

Looking back at the last scheme year

Your defined contribution (DC) pension

Welcome to your annual defined contribution (DC) update from TPT. This update tells you how we run and manage your pension scheme, and what we've done over the last scheme year (1 October 2020 to 30 September 2021) to help you save for retirement.

Our efforts to improve our overall service, and the way we communicate with you, have remained a key focus area. We've launched new communications including video content that's instantly more engaging and easier to digest, and started to create material that's more relevant to each stage of your pension savings journey – from just starting to save to making detailed plans for retirement.

We're beginning to see the positive impact of our work in the results of our regular member feedback surveys and were delighted that our efforts were recognised with a significant industry award in early 2021 - the Pensions Age 'DC Pension Scheme of the Year' Award.

Investments continue to perform well and we have made one of our biggest commitments yet to responsible investment, with our net zero emissions pledge. You can find out more about this, and our next steps, within this update. You can find a full report on our activity within our [DC Chair's Statement](#).

We're always happy to help you understand and make the most of your pension so, if you have any questions, please get in touch using the details at the end.

Joanna Matthews, Chair of the Trustee Board



“TPT showed a real willingness to gather member feedback and act on its findings, making considerable improvements to provide members with quick and easy access to information.”

Award judges

A safe pair of hands

TPT is one of only 38 authorised DC Master Trusts. This means that, having looked very closely at the way we manage your pension scheme, The Pensions Regulator (TPR) is satisfied that the scheme:

- is financially sustainable;
- is being run by the right people;
- is being managed and governed using the right standard of systems and processes; and
- has contingency plans in place should anything go wrong.

Having received authorisation in 2019, we have now submitted our first supervisory return to TPR. This makes sure that we continue to meet our ongoing requirements and demonstrate our commitment to providing you with the best possible outcome at retirement.

TPT at a glance



DC members:
283,965



DC assets:
£2.4bn



Not for profit



Sustainable



Over 30 years' experience
managing DC schemes

Figures as at the end of the scheme year, 30 September 2021

Protecting your money

Your pension scheme is looked after by a corporate trustee called Verity Trustees Ltd. The Trustee oversees all aspects of the scheme including administration, investment, governance and communications.

The Trustee Board is chaired by Joanna Matthews – a professional independent trustee with extensive experience of chairing large and high-profile pension schemes. Members of the Trustee Board, known as Trustee Directors, are appointed through a rigorous selection process to make sure they have the skills, knowledge and experience required to properly manage your pension with TPT. You can find out more about them [here](#).

The Trustee's primary role is to ensure that:

- we invest in ways that meet your needs;
- your savings are secure; and
- you can access your savings when you retire

Making the most of your pensions savings

Your investment options

The money that you and your employer pay into your pension is invested, with the aim of growing a savings pot for your future. Because members join us at all stages of life and may have different priorities at each stage, we provide a number of investment options. While every option aims to grow your savings, they do it in different ways.

When you first join us, your savings are invested in a target date fund (TDF). On 30 September 2021, over 94% of our DC scheme members' savings were invested in a TDF.

A TDF does most of the work for you by choosing where your savings are placed and moving them into more cautious investment funds as you get closer to the date that you've told us you want to retire. This fund is a suitable option for many members.

If you want to make a change at any point, you can view your options – including our self-select funds – at members.tpt.org.uk/grow/, and switch funds within your [Retirement Savings Account](#).

Our investment approach

The way we invest your savings is influenced by a wide range of factors. You can see how we think about these factors, including the environment, our impact on society and the level of risk and reward, in our [Statement of investment principles](#) (SIP).

We choose to review our SIP every year, but must also do so on a formal basis every three years.

The most suitable funds

A formal, three-yearly review of the default funds in which most members' savings are invested was carried out by TPT's Investment Committee in May 2021. It found that:

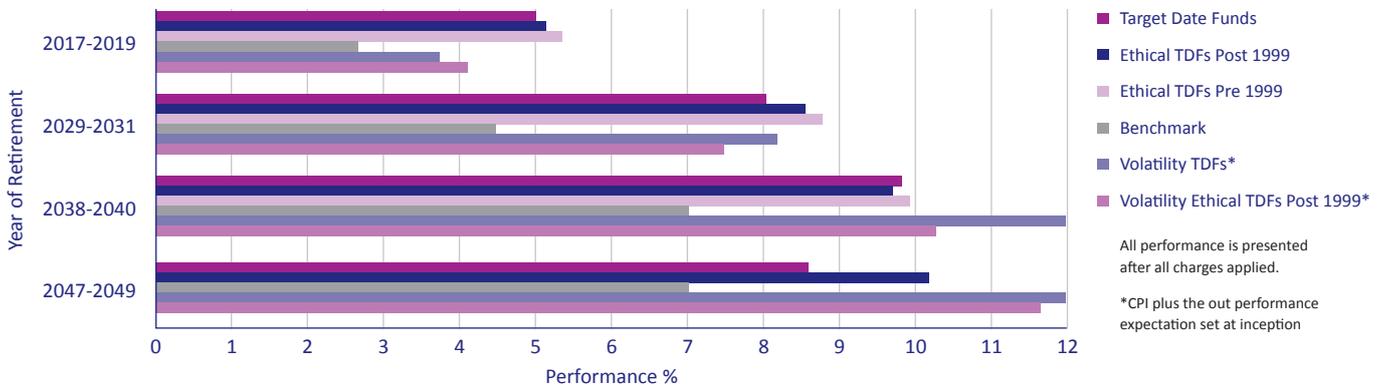
- the default arrangements remain suitable for our members and their investment objectives are appropriate;
- AllianceBernstein (who we've chosen as our investment management partner) is a suitable manager for the default options provided by TPT;
- the performance of the default arrangements has been reviewed and continues to be monitored; and
- the investment costs and charges incurred provide value for money.



Investment performance

Our standard and ethical Target Date Funds (TDFs) continued to perform well in 2020/2021, having made a rapid recovery from the impact of the pandemic. To date, all TDFs have outperformed their long-term benchmarks. This is thanks, in part, to our investment in commodities and low carbon equities, which increased in value during the first three quarters of 2021.

Performance to 30 Sep 2021 Since Inception (1 Mar 2013) – annualised



Responsible investment

Responsible investment has always been important to us, not only because of its positive impact on the world around us, but because we know it will play a growing role in the behaviour of financial markets – and the growth of your savings. We consider environmental, social and governance factors in all of our investment activity, but DC members who feel particularly strongly about the impact of their pension investments have the option of investing in one of our ethical target date funds (ETDF). The ETDF investment strategy is regularly reviewed by the Investment Committee to make sure that we consider alternative strategies as they become available.

As a business, we engage with wider initiatives to manage the risks and opportunities that come from responsible investment. In June 2021, we took the significant step of committing to achieving a net zero emission portfolio by 2050. As part of the Paris Aligned Asset Owners Group, we'll be helping to achieve the government's net zero emissions goal and, alongside other major global asset owners, to drive the transition to a low carbon economy.



Paris Aligned Investment Initiative

Paris Aligned Asset Owners Group



What's next?

To help us achieve our net zero goal, we'll be excluding thermal coal investments and favouring funds that tilt away from carbon intensive companies. We've also invested in systems and climate data that allow us to assess climate risks within our TDFs and enhance the level of climate reporting we provide to stakeholders and regulators.

You can find out more in our [Responsible investment framework](#).

Supporting our members

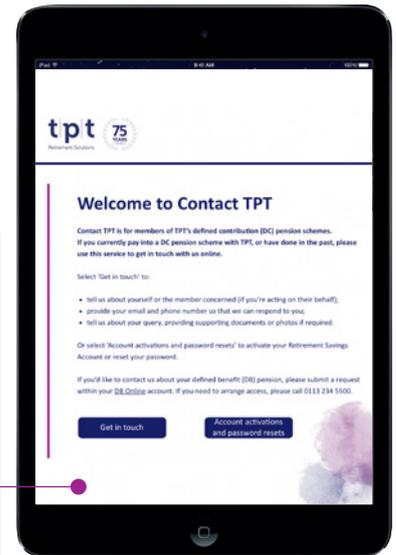
We want you to get the most out of your pension savings when you decide to take them. We're continually looking for new ways to help you understand the level of income you'll receive in later life, and make more informed decisions about the future.

Over the past few years, member engagement and communication has been an important area of focus and we've made some significant recent improvements:



We've introduced a communications programme for new members who have just been enrolled into the scheme, pointing them to useful content and a dedicated area on the DC member website.

We've created a new, convenient way for members to submit queries and retirement documents online 24/7, through Contact TPT.



We've created personalised video benefit statements to highlight key information in a simple and more engaging format. These are now being sent to over three quarters of our active members, in addition to annual benefit statements.



trust us to help you plan your future

We've launched a series of four short videos to help members understand each stage of their pension journey – save, grow, plan and spend.



We've overhauled 60+ letters and forms to make sure they have a clear call to action and are written in plain English.

Our dedicated member website, launched in 2020, was named 'Best website' at the Investment Marketing Innovation Awards. Take a look at members.tpt.org.uk



Supporting our members continued

Member satisfaction

We take your feedback very seriously, and are pleased that those of you who took part in our surveys over the past year were overall satisfied with the service we provided. The standard of our work improved in all of our key focus areas, despite the ongoing need to work differently during the pandemic.

The feedback you provide is shared throughout our business and with our Trustee Board. Our average monthly satisfaction scores, from October 2020 to September 2021, are shown below.

Knowing who to contact	↑ 79.7%	Staff making it clear what is going to happen next	↑ 84.5%
Staff taking ownership of your request	↑ 84.2%	The speed of service	↑ 80.1%
Staff understanding your requirements	↑ 85.4%	Clarity of the information you received	↑ 83.1%
Staff being able to answer your questions	↑ 84.7%	Being kept informed of anything that affected you	↑ 79.6%

Delivering value for money

A small proportion of your pension savings is deducted each year to cover the costs of key services like scheme governance, investment management, administration and communications. This deduction is called the annual management charge (AMC).

ETDF charges are slightly higher because of the extra screening needed to make sure that they meet certain ethical standards. The only exclusion is members who joined the Ethical Fund before 1999, who pay a lower AMC of 0.53% because they paid a fixed price when they joined.

Target date fund charges

- TDFs: The AMC is 0.5% a year
- ETDFs: The AMC is 0.63% a year

Our members now have over £160m saved into our ethical funds.

As the funds have grown in size, the cost of managing them has reduced, so we were able to reduce the AMC to 0.63% in June 2021.

Self-select charges

The AMC for TPT's self-select options varies from 0.44% to 1%.

If you'd like to find out more about the costs you pay, and the benefits and services you receive in return, you can read our latest [Value for members report](#).

What's next?

We're really pleased with the progress we've made over the last scheme year, and have more ambitious plans for 2021/22. You can expect to see:

- new content to help you think about the lifestyle you want in retirement and how much you'll need to save – including an interactive video quiz based on the Pension and Lifetime Savings Association's **Retirement Living Standards**;
- a more comprehensive communications schedule for new members, sharing ways to manage and make the most of their pension;
- more regular email communications if you're currently paying into the scheme, tailored to your life stage; and

- an online content hub containing easy-to-read articles, guides and saving tips.

We'll also be adopting the government's standardised benefit statement, so that members receive important information in the same way from every pension provider.



Our priorities



We can't ignore the growing use of digital and online services. We want you to be able to find information in the way that works for you, so one of our priorities for 2021/22 is to review our digital proposition and formulate a plan to improve it from 2022/23.

A new way to take your savings



From October 2021, you'll be able to take your savings as multiple lump sums, direct from TPT

About TPT

TPT is a leading provider of workplace pensions. Building societies, housing associations and well-known charities trust us to take care of over 400,000 pension scheme members.

We're a DC and DB Master Trust – providing a comprehensive range of services to a number of employers – and currently manage over **£14 billion** in assets for our members.

As a not-for-profit business with no shareholders, we're able to reinvest any surplus back into the business for the benefit of **our members**.

Contact details



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@TPTRetirement



Send us a message or request through [Contact TPT](#)



TPT Retirement Solutions