

THE ASTON UNIVERSITY
PENSION SCHEME
(AUPS)

ANNUAL REPORT
TO MEMBERS
31st March 2018

AUPS
ASTON
UNIVERSITY
PENSION SCHEME

The purpose of this leaflet is to provide an abridged version of the Scheme's Report and Accounts for the year ended 31 March 2018 and to give additional information concerning the protection of your interests as a pension scheme member.

Following agreement between the Trustees and the University a deed to close the Plan to future accrual from 31 March 2018 was signed on 28 March 2018.

During the Scheme year, Hymans Robertson were appointed permanent administrators of the Scheme with effect from 1 April 2018.

A copy of the full Annual Report and Accounts can be obtained from the Scheme Administrator.

YOUR PENSION SCHEME

The following is a summary of the main features of the Scheme's Annual Report and Accounts for the year ended 31 March 2018. Figures shown in brackets are those from the previous year end.

THE FUND

Fund Value at 31 March 2017 - £95,883,703 (£80,682,434)

<i>INCOME</i>	<i>EXPENDITURE</i>
Contributions from members* £26,685 (£27,870)	Benefits Paid £2,459,032 (£2,772,770)
Contributions from the University* £2,829,370 (£1,978,364)	Withdrawals £404 (£3,750)
Transfers from other Schemes £0 (£0)	Transfers to other Schemes £101,906 (£22,015)
Net Return on Investments £4,365,279 (£16,427,681)	Insurance Premiums £34,001 (£38,479)
Other Income Including Group Life Insurance Policy £69,492** (£0)	Other Expenses (including professional fees, software, subscriptions and Scheme administration) £559,477 (£395,632)
TOTAL INCOME £7,290,826 (£18,433,915)	TOTAL EXPENDITURE £3,154,820 (£3,232,646)

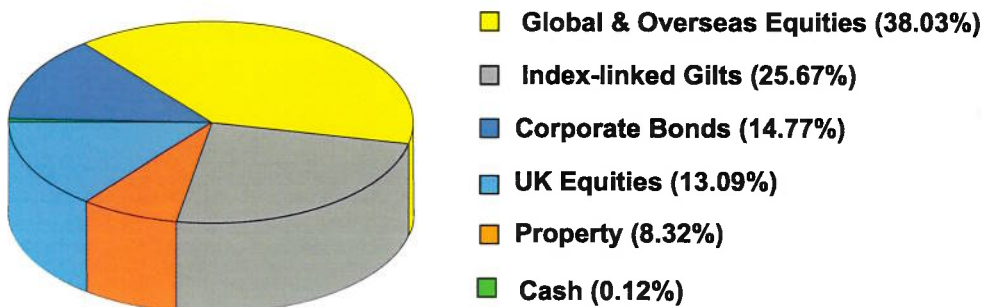
Fund Value at 31 March 2018 - £100,019,709 (£95,883,703)

*Since the closure of the Scheme to future accrual, all contributions into the Scheme are now paid by the University in respect of the funding deficit and Scheme expenses.

**Claim on term insurance policy

INVESTMENTS

The Scheme's assets were spread over a range of investments:

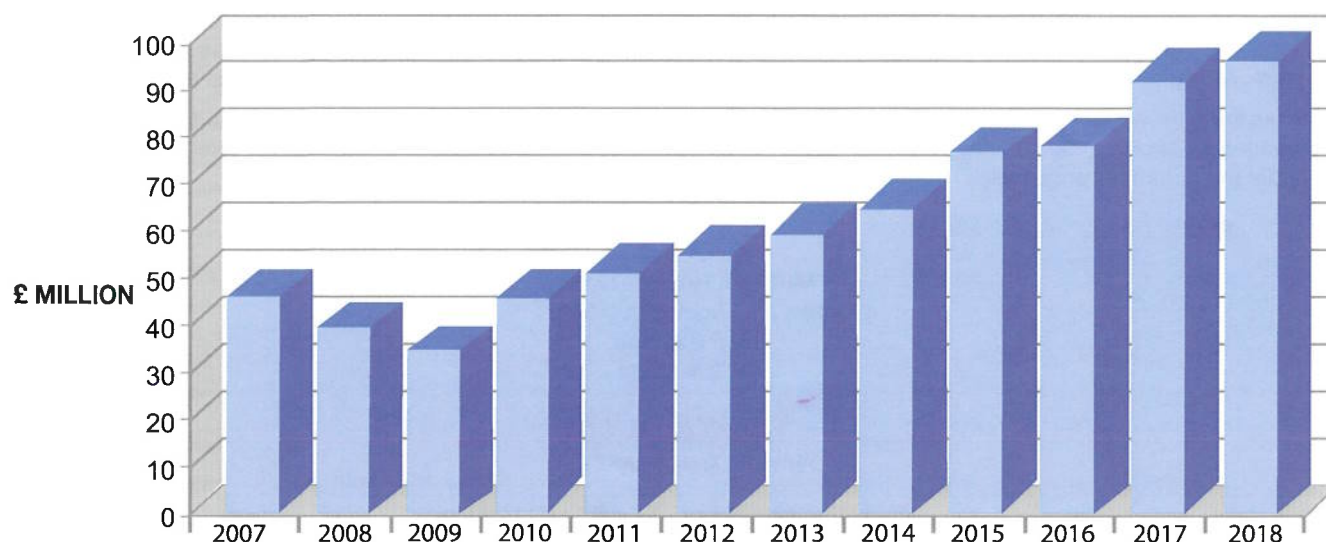


The Scheme's investment policy is determined by the Trustees in consultation with their investment managers, Schroder Investment Management (UK) Limited and Legal & General Investment Management Ltd, who between them undertake the day-to-day management of the Scheme's investment. The policy is monitored and reviewed annually, as is investment performance. The overall aim of the investment policy is to achieve a steady and sound build-up of the Scheme's assets while minimising risk and the Trustees are confident that the investments are prudently managed.

Performance relative to other funds is examined annually with the benefit of a survey prepared by Hymans Robertson, the Scheme's investment consultant. The figures for the Scheme year ended March 2018 show that the rate of return on the total portfolio was 4.6%. This is 1.2% above the overall benchmark performance of 3.4%. The overall rate of return over the 3 year period ended March 2018 was 8.1% per annum, compared with a benchmark performance of 7.8% per annum. The rate of return over the last 5 years was 9.9% per annum which exceeded the benchmark performance of 9.6% per annum.

There is no investment of any nature in the University.

THE FUND OVER THE LAST 12 YEARS



MEMBERS AND PENSIONERS

Due to the closure of the Scheme to future accrual from 1 April 2018, the number of active members decreased from 348 to nil by the end of the year. However, the number of pensioners increased from 427 to 439 and there were 1,194 deferred pensions compared with 789 the previous year.

BENEFITS TO MEMBERS

Pensions and retirement lump sums paid to retired Scheme members amounted to £2,441,124. In accordance with Scheme Rules, pensions in payment in excess of the Guaranteed Minimum Pension (GMP) were increased by 5% per annum or the rise in the Retail Prices Index (RPI), whichever was lower. Members who joined the Scheme before 1 September 1990 receive an annual increase of no less than 3% of all non-GMP benefits for service prior to 31 December 2003.

Deferred benefits were revalued in line with the Scheme Rules. As a result of the Government's move to using the Consumer Prices Index (CPI) as the measure of inflation for the annual statutory revaluation order, from the 2011 order onwards CPI, rather than the RPI, will be used in the calculation of future increases to be applied to deferred pensions.

ACTUARIAL POSITION

An actuarial valuation of the Scheme is carried out every three years, in order to examine the financial position and to comply with legal requirements.

A valuation was carried out at 31 March 2016 and revealed that the past service funding level was 86.4% (i.e. the value of the assets held was 86.4% of the amount required to meet the cost of benefits earned by members). This was marginally up from a funding level of 85.2% at the previous valuation as at 31 March 2013. However, the deficit has grown when measured in £ amounts.

The valuation as at 31 March 2016 showed that, prior to the Scheme's closure to future accrual on 1 April 2018, the annual contributions paid by the University in respect of the future accrual of benefits needed to rise from 16.3% to 19.5% of Pensionable Salaries. Employee members were to continue paying contributions of 6.35% of their Pensionable Salary. The increase in cost was one of the key considerations before closing to accrual and from 1 April 2018, the University and Employee members of the Scheme no longer pay these contributions regarding future benefits.

The University and Trustees agreed that the past service deficit would be cleared by continuing the previous deficit removal contributions of £315,000 per annum until 31 March 2017, increasing to £570,000 per annum from 1 April 2017 until 31 March 2027.

Further information on the Scheme's funding position can be found in the Annual Summary Funding Statement 2018.

AUDITORS REPORT

The auditors have confirmed that in their opinion the Scheme's financial statements give a true and fair view of the financial transactions during the year ended 31 March 2018 and of the disposition at that date of its assets and liabilities. The auditors have also confirmed that in their opinion the contributions payable to the Scheme during the year have been paid in accordance with the Scheme rules and with recommendation of the actuaries.

FURTHER INFORMATION

Further information about the Scheme is always available from the Scheme Administrators or Scheme Secretary. If you have any comments or suggestions about this report to members, please contact them on 0121 210 4381.

TRUSTEES AND ADVISERS

The administration and management of the Scheme is vested in the Trustees who are appointed by the University (which also has the power to remove a Trustee from office). The Trustees normally meet four times a year and two Trustees are required to be present to form a quorum. All issues are decided by the votes of the Trustees present at the meeting, and the Chairman has a casting vote.

In recent times there have been five Trustees, two of whom are selected in accordance with the member nominated trustee requirements of the Occupational Pension Schemes (Member-nominated Trustee and Directors) Regulations 2006. The University can elect up to four Trustees under the current arrangements.

TRUSTEES

Mr J R Bailey
Mr T M A Hooton (MNT)
Mrs J L Thompson (MNT)
Dr P Extance
Dr T N Oliver

SECRETARY

Hymans Robertson LLP

INVESTMENT MANAGERS

Schroder Investment Management Limited
Legal & General Investment Management Limited

ACTUARIES & CONSULTANTS

Hymans Robertson LLP

ADMINISTRATORS

Hymans Robertson LLP

AUDITORS

Crowe U.K. LLP (replaced PKF Cooper Parry PLC)

LEGAL SERVICES

Burges Salmon LLP, Solicitors

BANKING SERVICES

Lloyds Plc (until October 2018)
Barclays Bank UK Plc (from October 2018)

The following information is about the availability of services for independent protection of your interests:

Pension Tracing Service

This is a central register to help people trace details of pension schemes which they may have lost contact with over the years.

Details of the Aston University Pension Scheme are held on the register.

Website: www.nidirect.gov.uk/pension-tracing-service-trace-a-personal-or-workplace-pension-scheme

Telephone: 0345 600 2537

The Pensions Advisory Service (TPAS)

This organisation is available at any time to assist members and beneficiaries of the scheme in connection with any pension query they may have or difficulty which they have failed to resolve with the Trustees or administrators of the Scheme.

Website: www.pensionsadvisoryservice.org.uk

Telephone: 0300 123 1047

The Pensions Ombudsman

If TPAS is unable to resolve your difficulty you can appeal to the independent Pensions Ombudsman. The Ombudsman has been appointed by the Government and can investigate and determine complaints of fact and law in relation to an occupational pension scheme.

Website: www.pensions-ombudsman.org.uk

Telephone: 020 7630 2200

The Pensions Regulator

The Pensions Regulator is responsible for the regulation of occupational pension schemes and assists in protecting members' benefits.

Website: www.thepensionsregulator.gov.uk

Telephone: 0345 600 5666

Independent Financial Advice

The Trustees recommend that you review your pension arrangements and financial commitments regularly and take your own independent financial advice before making any changes to your financial circumstances.

If you would like independent financial advice, you should contact an Independent Financial Adviser (IFA). For details of your nearest IFA, you can visit www.unbiased.co.uk. You may have to pay for this advice.