



# Atlas winter newsletter

December 2019

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atlas

## Welcome to your Atlas winter newsletter!

This newsletter is designed to keep you up to date with news about Atlas. As a quick reminder: Atlas is a Master Trust, which is a big pension scheme made up of lots of different employers, each with their own section within Atlas. Your pension account sits in your employer's section, helping you to save money for life after work.

As you can see – Atlas has a new style! We're gradually rolling out our new look and feel across all of the communications we send you.

In this edition, we wanted to update you on the results of the survey we sent out with your benefit statement, back in the summer. Thanks to all of you who took part – we reveal who won our iPad Air on page 4.

We've also got some interesting information about investments and sustainability – making sure that we're investing your money responsibly and with the future generations in mind. We want to make sure we're not just investing in companies that are the best **in** the world, but also those that are the best **for** the world.

On pages 14-15, you can find out more about Penny Green, one of your Atlas trustees, the people who look after your pension account.

We're always keen to hear what you think of your pension communications. If you've got any thoughts and comments, please email us on [memberenquiries@atlasmastertrust.co.uk](mailto:memberenquiries@atlasmastertrust.co.uk)

We hope you all have a very peaceful festive season. Look out for some exciting developments with Atlas in 2020!



Alan Whalley, Penny Green, Steve Delo

The Trustee Board, Atlas Master Trust

## Your Master Trust – regulatory authorisation

When we wrote to you in the spring, we told you about Authorisation, the new process that all Master Trusts like Atlas have had to go through in order to be legally recognised. We submitted our application back in March, to The Pensions Regulator (TPR).

We're pleased to report that, in August, Atlas was granted authorisation! This means that you can feel confident in the knowledge that the Scheme meets all legal requirements and standards, which it's regularly measured against, and is run by a Trustee Board who have met or surpassed all the criteria necessary to ensure they can continue to manage the Scheme in the best interests of members.

On the website, you can find lots of documents we have to produce about how Atlas is governed. Visit [www.atlasmastertrust.co.uk](http://www.atlasmastertrust.co.uk) for more details.



# Member survey – what you thought



Michael Iles - prize winner

When we sent out your benefit statement back in the summer, we included a short survey. We wanted to find out how you felt and what you thought about your pension and all the stuff we send you – including your benefit statement itself.

We're delighted to report that we received more than 2,500 responses. Thank you so much if you replied – we really appreciate you taking the time! Everyone who responded was put into a draw to win an iPad Air. Michael Iles was the lucky winner and here he is relaxing at home with his new toy. Thanks, Michael, for taking the time to tell us what you think, and congratulations!

## What you said

Approximately 39% of you said you know nothing or very little about pensions.

To be honest, that's probably what we expected: unless you work in the pensions industry it's unlikely that many people will take a special interest in pensions.

44% also said that you're worried about your future, and nearly 38% admit that you don't pay any attention to your pension, including 1 in 4 respondents aged over 56.

These figures concern us. And we want to change that perception. We know that you might feel that pensions are complicated, or boring, or just too far away to think about in lots of detail. But we need you to know how important it is to think about your future life, even while you're living your present life.

**'...easy to understand information, in bite-sized pieces, so that you can learn what you want, when you want.'**

## What we're doing about it

### - Easy to understand information in one handy place

We're going to go back to basics. We're creating a new website, which will be launched early in 2020. It will have easy to understand information, in bite-sized pieces, so that you can learn what you want, when you want.

During 2020, we'll put more information on the website to help you understand how your pension works and how to maximise the amount you've got in your pension account, as well as information about investments, and what you can do with your account when you get closer to retirement.

### - We're speaking your language

Nearly 20% of respondents said that the language was one of the reasons you couldn't get on board with pensions. We want you to feel comfortable with your pension and how you're saving for the future. So we're going to change how we talk to you. We're banishing the jargon (as much as we possibly can!). We're keeping it simple. Honest conversations, adult to adult – like colleagues in the tea room or friends in the pub.

### - We want to come and see you

It's early days yet, and we've got to sort out the details, but we're keen to do something face to face.

Depending on where you work (and who for) this might mean specific presentations, or it might mean that we set up a table and you book a 15 minute slot for a chat. We won't be able to give you advice – we're not allowed to – but we can tell you a bit about how your pension works, and what you can do with it. We can also point you in the right direction for where you can find out more information.

This will probably happen at the end of 2020 and through early 2021, so keep an eye out for more information.

### - We haven't forgotten our deferred members (these are members who no longer work for the employer that joined Atlas)

If you've left your employer, you might be wondering about your money. It's kept safe in your pension account, and you can still decide how to invest it, to give it a chance to grow before you retire. You'll still get an update every year, that tells you how your account is doing. But you can go online any time and check your investment funds. Just because you've left us, it doesn't have to be goodbye.

And if you want, you can still transfer your other pensions into Atlas. We'll be giving you more information on that next summer.

# Your benefit statement

Back in the summer, you should have received a benefit statement – electronically or through the post. Some members may also have received a video benefit statement.

## What is it?

Your benefit statement is an annual snapshot of your pension account. How much you have saved in it over the last year, how much your employer has put in and how it's grown, with contributions and investment returns. We also show what income you might be able get with your pension account when you retire, or take your benefits at your target retirement date.

## The member survey - what you said

We asked in the survey what you thought of your statement, and how we can make it better. More than 40% of you said that you didn't read it, or that you read it but didn't understand it.

This means that what we're sending you isn't good enough.

We need to do better – to make it easier for you to read, and take action when you need to.



## '...we're working to simplify the statement to show you what you need to know.'

## What we're doing about it

### - Using simpler language

A lot of you said that the language was too complicated. So – like all our other communications, we're working to simplify the statement to show you what you need to know. We're also going to refer to it as an annual update, as we think this is a much more relevant description.

### - Giving you the information you need

By law, we have to show you what your pension account could buy you in the form of an annual pension (this is known in the industry as an annuity). But you don't have to buy an annual pension if you don't want to. There are other choices when you get to retirement. For members over 55, we'll be telling you about the other options you will have when you decide to take your savings.

And for all our members, we'll be giving you a 'call to action' – some information and guidance about what you can do to maximise the amount in your pension account. We'll include illustrations that show what your pension account might look like if you paid a bit more in, for example.

### - Making sure that you think about your other pensions as well

It's possible that your Atlas pension isn't the only pot of money you've built up over the years (or, if this IS your first pension account, it's likely that it won't be your last). So we'll be reminding you to think about your State Pension (you can find details on [www.gov.uk](http://www.gov.uk)) and about your other pensions. And don't forget, that if you've got other pension accounts, you can usually transfer them into your Atlas pension account so that all your money is in one place and you can keep a closer eye on it!

### - A new design

As well as what we say and how we say it, we'll be looking at how it looks – to make it easier for you to find the information you need quickly and easily.

### - Including more detailed information on the website

Because we're cutting down the information that you get in your annual update, there'll be many of you who still want the finer details. So these will be available online, both on the website and through the member portal where you can find all your personal details about your pension account.



## Some of the other things you mentioned

### - An app

An app is being developed during 2020 so, by this time next year, you'll be able to log onto your account easily and see how your pension account is doing – any time, anywhere, on your tablet or phone.



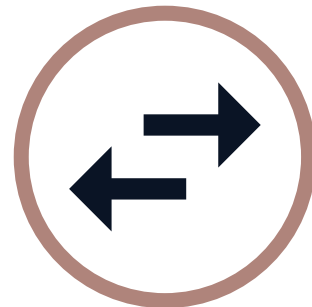
### - Modellers and budget planners

Lots of you asked about where you can see how much income you might need in retirement, or model your different retirement options. So we'll be putting a budget planner on the new website from the new year. And we'll be refreshing the retirement modeller on the member portal, so you'll be able to compare your potential income for the different options.



### - Transferring your other pension accounts into Atlas

Many of you asked how to transfer your other pensions into Atlas, so you can keep track of all your pensions in one place or to take advantage of Atlas' low charges, investment opportunities and flexible options when you take your retirement income. We'll be telling you more about this in the summer, but if you would like to transfer in, just call or contact the administrators on **0345 604 0014** if you are a Capita section member, or **0345 121 3389** if you are a member of another section.



### - Ethical funds

Some of you wanted to know more about what we were doing to invest more sustainably. As well as an ethical fund, which is available to all members, we've also incorporated a much stronger and more explicit focus on Environmental, Social and Governance (ESG) factors into our default investment approach, without compromising our investment goals. You can read more about this on pages 10-13.

### - What are other people doing?

Many of the comments we received were about what other people in similar situations were doing to save more in their pension accounts. We know that members find it easier to make decisions if they can see what other people like them might do; so we're incorporating these into our website and our communications over the next few months.

### - How paying in a bit more can make a difference

In your annual update, and on the website, you'll be able to see how increasing the amount you contribute to your pension account can make a difference to the amount of money you might get in retirement.

We know that this is just the beginning of our journey to helping our members become better connected with their pension. We've got loads of improvements and changes we want to make over the next few years. So watch this space to find out more!



## Our Environmental, Social and Governance (ESG) journey



Historically, trustees in defined contribution pension schemes like Atlas had a legal obligation to invest in such a way as to make as much money for members as possible, within an acceptable level of risk. Trust law held that in almost all circumstances, ethical and other considerations should come second to the primary objective of maximising investment returns. Trustees who made an ethical stand – for example by not investing in weapons manufacturing, alcohol, tobacco and so on – could find themselves in trouble if savers were financially disadvantaged because of it.

That obligation created a dilemma. We cannot ignore the fact that investment in the global economy unintentionally contributes to the environmental threats that our planet faces: global warming, deforestation and desertification, pollution, species extinction, extreme weather patterns and exhaustion of natural resources. Similarly, we cannot ignore the damage that some investable industries can do to society – the tobacco and gaming industries for example.

Fortunately, things have moved on. In keeping with the UK Government's recent policy commitment to integrate sustainability into mainstream investment products, we are now required by law to take account of 'financially material considerations' when investing scheme assets. The law sets out that 'financially material considerations' include (but are not limited to) environmental, social and governance (ESG) considerations, such as climate change.

This new legal obligation has empowered us to consider how best to invest both for the long term good of Atlas' savers **and** for the long term good of the environment and society.

'We want to make sure we're not just investing in companies that are the best **in** the world, but also those that are the best **for** the world.'

We think it is logical that countries, industries and companies which are responsible stewards of the environment and society will in future be rewarded better than those which are not – rewarded through more investment, more customers, through better credit ratings and through more benign taxation policies. If that logic is right, we believe that it should be possible to improve our ESG footprint whilst simultaneously improving investment prospects.

Therefore during the last year, we spent time with the team at Schroders to discuss how we can better integrate sustainability into our core investment strategy.

As a consequence of these discussions, the Trustee Board decided to switch the equity components of Atlas' Multi Asset Portfolios (these are the funds we use in our default strategy – the investments that members have unless they make a conscious decision to choose their own investments) into Schroders' Sustainable Multi Factor Equity (SMFE) Fund.

SMFE uses a new, proprietary framework called SustainEx, which evaluates both the positive and negative impacts that companies have on society and the environment.





## ‘Responsible behaviours will be translated into financial reward, and vice versa.’

By investing more heavily in better governed, more responsible companies, and reducing exposure to less well-governed and less responsible companies, SustainEx seeks to improve investment returns and, at the same time, encourage company boards to re-evaluate how they respond to societal and environmental issues. The underlying theory behind the process is based on the logic mentioned above – that companies that are better stewards of the environment and society in which they operate should be valued more highly than those that pay less regard to them. At the same time, there is an expectation that companies that do the most damage will – soon if not today – be penalised financially through triggers such as higher taxes, higher levies and/or clean-up bills.

In short, responsible behaviours will be translated into financial reward, and vice versa.

The switch to SMFE was completed in April. We sincerely believe that this will enhance long term returns to members and significantly improve Atlas’ environmental footprint – something that Atlas is passionate about. You can read more about this subject in the Chair’s Statement which you can find at [www.atlasmastertrust.co.uk](http://www.atlasmastertrust.co.uk)

### What else have we done?

We’re not resting on our laurels. We intend to keep pushing our sustainability agenda and hope and expect that other pension scheme trustees will be doing the same, here and overseas.

#### Recently we have:

- Agreed to add the SMFE fund as a ‘self-select’ fund. This will enable members who choose their own investments to invest some or all of their pension account in this fund. This is expected to become available from the end of this calendar year.



- Become the first ‘commercial’ Master Trust (as opposed to Not for Profit Master Trusts) to become a signatory to the Principles of Responsible Investment (PRI) a United Nations-supported, international network of investors collaborating to understand the implications of sustainability for investors, and support signatories to incorporate these issues into their investment decision-making and ownership practices. Visit [www.unpri.org](http://www.unpri.org) for more details.
- We’ve also ensured that each of our investment partners is a PRI signatory.

### So what are we doing next?

Currently we’re looking at how we can adopt sustainable processes into the fixed interest components of our investment strategy. We’ll let you know once we’ve made good progress in this regard.

Next year, we’ll be asking members to support us by letting us know what matters most to them about long-term investment, with a specific focus on sustainability. The louder the member voice – YOUR voice – the better we can represent it, so please make time to contribute to that debate.

In the meantime, feel free to contact us at [memberenquiries@atlasmastertrust.co.uk](mailto:memberenquiries@atlasmastertrust.co.uk) to let us know your feelings about investing sustainably.





60 seconds with...

# Penny Green



The Trustee Board is a group of independent people, who look after Atlas for the benefit of its members. It's their job to make sure that Atlas is properly governed and well run. The Trustee Board firmly believes that members should be communicated to clearly, so that no member of Atlas should retire with a retirement income that isn't what they expected. They want to make sure that members have the information they need to plan effectively for life after work.

We wanted to tell you a bit more about them. So we asked Penny Green, one of our Trustee Board members, to give us 60 seconds of her time.

**Q: How long have you been in the industry?**

**A:** 32 years! (Can it really be that long?!)

**Q: How long have you been an Atlas Trustee?**

**A:** Just over four years, since Atlas was launched.

**Q: Were you a trustee before Atlas?**

**A:** Yes, of a variety of pension schemes.

**Q: What do you do when you're not being a trustee?**

**A:** Read, walk and travel.

**Q: What do you think is the most important thing that members need to do for their retirement?**

**A:** Increase the amount that they're saving in their pension account.

**Q: What do you think is the most important piece of legislation in the pensions industry?**

**A:** Probably the Disclosure Regulations because this was the start of providing members with information. They're not perfect, and definitely need updating, but it's so important to let members know what we're doing with their money.

**Q: What would you like to see in pensions in the future?**

**A:** I really wish people didn't describe defined contribution schemes [like Atlas] as inadequate. Many people have had these types of pension plans for many years - people such as my husband who was self-employed - and they have served them well. But only because sufficient contributions were paid. I would like to see a recognition that the most important thing anyone can do about retirement is to save as much as they can into whatever pension scheme they have.

**Q: What about your own retirement plans?**

**A:** I think of myself as semi-retired already! But when I am fully retired I intend to carry on doing what I do when I am not working, namely read some more, keep fit by walking, and travelling more. All of this based from my home in the South of France.

**Q: When you were little, what did you want to be when you grew up?**

**A:** A teacher - possibly because both my parents were teachers (before they stopped teaching and ran pubs).

**Q: Football, rugby or cricket?**

**A:** Rugby and cricket.

**Q: What's your guilty pleasure on the TV?**

**A:** French quiz programmes which I claim to watch only to improve my French!

**Q: What have you recently watched on TV which you really enjoyed?**

**A:** I don't watch much UK TV, but I love MasterChef, and really enjoyed 'A Very British Scandal' with Hugh Grant, as I remember that unfolding at the time.

**Q: Where's your favourite place on Earth?**

**A:** My home in France.

**Q: Who would be your three ideal dinner guests - living or dead?**

**A:** My husband, of course, The Queen for her knowledge of so much of modern British political history and Ian Hislop for his humour.

**Q: Who throughout history do you most admire?**

**A:** Queen Elizabeth I who made it in a man's world.



# Atlas Master Trust

## Capita section update



### Introduction

As a quick reminder – Atlas is a Master Trust, which is a big pension scheme made up of lots of different employers, each with their own section within Atlas. Your pension account sits in the Capita section, helping you to plan and save for your future lifestyle.

### A bit of history – Capita section of Atlas

The Capita Group Money Purchase Scheme, sometimes referred to as the CGMPS, transferred into the Capita section of the Atlas Master Trust in several stages during 2016 and 2018.

After this transfer happened, we initially kept the same look and feel for your communications. In fact, you might not have noticed any difference! Looking to the future, we are keen that you benefit from all the things the Atlas team are working on.

Your pension account will remain the same, but your communications will be in line with the new look Atlas. This includes adopting their new brand, as well as simplifying the language and giving you more support and guidance for you to plan your future. The accompanying newsletter has more information about this.

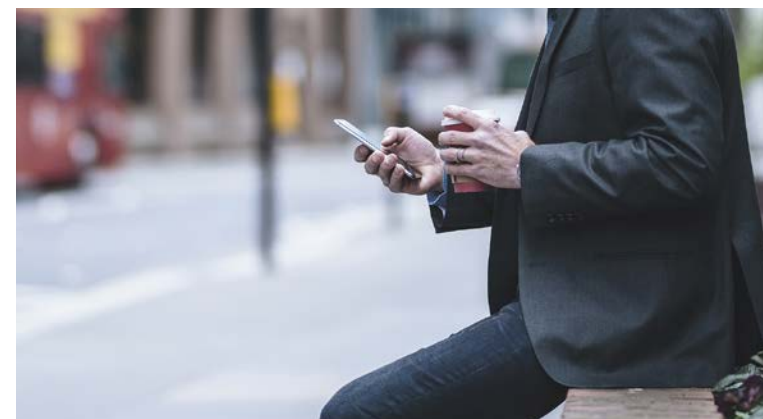
### How much money is building up your pension account each month?

For current employees of Capita, you can find this out by logging onto Capita Desktop (see over the page for a step by step guide). You can also use Desktop to change your contribution rate, if you wish.

### Changing how much money is going into your pension account

As a current Capita employee, please log onto the benefit portal Choice either by:

- Going onto <https://capita.orbitbenefits.com/idm-ui/login> using your username and password. Click on the orange pension tile. This will show your current contribution rate and give you the option of changing your rate if you wish. This will also show you if changing your contribution rate will change how much money Capita pays in for you.
- Going onto Capita Desktop. Under 'myself' look for 'my pay & benefits'. Under this will be listed 'Choice' – click on this and then the orange pension tile. This will show your current contribution rate and give you the option of changing your rate if you wish. This will also show you if changing your contribution rate will change how much money Capita pays in for you.



### Checking your pension account – if you no longer work for Capita

You can log onto your pension account and check your current fund value via the link: [www.hartlinkonline.co.uk/cgmeps-atlas](http://www.hartlinkonline.co.uk/cgmeps-atlas)

You can also find lots of other background information on your pension account at this link.

### Investment reminder

During 2017 members were told of some changes to the investment options available to them.

In summary, in 2017 Schroders had been appointed as one of the investment managers for the Scheme. They had been given the freedom to manage funds in a smarter, more cost-efficient way depending on market conditions and opportunities – particularly in their use of asset allocation.

Because of this change in approach, a slight increase in the underlying investment fees would be applied by Schroders. Neither the Atlas Trustee nor Capita would receive any additional income. This fee increase is due to be applied from 1 January 2021, and you will receive further reminders between now and then.

The investment guide is available at the Scheme website for further information: [www.hartlinkonline.co.uk/cgmeps-atlas](http://www.hartlinkonline.co.uk/cgmeps-atlas)

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