

ANNUAL REPORT 2024



MASSEY FERGUSON

Massey Ferguson
Works Pension Scheme



WELCOME



Welcome to this year's Annual Report, the newsletter from the Trustee of the Massey Ferguson Works Pension Scheme.

2024 has seen some exciting developments for the Scheme, namely the launch of our new member website in June. The website offers much more flexibility when it comes to managing your personal details, and you can find out how to access it on page 4.

Along with this, we now have a brand-new contact centre. You can get in touch using the same contact details as before, but our additional front-line team will now be able to answer the majority of pensions questions quickly and efficiently. If your query is more complex, you will be put through to our experienced administration team who will assist you further.

This year's Annual Report also contains the usual summary of Scheme accounts on page 11, detailing money going into and out of the Scheme over the past year, and you'll find an overview of the Scheme's investments on page 12. If you would like to see the full Report & Accounts, you can find it on our new member website.

On page 14, you will see the Scheme's Trustee directors: people appointed by the Company or nominated by members who run the

Scheme in the best interests of its members. We will have a vacancy on the Trustee board later this year as Kevin Randall's term is coming to an end. Enclosed with this newsletter is a booklet that explores what Trustee directors do and provides further information on how you can apply. Kevin has expressed an interest in extending his term, but if you think you've got what it takes and would like to be considered then you should consider putting yourself forward.

Finally, you will notice that there is no Summary Funding Statement in this year's report, as the actuarial valuation as at 30 September 2023 is currently under way. We will share the results of this valuation in our next update, but early indications show that the Scheme is in a strong position.

I hope that you enjoy reading this newsletter. If there's anything you would like to know or see in a future issue, please get in touch using the details on the back page. We'd be very pleased to hear from you.

Andy Jones
Chair of the Trustee

AT A GLANCE



You are one of the Scheme's

3,689 members



As at 30 September 2023, the
Scheme's assets were worth

£362.2 million



During the last year, the Scheme
paid pensions totalling almost

£20 million

What's inside?

Scheme noticeboard	4	Running the Scheme	14
Membership	10	Tracing lost members	15
Scheme finances	11	Contact us	16
Investment update	12		



SCHEME NOTICEBOARD

New member website

We are pleased to share that the Scheme's new member website is now live. With the new member website officially up and running, this will become an important way for us to communicate with you in the future. By now, you should have received some information from WTW with your new login details. If you haven't, you can get in touch with WTW using the details on the back page.

With the new member website officially up and running, the old one will soon be disabled and you will no longer be able to access it.



Amongst other things, the website will provide:

- ✓ the opportunity for you to:
 - check and confirm your details
 - update your email address and mobile number
 - add the details of your spouse or civil partner.
- ✓ an expression of wish form for you to complete and submit online
- ✓ the option for you to receive future correspondence from the Scheme administrator electronically
- ✓ for deferred members, the ability to view your pension at the date you left the Scheme
- ✓ for pensioner members, the ability to view your payslips and P60s online.

To get started, simply visit <https://epa.towerswatson.com/accounts/agco/> and enter your unique user ID and password.

AVCs moved to Aegon

Up until 31 December 2023, active members could pay Additional Voluntary Contributions (AVCs) into the Scheme. AGCO Limited has now changed its arrangements and AVCs are now with the AGCO Pension Plan (which is part of the Aegon Master Trust).

The main changes are:

- From January 2024, active members of the Scheme can only pay AVCs to the AGCO Pension Plan rather than to the Scheme as before.
- During March and April 2024, all existing AVCs in the Scheme were transferred to the AGCO Pension Plan. This includes AVCs for both active and deferred members of the Scheme.

You can still take your AVCs on retirement as before, and there are no changes at all to the defined benefit entitlements of the Scheme.

Don't forget, our members:

- don't pay income tax on contributions subject to HMRC allowances, providing a considerable boost to long-term investment for retirement
- can pay in with SMART pensions, which means saving on employee National Insurance through your pay
- will benefit from a top up of 13.8% on any AVCs paid by SMART pensions. This represents HMRC's current employer National Insurance saving rate for contributions.



If you have any questions about your AVCs, you can contact the Scheme administrator, WTW. If you have any historic AVC queries, you may wish to contact one of our previous providers:

Scottish Widows:

workplacesavings@scottishwidows.co.uk

Utmost (via WTW):

masseyfergusonpensions@willistowerswatson.com



Think you can't be scammed?

Nobody is immune from fraud, but according to recent research, half of pension savers don't think they're at risk of being targeted by a pension scammer. Criminals will use a variety of psychological tactics to push your buttons and get what they want, and it's important you remain vigilant against these attempts to persuade you.

Psychological tactics you should be aware of include:



Using a voice of authority and trust: scammers will claim they are someone official, often pretending to be from well-known organisations, including government departments. They do this because you're more likely to take notice of a name you're familiar with.



Emotion: scammers may use specific language that makes you feel fearful, hopeful or even curious. Criminals will often use emotional levers to make you follow your heart and not your head.



False urgency: you might find that the service you are being offered is for a limited time only. Scammers will even make threats of fines or negative consequences if you do not act quickly enough. Anyone who tries to rush you into a decision should not be trusted.



Current events: sometimes, fraudsters will exploit current news stories, big events or specific times of the year (such as tax deadlines) to make their approach seem more relevant and genuine. If a message seems unusually timely, it could be a scam.



Fraud can come in all shapes and sizes, and many scammers will use a mixture of the above tactics to steal your hard-earned savings. You can find more information about pension scams and how to avoid them at www.fca.org.uk/scamsmart

Lump sum limits

After abolishing the Lifetime Allowance (LTA) in April 2024, the government has now introduced 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.

The new Lump Sum Allowance (LSA) limits the amount of pension savings that you can take as a tax-free lump sum. It is set at £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).

It's worth bearing in mind that a future government could reintroduce the LTA, in line with stated policy, dependent on the outcome of the July 2024 election, so visit our new member website for updates.



...if you think you may be affected, you should consider taking financial advice.



Pensions dashboard faces delays

Despite hopes that the pensions dashboard would be launched by now, the timetable has been pushed back to give the pensions industry more time to get ready for this major project.

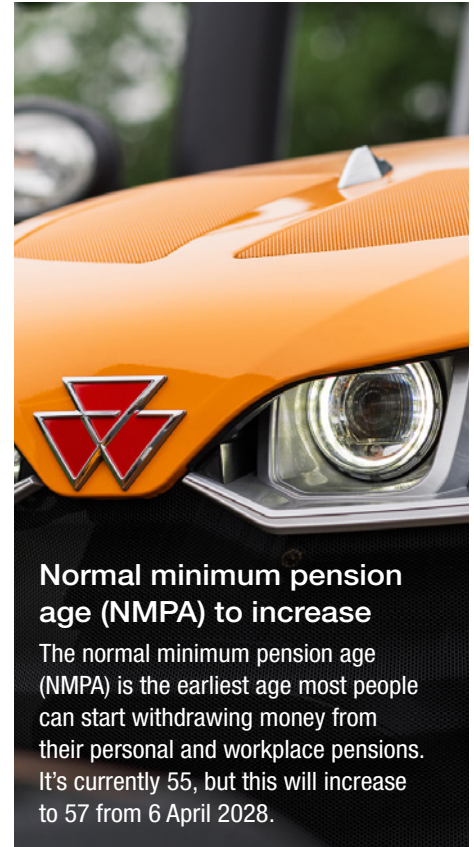
When it's launched, the dashboard will provide a single place where you can find information about all your pension savings across all schemes, as well as track down any lost pension pots. The project has been given a new connection deadline of 31 October 2026, so many funds – including ours – are working hard to get everything ready before then.

State pension increased

The State pension increases in April each year, based on a system known as the triple lock. This just means the increase matches one of three percentages (with the government choosing the highest number):

- how much general costs have risen by (inflation), based on September's Consumer Prices Index (CPI);
- the average increase in wages between May and July in the prior year; or
- 2.5%.

In accordance with the above, the State pension has now increased by 8.5% in line with the average increase in wages, which is the second-biggest increase to the State pension on record. The rise means that those qualifying for the full new State pension will now receive £221.20 a week (up from £203.85) and those who are on the older basic State pension will now receive £169.50 (up from £156.20).



Normal minimum pension age (NMPA) to increase

The normal minimum pension age (NMPA) is the earliest age most people can start withdrawing money from their personal and workplace pensions. It's currently 55, but this will increase to 57 from 6 April 2028.

New Retirement Living Standards

Research carried out by the Pensions and Lifetime Savings Association (PLSA) has indicated that 77% of savers don't know how much they will need in retirement, and only 16% can give a figure.

To help people create a better picture what kind of lifestyle they could have in retirement, the PLSA have published the Retirement Living Standards. The standards show three different levels of retirement lifestyle alongside some average expenditures required to achieve that lifestyle. The information aims to inform individuals how much money they might need to live the retirement they'd prefer.

The figures are updated each year, and the most recent research indicates you would spend the following amounts per year, depending on your lifestyle of choice:



Single



Couple

£14,400	Minimum	£22,400
£31,300	Moderate	£43,100
£43,100	Comfortable	£59,000



For a more in-depth look at the figures, go to www.retirementlivingstandards.org.uk

MEMBERSHIP

As at 30 September 2023, there were 3,689 members in the Scheme. This includes former employees and members who are receiving a dependant's pension.

2023

43

Employee members



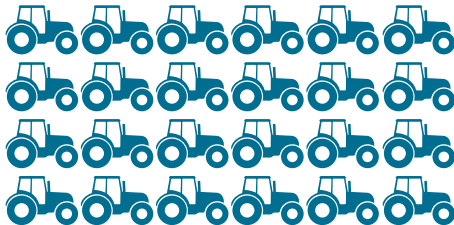
783

Deferred members



2,863

Pensioners



3,689

Total

2022

Employee members	48
Deferred members	838
Pensioners	2,995
Total	3,881



SCHEME FINANCES

The information on this page is a summary of the Trustee's formal Report & Accounts for the year to 30 September 2023. This shows how much money has gone into and out of the Scheme during the year.



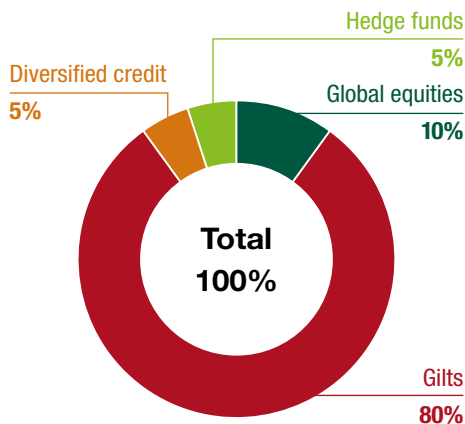
	£'000
Value of the Scheme's assets at 1 October 2022	374,650
MONEY IN	
Company's normal contributions	2,762
Company's special contributions	12,504
Employees' contributions	11
Employees' voluntary contributions	187
Total income	15,464
MONEY OUT	
Pensions	(19,767)
Tax-free cash sums at retirement	(1,749)
Death benefits	(200)
Transfers out	(956)
Fees and administration expenses	(1,023)
Investment management fees	(1,050)
Other payments	(17)
Total expenditure	(24,762)
Decrease in market value of assets	(3,133)
Value of the Scheme's assets at 30 September 2023	362,219

INVESTMENT UPDATE

The Scheme's investment strategy is set out in a document called the Statement of Investment Principles (SIP), which is updated from time to time. It was last updated in June 2023. If you'd like to see the latest version of this statement, you can download a copy online via <https://epa.towerswatson.com/accounts/agco>

Where are the assets invested?

The chart below shows the Scheme's target investment allocation as at 30 September 2023.



Investment performance

The table below shows the investment performance over the year to 30 September 2023, as well as the average yearly performance over the three and five-year periods.

	1 year % p.a.	3 years % p.a.	5 years % p.a.
Scheme	-1.30	-8.30	-2.34
Benchmark	-1.97	-7.95	-2.39



Responsible investing

The Trustee believes it is important to appropriately assess environmental, social and governance (ESG) factors when selecting the Scheme's investments. This means that, when selecting companies to invest in, it will look at many financially material factors, such as sustainable growth, environmental and climate change impacts, and other social and governance considerations.



RUNNING THE SCHEME

Six Trustee directors manage the Massey Ferguson Works Pension Scheme: three are appointed by the Company and three have been nominated by the Scheme's members.

Appointed by the Company

Andy Jones, Chair
Mark Casement
Peter Winterbottom

Nominated by members

Kevin Randall
Declan Hayden
Paul Bernard

Have you got what it takes?

The term of office for Kevin Randall is due to end on **1 October 2024**, and we're keen to hear from any eligible members who would like to put themselves forward for this important role. To find out more, take a look at the booklet enclosed with this newsletter.

Our advisers

The Trustee appoints a number of professional advisers to help with running the Scheme.

Actuary	Susannah Calder, Aon Solutions Ltd
Administrator	WTW
Auditor	KPMG LLP
Bankers	HSBC Bank plc
Investment adviser	The Atlanta Consulting Group
Investment managers	Ironwood Capital Management Magnitude International PIMCO PIMCO Europe Limited NedGroup (until February 2023) WCM Investment Management LLP (until February 2023)
Legal adviser	Mayer Brown International LLP

TRACING LOST MEMBERS

It's becoming increasingly common for members to forget to let us know when they move house, particularly after they have left the Company.

We're keen to trace the following members, as pension benefits are now due for some of them. If you know anyone on this list, please ask them to get in touch with the Scheme administrator using the details on the back page.



Miss Carine Albertini

Mrs Susan Allen

Miss B Atkinson

Mr P Bentick

Mr Kevin Berry

Mr R Blockley

Miss Karen Brown

Mr Stephen Brown

Mr Timothy Clarke

Mr S Cullen

Mr P Derrick

Mr M Dodds

Mr R Edney

Mr O Egbuji

Mr J Fenby

Mr J Flynn

Mrs Simone Freeman

Mr K Gibson

Mr J Grant

Mrs S Hales

Mr John Hastings

Mr A Heaton

Mr Oystein Iselvmo

Mr Jose Iza

Mr George Johnston

Mr A Kakoz

Mr Eamond Kendrick

Mr G Key

Mr T Killeen

Mr K Law

Mr William Lusk

Mr O Mann

Mr G Mattioni

Mr T Mcculloch

Mr E Mcgrand

Mr Peter Mcilwaine

Mr R Meikle

Mr H Mitchell

Mr Dean Morris

Mr J Orange

Mr Raymond Osgood Jr

Mr D Parker

Mrs J Phelps

Mr D Phillips

Mr Robert Prince

Miss Anne Rasmussen

Mr E Reid

Mrs L Rice

Mr W Ross

Mr T Russell

Mr Declan Ryan

Mr Michael Sanderson

Mr Ian Scott

Mr H Sculthorp

Mrs V Smith

Mr Patrick Stone

Mr Craig Stubbs

Mr J Taggart

Mr B Thomas

Mr Richard Thompson

Mr P Tift

Mr A Turnbull

Miss Melanie Turner

Mr J Wilde

Mr I Woodward

Mr S Wragg



CONTACT US

If you have any questions about the Scheme or your benefits, please contact the Scheme administrator, WTW.

@ **Email:** masseyfergusonpensions@wtwco.com

☎ **Call:** 01707 607607

📞 **Pension Payroll helpline:** 01737 788109

🌐 **Website:** <https://epa.towerswatson.com/accounts/agco/>

✉ **Write to us:**
Massey Ferguson Works Pension Scheme
Willis Towers Watson
PO Box 545
Redhill
Surrey RH1 1YX

