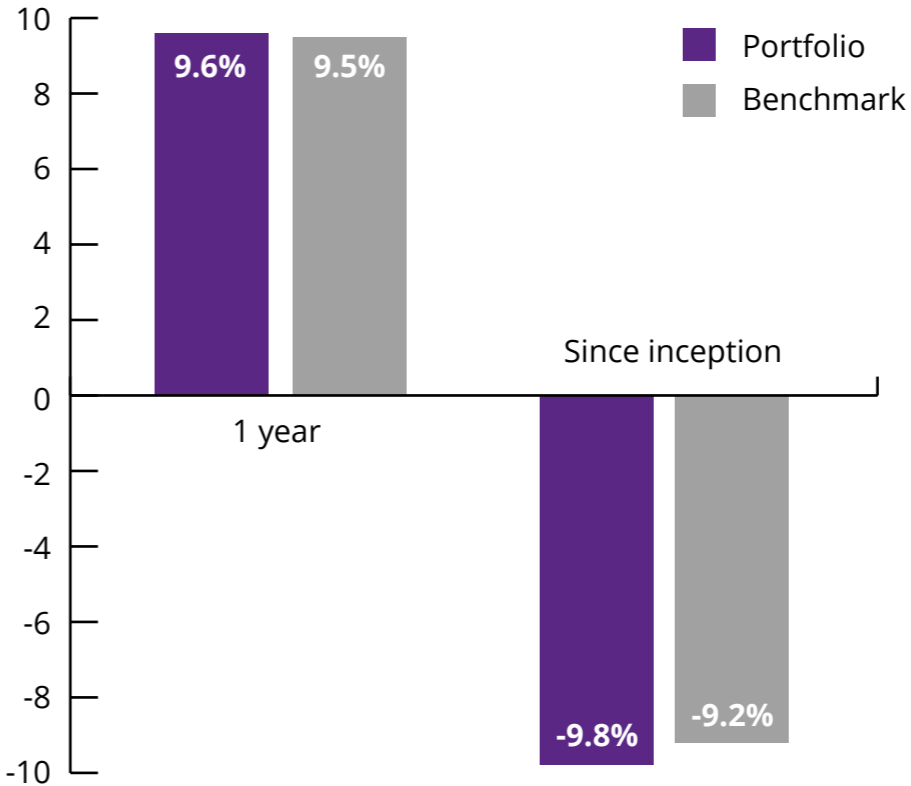
The investment returns for the LPC Section compared with the return on its benchmark allocation to 31 December 2023 are shown in the chart.

The benchmark represents the return that would have been achieved if the asset allocation was in line with the Trustee’s target, and each of the investment managers performed in line with their respective benchmarks (which are typically a market index, such as the MSCI World, or a suitable alternative).

If the portfolio performs better than the benchmark, then this indicates that either any differences in asset allocation versus the target have been beneficial and/or the investment managers have, on average, been successful in beating their benchmarks. In turn, this generally means that progress towards the Trustee’s ultimate funding objective has been better than it otherwise would have, if the asset allocation or managers had not had such success.

Over the year to 31 December 2023, the portfolio performed marginally better than the benchmark. Since inception of the portfolio on 23 August 2021, it has underperformed its benchmark, driven by underperformance of the multi-asset credit portfolio. This mandate has since been terminated. Since inception, the negative performance of bond assets, and in particular UK government bonds following the mini-budget in September 2022, resulted in the Section’s absolute

return being materially negative. However, it should be noted that bond assets are held to help match movements in the Section’s liabilities and that the Section’s funding level increased significantly over the last three years, allowing the Trustee to reduce investment risk over the period. The Trustee continues to keep the arrangements under review.





# Contact us

**If you have any questions about your benefits in the Plan or the payment of your pension, please contact the Plan administrator.**

**Contact portal:**

[pensionuk.aptia-group.com](https://pensionuk.aptia-group.com)

**Email:**

[DXCpensions@mercer.com](mailto:DXCpensions@mercer.com)

**Phone:**

0370 607 0054 (deferred members)

0345 602 4710 (pensioners)

**Write to:**

DXC Pensions Team, Aptia, Maclaren House, Talbot Road,  
Stretford, Manchester M32 0FP

**Plan website:**

[dxcpensions.com](https://dxcpensions.com)

