

\*Kimberly-Clark

Kimberly-Clark Pension Scheme  
Defined Benefit (DB) Section

# DB newsletter

December 2024



# Welcome...

Welcome to the 2024 annual newsletter for members of the Defined Benefit (DB) Section of the Kimberly-Clark Pension Scheme.

With the cost-of-living challenges continuing to impact many UK households, it might mean that focusing on your pension has been on the back burner recently. However, there are some simple pension housekeeping things you can do to keep up to date with everything, and we've included a handy list of 5 things to do today in the Scheme noticeboard on page 4.

If you're getting closer to your retirement age, don't forget that the Scheme offers financial advice at a discounted rate from Isio Wealth Planning to help you explore your retirement options. There are more details about this on page 6.

The latest actuarial valuation of the Scheme, looking at the position as at 5 April 2024, is currently in progress, so there is no summary funding statement in this year's newsletter. We will bring you an update when the results have been finalised and agreed with the Company. In the meantime, there's a reminder on page 8 of what the valuation involves.

In April this year, the government introduced two new tax allowances that restrict the value of tax-free lump sum benefits you can take from your pension savings. The rules around these are complex, but we've included a summary of the main points on page 14.

I hope you enjoy reading this year's newsletter and find it useful. If there is anything you would like to see more about in a future issue, please get in touch using the contact details on page 20.

**Grant Suckling**  
Chair of the Trustee

A photograph of an older couple embracing and laughing joyfully outdoors. The woman is wearing a green top and jeans, and the man is wearing a white shirt and a dark tie. They are standing in front of a blurred background of trees and a building.

## Scheme highlights

- ✱ On 5 April 2024, the DB Section's assets were worth £783.5 million
- ✱ You are one of the DB Section's 5,082 members
- ✱ Last year, the Scheme paid benefits to members totalling £45.9 million

## In this issue

|                     |    |
|---------------------|----|
| Scheme noticeboard  | 4  |
| Actuarial valuation | 8  |
| Membership          | 10 |
| Scheme finances     | 11 |
| Investment update   | 12 |
| Pensions news       | 14 |
| K-C news            | 17 |
| For our pensioners  | 19 |
| Get in touch        | 20 |

# Scheme noticeboard

## 5 things to do today

When life gets busy, it's easy to overlook long-term projects like your pension. Here are five things you can do today to make sure you stay on track.

### 1. Register for the secure member portal

If you aren't already using the secure member website provided by the Scheme administrator, EQ, we encourage you to register. It's the best way to keep track of your pension.

### 2. Update or reconfirm your nominated beneficiaries

If you haven't done this recently, please update or reconfirm your nomination. An up-to-date nomination tells us who you would like to receive any benefits that would be due in the event of your death and means they can be paid without delay to your loved ones.

### 3. Review your AVC investments

If you paid additional voluntary contributions (AVCs), make sure the way they're invested is still right for you.

### 4. Get a State pension forecast

If you haven't reached your State pension age, you can get a forecast of how much you could get, when you can claim it and whether you can increase it by going to [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension)

### 5. Take our pensions quiz online

Find out what kind of pension saver you are. Are you a voyager, a builder, a planner or a guardian? Learn about the things you need to be doing to keep your pension on track, depending on your age and when you plan to retire.



Go to [www.kcpensions.co.uk](http://www.kcpensions.co.uk) to take the pensions quiz, find out more about the Scheme and register for the secure member portal.

## Your options for taking your AVCs

If you have AVCs, Standard Life sends you a statement each year to update you on your current balance and any investment growth your savings may have achieved during the year.

It also gives you an illustration of the income you might get from your AVCs if you use them to buy an annuity (a pension) from an insurance company. Standard Life has to provide this illustration by law, but you don't have to use your AVC savings in this way.

Your choices are:

- Normally, you can take 25% of your AVC fund as a tax-free cash lump sum and then use the remaining 75% to buy a pension from an insurer.
- Take the full amount of your AVC fund as a lump sum. Only the first 25% will be tax free and the rest will be taxed at your marginal rate. You can choose to take this lump sum in two payments across two consecutive tax years to manage the tax implications.

- Alternatively, you can transfer your AVC fund to another pension arrangement. Please note that if your AVCs are partly or fully invested in Standard Life's With Profits fund, this includes valuable guarantees which may be lost if you transfer.



If you wish, you can access your AVCs at a different time from taking your main Scheme benefits. To find out more about taking your AVCs, please contact EQ.

### Improved rate for AVC investments

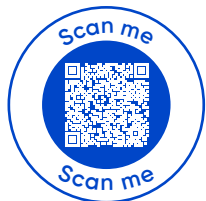
We are pleased to confirm that the Trustee has negotiated with Standard Life a reduction to the fund charges for members with AVC investments.

## Financial advice – lower-cost option

The Trustee, in conjunction with Kimberly-Clark, has appointed Isio Wealth Planning (formerly called Premier Wealth Planning) to help you explore your options at retirement.

While the Trustee and the Company can't give you advice about your choices, it's such an important decision that they've negotiated discounted rates for Scheme members with Isio, giving you lower-cost access to regulated, independent financial advice. Discussing your retirement options with an IFA can help you understand what will be best for your circumstances so that you can make a decision that's right for you.

You can find out more about Isio and getting advice on your options from the Scheme website at [www.kcpensions.co.uk/financial-advice](http://www.kcpensions.co.uk/financial-advice) where you'll also find the Helping you decide guide for DB Section members.



## Update on the Trustee Board

We recently carried out a selection exercise for a pensioner Member-Nominated Director (MND) as the term of the current pensioner MND is due to come to an end in December 2024.

We would like to thank those who applied for their interest in the position. We are pleased to confirm that, following a selection exercise and interview process, the current pensioner MND, Paul Morgan, has been re-selected for a further five years.

We would also like to inform you that Graham Mayes, one of our Employer-Nominated Directors, has decided to stand down from the Board after many years. We are sorry to see Graham go and would like to thank him for the significant contribution he has made over his years as a Trustee Director.

For more information about the current Trustee directors, please visit [www.kcpensions.co.uk/trustees](http://www.kcpensions.co.uk/trustees)



# Actuarial valuation

The latest valuation of the Scheme, looking at the position as at 5 April 2024, is currently in progress.

## What is an actuarial valuation?

Every three years, the actuary carries out a detailed investigation of the Scheme's finances. This involves comparing the amount of money held by the Scheme (its assets) with the estimated cost of providing members' benefits (its liabilities). The funding level is the percentage of the liabilities that can be covered by the assets. If there are fewer assets than liabilities, the Scheme is said to have a shortfall; if there are more assets than liabilities, it's known as a surplus.

## What the future will bring

To complete the valuation, the actuary has to make some assumptions about what will happen in the future, such as:

- how long members will live
- how the Scheme's investments will perform
- what inflation will be.

If any of these assumptions turn out to be different, the funding level will change.

## When will the results be known?

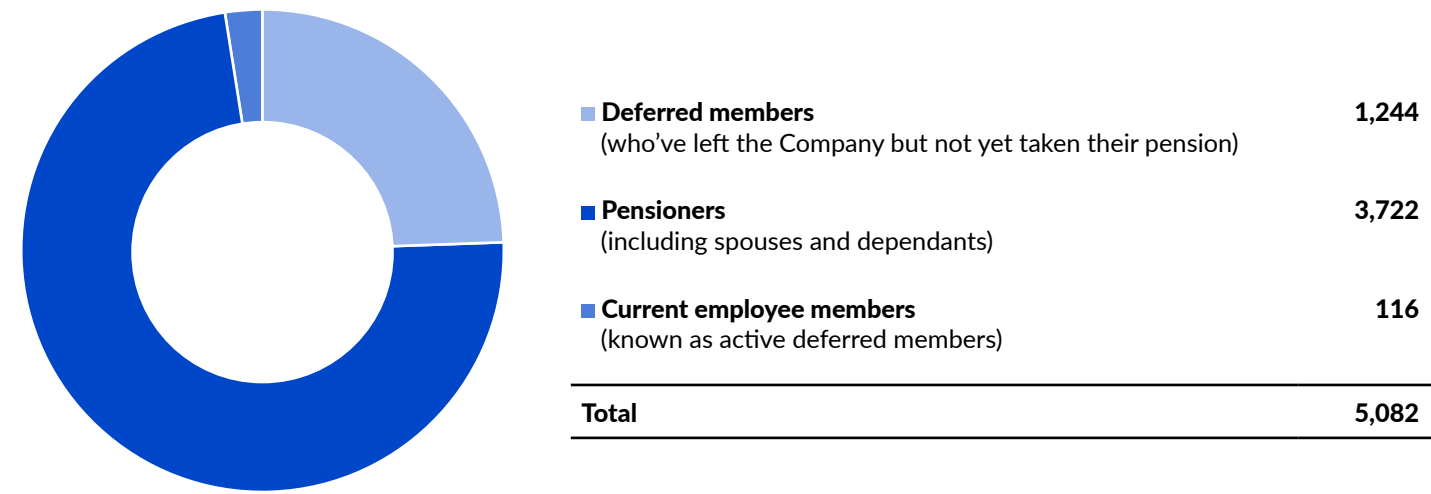
The valuation is a complex process, which takes time to complete. We'll bring you an update when the results have been finalised and agreed with the Company.





# Membership

At 5 April 2024, the DB Section had 5,082 members. The chart shows the membership categories that make up the Scheme.



# Scheme finances

The tables show the money paid into and out of the DB Section during the 12 months to 5 April 2024. This information is a summary taken from the Scheme's formal report and accounts. If you'd like to see a copy of the full report, you can request one from the Scheme administrator.

## Financial highlights

|                                                | £'000          |
|------------------------------------------------|----------------|
| <b>Value of the DB Section on 6 April 2023</b> | <b>850,910</b> |
| Money in less money out                        | (34,423)       |
| Change in market value of investments          | (33,252)       |
| Transfers between sections                     | 278            |
| <b>Value of the DB Section on 5 April 2024</b> | <b>783,513</b> |

## Payments into and out of the Scheme

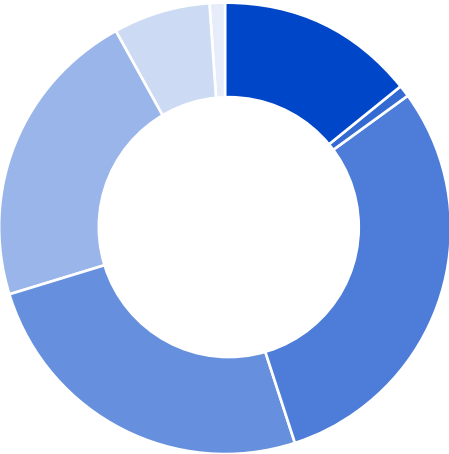
| Money in                 | £'000           |
|--------------------------|-----------------|
| Employer contributions   | 2,022           |
| Investment income        | 13,242          |
| Transfers in             | -               |
| <b>Total</b>             | <b>15,264</b>   |
| <b>Money out</b>         | <b>£'000</b>    |
| Benefits paid to members | (45,907)        |
| Payments to leavers      | (575)           |
| Administration expenses  | (1,565)         |
| Investment manager fees  | (1,640)         |
| <b>Total</b>             | <b>(49,687)</b> |

# Investment update

The Trustee is responsible for setting the investment strategy for the DB Section so that there is enough money to pay members' pensions now and in the future.

The assets are split between two investment portfolios, with approximately 15% of the DB Section's assets targeting growth investments and the remaining 85% focused towards matching investments. The Trustee reviews the investments every quarter and if necessary makes adjustments to rebalance the assets.

As at 5 April 2024, the assets were allocated to the following investment types:

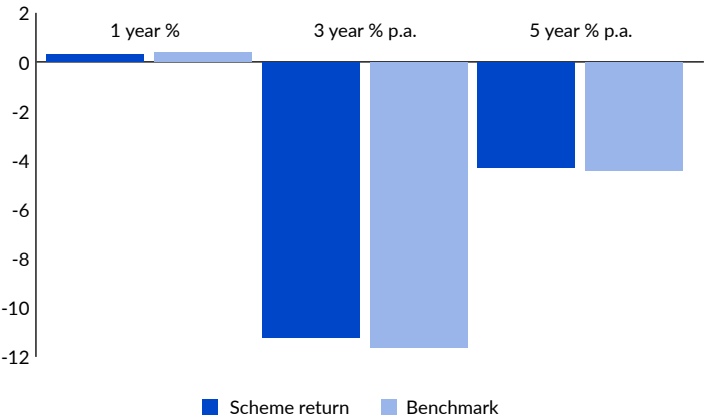


|                                      |       |
|--------------------------------------|-------|
| <strong>Growth assets</strong>       |       |
| ■ Global equities                    | 14.4% |
| ■ Emerging markets equities          | 0.8%  |
| <strong>Matching assets</strong>     |       |
| ■ UK corporate bonds                 | 29.9% |
| ■ Liability driven investments (LDI) | 25.3% |
| ■ Buy-in policies                    | 21.7% |
| ■ Asset-backed securities            | 6.8%  |
| ■ Cash                               | 1.1%  |
| <hr/>                                |       |
| Total                                | 100%  |
| <hr/>                                |       |

## Investment performance

The table shows the performance of the Scheme's investments over one, three and five years to 31 March 2024, compared with the benchmark.

|                | Scheme return | Benchmark |
|----------------|---------------|-----------|
| 1 year %       | 0.3           | 0.4       |
| 3 years % p.a. | -11.2         | -11.6     |
| 5 years % p.a. | -4.3          | -4.4      |



You will see from the table that the investment performance was slightly behind the benchmark over the last year but remains ahead of the benchmark over the longer term. It is important to note that the investment performance will not impact the benefits paid to you.

## Changes during the year

The Trustee made some significant changes to the DB Section's asset manager line up over the year. At the end of 2023, the LDI mandate was moved from LGIM to BlackRock. Also at the end of 2023, the DB Section disinvested from the AXA Long Term Credit Fund and the BlackRock +15 Years Corporates Fund, and the proceeds were directed to a segregated corporate bond mandate with BlackRock. Finally, as part of the collateral arrangement for the LDI mandate, the Trustee introduced an allocation to asset-backed securities, held with BlackRock.

# Pensions news

## Change to the minimum pension age

If you're thinking about taking early retirement, please note that the government is raising the minimum pension age and this may affect your plans. From April 2028, the earliest you can access your pension is going up from age 55 to 57, unless you're in ill health.

## Pensions dashboards are on the way

The pensions dashboards project is the government-backed project to enable people to see information about all the different pensions they might have in one place online, including the State pension. It aims to help individuals plan for retirement as well as find any pension schemes they may have lost touch with.

Schemes are being invited to join the dashboards gradually, according to their size and type. It's planned that all pension schemes will be online by October 2026, although a public launch date hasn't been announced yet. We'll send you more information nearer the time.

## New lump sum allowances

The government has introduced two new limits that affect the amount of tax-free payments you can receive from pension savings. They are the Lump Sum Allowance (LSA) and the Lump Sum and Death Benefit Allowance (LSDBA).

When you start drawing your pension benefits, you can still take up to 25% of the value of your pension as a tax-free lump sum, but this is now usually capped by the LSA at £268,275. Any amount above this will be taxed at your marginal rate.

The LSDBA is £1,073,100 and will be applied to any tax-free lump sums that are paid following your death or in cases of serious ill health before age 75. This includes any of your LSA you have already used.

You can find out more about these new allowances at [www.gov.uk/tax-on-your-private-pension/lump-sum-allowance](https://www.gov.uk/tax-on-your-private-pension/lump-sum-allowance)

## Do you have National Insurance gaps?

HMRC has announced that taxpayers now have until April 2025 to fill any gaps in their National Insurance record so they can get the full State pension – a boost that will be particularly welcomed by people who took time out to raise a family, carers and those who've worked abroad. The cost of paying voluntary NI contributions has been frozen until 5 April 2025.

 You can find out more at [www.gov.uk/voluntary-national-insurance-contributions](https://www.gov.uk/voluntary-national-insurance-contributions)

## Changes ahead for inherited pensions

In the autumn budget, the chancellor announced that unused pension pots will form part of an individual's estate for inheritance tax purposes from April 2027.

This means that pension lump sums and death benefits from a pension can no longer be passed on tax free to your beneficiaries but will be added to the rest of your estate: property, money, possessions, etc. when working out if any inheritance tax is due.

This change will apply equally to Defined Benefit (DB) and Defined Contribution (DC) schemes, though with exemptions for insured lump sums, dependants' scheme pensions and lump sum death benefits bequeathed to charities.

The rules are complex, and a government consultation is underway to determine how this new approach will be put into practice.



## Stay alert for scammers

Pension scams come in many shapes and sizes, but the result is the same – you could lose your life savings. The use of artificial intelligence (AI) by fraudsters is making scams more convincing and harder to spot. While the methods can vary, the purpose is always to obtain personal information and money.

Examples of AI scams include:

- deepfakes (a video where someone's likeness has been digitally manipulated to make it look like they're doing or saying something they never did)
- voice cloning (where victims are convinced they are having a genuine phone conversation with a person)
- chatbot phishing (with text that replicates the tone and coherence of legitimate messages).

Look out for the small details on videos, particularly in people's faces. Note any inconsistencies and discrepancies, and pay attention to tone of voice, as AI scams usually lack emotion.



For more information about pension scams and how to avoid them, go to [www.fca.org.uk/consumers/pension-scams](https://www.fca.org.uk/consumers/pension-scams)

## Don't

- ❌ be rushed or pressured – take the time to make all the checks you need. If a deal sounds too good to be true, it probably is.

## Do

- ✅ reject unexpected pension offers – a free offer out of the blue is probably a scam
- ✅ check who you are dealing with by using the Financial Conduct Authority's financial services register [register.fca.org.uk](https://register.fca.org.uk)
- ✅ get impartial advice – MoneyHelper provides free, independent information and guidance [www.moneyhelper.org.uk](https://www.moneyhelper.org.uk)

# K-C news

## Andrex is flushing toilet taboos to help the UK 'Get Comfortable'

Andrex has recently launched a bold new brand platform in the UK, encouraging the nation to challenge its toileting taboos.

At the heart of the 'Get Comfortable' platform is the truth that too many Brits are held back by their prudery and embarrassment about going to the toilet and don't have a healthy relationship with their everyday bodily functions.

Research carried out by Andrex has found that it is incredibly common in the UK to fear using public loos. Half of us admit that being shy about our bowels stops us from pooing in the work toilets or at a romantic partner's house, and 41% are even afraid of pooing when visiting their in-laws at home. Some of the statistics from this research are featured in activity supporting the 'Get Comfortable' launch films, while out-of-home executions use stand-out visuals and headlines like 'Live unclenched' and 'Conquer the first office poo', designed to get people to question their inhibitions around toileting.

Andrex is tackling this issue head on and encouraging the nation to engage with their intimate wellness, by showing us there's a better way.

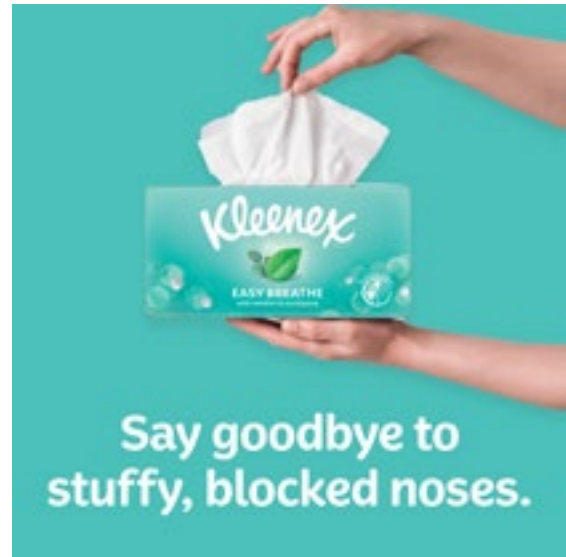
The adverts are bold and make a distinct break not only from past Andrex campaigns but with the whole category. They still of course feature the Andrex puppy, which for some time has been a symbol of comfort, softness and care, but this time will trigger action. The puppy dog eyes call time on Britain's crippling 'social constipation', triggering people to confront their toileting behaviours and have the confidence to 'Get Comfortable'!



## Kleenex® Easy Breathe launches in UK and Ireland with touch-activated technology

The UK and Ireland team recently marked the launch of their latest product innovation, Kleenex® Easy Breathe, with an office celebration and goody bag giveaway. This new product is available in both box format and pocket tissues, providing customers with a convenient and effective solution for stuffy, blocked, or bunged up noses.

With natural menthol and eucalyptus, the product aims to tackle blocked-up noses with the softness for delicate noses but the strength for every day. The boxed tissues have scented microcapsules that can be activated by scrunching the tissue to release the incredible fragrance. This touch-activated technology is an exciting new feature to the Kleenex portfolio.



# For our pensioners

## K-C Retirement Association

At the time of your retirement, you may not have joined the Retirement Association but it's never too late! The Association has two aims: to act as a social organisation for retirees and to liaise with the Trustee Directors, who protect the interests of Kimberly-Clark pensioners. Membership is only £5 per year. If you'd like to join, please contact either Derrick King or Geoff Povey.



[www.k-cra.co.uk](http://www.k-cra.co.uk)



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## Your committee member contacts

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# Get in touch

If you've got a question about the Scheme or your benefits, please contact the Scheme administrator, EQ. Please remember to tell us if you move house or your contact details change, so we can keep in touch with you and pay your benefits when they're due.



Website:  
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## Secretary to the Trustee

If you have any comments for the Trustee, please contact the Scheme Secretary.

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