



**Maersk Retirement  
Benefit Scheme**

The Pearl  
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UK

Reg. No.: 05229374

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## Update on your pension

### **Dear Member,**

We wrote to you in June 2020 to give reassurances that the Maersk Retirement Benefit Scheme (the Scheme) was well positioned to cope with the market volatility arising from the Covid-19 pandemic and to avoid operational disruptions caused by UK lockdown measures.

This has indeed proved to be the case. I am pleased to report that:

- member payments have continued to be made in a timely manner through all the UK lockdown restrictions this year;
- the actuarial valuation showed the Scheme to be in good financial health, having reached its target of being fully funded using prudent assumptions and invested on a low-risk basis; and
- the strong funding position of the Scheme has now enabled the Trustee, with the full support of Maersk, to further reduce risk in the Scheme by entering into an insurance contract with Legal & General in order to provide further security for all future benefit payments and annual increases to which members are entitled under the rules of the Scheme.

The insurance contract with Legal & General is an important milestone in the Trustee's plan to make sure that members receive all the Scheme benefits they are entitled to without needing to rely on future funding from Maersk (for example, if investment markets do not perform as expected or members live longer than expected).

The insurance contract is in the form of what is called a "buy-in" policy. This means that the policy is held as an investment of the Scheme. The Scheme will continue to be run by the Trustee and the Scheme's administrator, Mercer. Members will continue to receive benefits directly from the Scheme and you should continue to contact the Trustee or Mercer with any Scheme-related queries. Further information is included overleaf.

We have also enclosed some additional information from Legal & General explaining how they use and look after member data.



You do not need to take any action. This update is for information only.

The Trustee is confident that these developments are significant positive steps towards ensuring the security of your Scheme benefits in the future.

Included with this letter is a notice advising you of the new MRBS website, which provides information about the scheme. I hope you find this helpful.

I wish you all well and to stay safe.

A handwritten signature in black ink that reads "Nigel Pusey".

**Nigel Pusey | Chairman**  
Maersk RBS Pension Trustee Ltd

## What is a buy-in?

A “buy-in” is an insurance policy bought by a pension scheme to cover the payment of member benefits which have been insured. Its purpose is to reduce the risk of a pension scheme not having enough money to provide member benefits, which could happen if future investment returns on the pension scheme’s assets are lower than expected and/or its members live longer than expected. Under a buy-in policy, a pension scheme’s trustees hold the policy as an asset to meet member benefit payments, receiving money from the insurer each month to pay pensions to beneficiaries. This increases the security of member benefits, which is the trustees’ main priority. Buy-in policies are an increasingly common investment decision by pension scheme trustees, with around 200 transactions each year.

## Will my current monthly pension payment be affected?

Your pension under the Scheme will not change as a result of this insurance contract. The Trustee is in the process of verifying that the Scheme’s pension records are in line with members’ entitlements under the governing documentation of the Scheme, to ensure that the buy-in covers the correct amounts payable by the Scheme. This includes reconciling Scheme records with information held by HMRC. If you are affected by this the Trustee will write to you personally, but this is unlikely to be in the next 12 months given the size and nature of the project.

## Will this affect how my benefits are paid?

Your benefits will continue to be administered by the Trustee and paid by the Scheme’s administrator, Mercer. If you are yet to retire under the Scheme and are eligible, then you will continue to be able to request a transfer value quotation and subsequently transfer your benefits to another pension arrangement, if you wish to. **You must take independent financial advice if the transfer value is greater than £30,000, in line with current legislation.** If eligible, you will also continue to have the option of taking early retirement. These requests should be made via the Scheme’s administrator, Mercer.

You can either:

-  Go to the website [www.contact.mercer.com](http://www.contact.mercer.com)
-  Get in touch by email [maerskrbs@mercер.com](mailto:maerskrbs@mercер.com)
-  Call **01372 200208**
-  Or write to **Maersk Retirement Benefit Scheme, Post Handling Centre U, St James's Tower, 7 Charlotte Street, Manchester M1 4DZ**

## How did the Trustee make this decision?

The Trustee, alongside Maersk, have been considering the option of a buy-in for some time as a way of improving security for members’ benefits. With the improved funding level revealed by the 30 September 2019 valuation, the Trustee approached a number of insurers who offer buy-ins for quotations of the cost of insuring members’ benefits. The Trustee viewed the pricing received as attractive, particularly because the buy-in could be paid for from most, but not all, of the Scheme’s existing assets, so it ran a competitive tender process to select an insurer. The result of this selection process, which took place over the course of 2020, was that the Trustee agreed to insure member benefits under a buy-in policy with Legal & General.

## What is the additional security for my benefits?

Legal & General is a UK regulated insurer with an established reputation for insuring defined benefit pension schemes through buy-in policies for over 30 years, with a consistent market share of 25% or more. It has insured over 3,500 pension schemes (including pension schemes sponsored by Rolls Royce, Tate & Lyle, National Grid and British Airways) and currently pays pensions to over 1 million people. As part of the tender process, the Trustee considered Legal & General’s financial strength and believe that the protection it provides for the Scheme’s benefits significantly reduces risk in the Scheme. As a highly regulated insurance company Legal & General must, by law, always have enough funds available to meet all of its financial responsibilities. There is also a “safety net” underlying UK regulated insurers, known as the Financial Services Compensation Scheme, which is designed to provide 100% compensation in the unlikely event that an insurer is unable to pay benefits.

## What about my AVCs?

Your AVCs under the Scheme will not be directly affected by this insurance contract, as the policy only covers defined benefits, not AVCs. That said, the Trustee routinely monitors the appropriateness of the AVC policies it holds, and a forthcoming review will take into account that defined benefits have been insured through the Legal & General buy-in policy.

## Does this mean the Scheme is winding-up?

No. The Trustee will continue to run the Scheme, supported by Maersk as employer and guarantor. The Scheme will hold the Legal & General buy-in policy along with its other remaining assets as investments of the Scheme. At some point in the coming years Maersk may decide that the Scheme should be wound up. In that event, the Trustee's buy-in policy would be converted into individual policies, with benefits then paid directly to all members by Legal & General, but no decision is likely to be taken on this for some time.

## Does Legal & General hold my personal data?

In order for the Trustee to enter into the insurance contract, it has shared some personal data on the membership to Legal & General and its reinsurance partner. The process for doing this was in accordance with GDPR requirements. Further information on how your data will be looked after is set out in the privacy notice, which can be found at [maerskrbs.com/privacy-policy](http://maerskrbs.com/privacy-policy)

The Scheme's Privacy Notice, which can be found at [maerskrbs.com/privacy-policy](http://maerskrbs.com/privacy-policy), sets out details of how the Trustee holds and processes your personal data. If you need to update any of your personal details, for example your address, then please contact Mercer using the contact details set out above.



Please let Mercer know if your contact details change.

You should let the Trustee know who you would like to receive any benefits in the event of your death.  
You can find an Expression of wish form at [maerskrbs.com/library/scheme\\_documents](http://maerskrbs.com/library/scheme_documents)

Alternatively, Mercer can send you a form.

Remember to include your full contact details, address, telephone and email address.