



DC newsletter

Kimberly-Clark Pension Scheme
Defined Contribution (DC) Section

December 2023



Welcome...

Welcome to the 2023 annual newsletter for members of the Defined Contribution (DC) Section of the Kimberly-Clark Pension Scheme.

This is my first message to you as Chair of the Trustee, since taking over from Adam Robertson at the beginning of February 2023. Adam was Chair of the Trustee from 2015, and we thank him for his hard work on behalf of our members and are delighted to retain his experience and knowledge of the Scheme as he continues to serve as a Trustee Director.

Whether retirement is still a long way off or just around the corner, why not take a little time to review and understand your options in the Scheme? There's a wealth of information on our Scheme website to help you think about your retirement choices, well ahead of time. We're also pleased to confirm that the Trustee has appointed a financial adviser, Premier Wealth Planning, and has negotiated discounted rates with them so that they can help you decide which option is right for you. Find out more and take a look at our pension priorities checklist on page 4.

Thank you to everyone who recently reviewed or updated their nominated beneficiaries via the Scheme website –

it's good to review this regularly as well as when your circumstances change. If you still need to check yours, make sure you do it today. There are more details about this on page 6.

Economic and political challenges have continued to cause volatility in the financial markets during the year. We understand that this can seem alarming to pension savers, but it's important to remember that saving for retirement is a long-term investment and to avoid making hasty decisions about your investments in response to short-term market conditions. If you're unsure about what to do, you should seek independent financial advice.

We hope you enjoy reading this year's newsletter and find it useful and engaging. If you have any questions about the Scheme or your benefits, please get in touch using the contact details on page 16.

Grant Suckling
Chair of the Trustee

Scheme highlights



On 5 April 2023, the DC Section's assets were worth **£124.7m**.



You are one of the DC Section's **1,624 members**.



41% – the number of DC members who are now registered for EQ's online member portal.



1,400 – the number of member visits to the Scheme website this year.

The Scheme website provides everything you need to know about your Kimberly-Clark pension.

www.kcpensions.co.uk



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Do you need financial advice?

Understanding your options at retirement

Choosing how to access your savings in the Scheme is a big decision. We want you to be able to consider your options properly and make an informed decision that's right for you. To help you, we've negotiated special rates with a market-leading financial adviser, called Premier Wealth Planning.

The law doesn't allow the Trustee or anyone associated with the Scheme to give you financial advice. However, we recommend that you take impartial financial advice from an authorised and regulated independent financial adviser.

Premier's advice is confidential and tailored to you. Your financial adviser will ask you questions so that they can understand your personal and financial circumstances to help you explore your options from age 55 and any action you might need to take to help you achieve your retirement goals. You can find out more on the Scheme website: **www.kcpensions.co.uk/financial-advice**

Things to do today

Whether retirement's a long way off or just around the corner, it's good to start thinking about your choices.



Go to the retirement page on the Scheme website.



Log in to your personal account to view your current pension value.



Consider your retirement options and what's right for you.



Include any other pensions you have.



Get a State pension forecast.

Scheme noticeboard

Claiming your State pension

Many people don't realise that they need to claim their State pension when they reach State pension age – it's not automatically paid to you. The State pension age has been gradually going up and is currently age 66. Depending on when you were born, your State pension age could be either age 66, 67 or 68. You can find out what your State pension age is at www.gov.uk/state-pension-age

The amount of State pension you'll receive depends on how many years of National Insurance contributions (or credits) you have. You can get a forecast of your State pension entitlement at www.gov.uk/check-state-pension or by calling 0800 731 0175.

It may be possible to boost your State pension by paying voluntary contributions to fill gaps in your National Insurance record. For more information, go to www.gov.uk/voluntary-national-insurance-contributions



DC member guides – with you at every stage

We've recently updated the Scheme's set of guides for the DC Section, which you can find in the DC library on the Scheme website. These include:

- the **Member guide**, which explains how the DC Section works from joining to retiring and what to do when things change
- the **Investment guide**, which provides an overview of your investment choices so you can make the most of your membership
- the **Retirement guide**, which covers the things you need to think about when getting ready to take your DC benefits.

Go to www.kcpensions.co.uk/defined-contribution/library and select **Guides**.

Tell us who you care about

If you still haven't reviewed your nomination of beneficiaries, please make sure you log in to your account via the Scheme website to update it.

One of the hardest decisions the Trustee has to make is knowing who should receive benefits in the event of a member's death when they haven't completed a recent nomination form. It's important to review your nominated beneficiaries on a regular basis and reconfirm or make changes, especially if your personal circumstances change, such as if you get married or divorced, enter or leave a civil partnership, or have a child.

An up-to-date nomination tells us who you would like to be considered to receive any benefits that are due and means they can be paid without delay or distress to your loved ones.

Scheme finances

The table shows the money paid into and out of the Scheme during the 12 months to 5 April 2023.

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, EQ.

Financial highlights	£'000
Value of the DC Section on 6 April 2022	£137.0m
Money in less money out	(£6.0m)
Change in market value of investments	(£6.4m)
Transfers between sections	£0.1m
Value of the DC Section on 5 April 2023	£124.7m

Membership

The Scheme is closed to future contributions and so the DC Section no longer has any active members. There are 1,624 deferred members who are yet to take their benefits.





Investment update

The Trustee provides a range of funds for members in the DC Section. This means you can choose to invest your retirement savings in the Scheme in a way that matches how you plan to take your benefits at retirement and fits with the level of investment risk that is right for you.

Lifestyle options

You can use one of three lifestyle funds if you don't want to make specific investment decisions and where your investments are managed for you automatically in relation to when you want to retire. Switching of your investments begins when you are 15 years from your target retirement age.

- The Scheme's **Default Lifestyle Strategy** is designed to make planning for your retirement as easy as possible. It aims to sustainably grow your savings over time, while looking to reduce the impact of any market downturns. This strategy may be suitable for you if you are not comfortable making your own decisions or selecting your own funds.
- The **Annuity Lifestyle Strategy** is for you if you want to buy an annuity at retirement.
- The **Lump Sum(s) Lifestyle Strategy** is for you if you want to take a single, or multiple, cash lump sum(s) at retirement.

Self-select funds

If you are someone who has sufficient time and investment knowledge to be more 'hands-on', you can choose from the self-select fund range and manage your own investments. Please note that there is no automatic lifestyle switching with these funds as you get closer to your target retirement age. You would need to manage this yourself.

To find out more about all your investment options, take a look at the DC investment guide and our website.



Lifestyle investment performance

The table shows the performance of the core lifestyle funds over the one-year and three-year period to 31 March 2023. You can find out more about the individual funds in the factsheets available at www.kcpensions.co.uk/defined-contribution/investments

	1 year %	Benchmark %	3 years % p.a.	Benchmark % p.a.
LGIM Blended Global Equity ESG Fund	-2.7	-2.8	-	-
LGIM Diversified Fund	-4.8	-3.3	6.9	16.5
LGIM Future World Annuity Aware Fund*	-19.5	-19.7	-8.3	-10.5
LGIM Cash Fund	2.2	2.2	0.8	0.8

*previously called LGIM Pre-retirement Fund.





Climate change report

New rules require the UK's largest companies and financial organisations to report on their climate-related risks and opportunities, as part of the government's commitment to making the UK financial system the greenest in the world.

As a long-term investor, the Trustee takes the Scheme's climate change responsibilities seriously and has produced its first climate change report. It describes how the Scheme assesses and manages the opportunities and risks presented by climate change, integrating them into the investment strategy. If you'd like to see the report, you can find it on the Scheme website: www.kcpensions.co.uk/tcfd

Pensions news

Changes to the Annual Allowance

Paying into a pension scheme is a tax-efficient way of saving for retirement. However, the government places a limit on the amount of pension contributions you can make in a year that get tax relief. This is called the Annual Allowance (AA) and in April 2023, it increased from £40,000 to £60,000. If you're a high earner and have an adjusted income over £260,000, your AA will be reduced by a tapered amount, and it could be as low as £10,000.

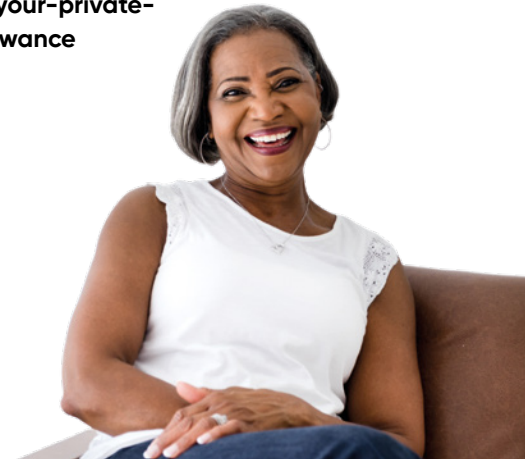
If you've already accessed any pension savings flexibly, you will have a restricted AA called the Money Purchase Annual Allowance (MPAA). From April 2023, this increased from £4,000 to £10,000.

Abolition of the Lifetime Allowance

The government has previously placed a limit, called the Lifetime Allowance (LTA), on the total amount of tax-free pension savings you could build up over your lifetime. From April 2023, the tax charge for exceeding the LTA has been removed, and the LTA itself will be abolished in April 2024.

When you take your benefits, you can take a tax-free cash lump sum of up to 25% of the value of all your pensions combined. However, the government has introduced a limit of £268,275 which now applies to this lump sum.

You can find out more about the Lifetime Allowance at www.gov.uk/tax-on-your-private-pension/lifetime-allowance



Scams

We continue to remind members to be aware of the danger of pension scams. Research by the Financial Conduct Authority and the Pensions Regulator has found that half of pension savers don't believe they're at risk of being targeted by a pension scammer. Sadly, pension scams can and do happen to anyone, and no pension pot is too small for a scammer.

Members should also be aware that scammers are now operating as so-called claims management companies and attempting to use 'subject access requests' to obtain personal information and details about a saver's pension arrangements. Please be particularly vigilant if you're approached in this context. You can find out more about pension scams and how to avoid them at www.fca.org.uk/scamsmart

Dashboard delayed

The pensions dashboard is a government-backed initiative to enable people to access their pensions information online and trace lost pensions, securely and all in one place. The government has announced a further delay to the project which is now not expected to launch until October 2026. This is to give the industry more time to resolve issues and develop more guidance for pension providers.

Retirement Living Standards

If you're finding it tricky to work out how much money you might need in retirement, you're not alone. Happily, the Pension and Lifetime Savings Association has created the Retirement Living Standards tool to help savers understand how much retirement income they will need. The standards show what life in retirement could look like at three different levels, and how much a range of common goods and services would cost for each level.

	For a single person	For a couple
Minimum	£12,800	£19,900
Moderate	£23,300	£34,000
Comfortable	£37,300	£54,500

You may have seen these Standards before, but they have recently been updated to reflect the rise in the cost of living. You can find out more at www.retirementlivingstandards.org.uk

Time for a midlife MOT?

The Department for Work and Pensions is improving and expanding access to the Midlife MOT service. This provides free online support to encourage people in their 40s, 50s and 60s to take stock of their finances and wellbeing to prepare for a more secure retirement and plan for the future they want. You can find out more about this at <https://jobhelp.campaign.gov.uk/midlifemot/home-page/>

Looking ahead

As you move into your 50s and 60s, you may want to start thinking about your pension and what your retirement might look like. The key to a successful and relaxing retirement is proper planning before you reach your golden years, and the Department for Work and Pension's retirement planning guide can help you do just that.

The online guide helps you plan your retirement step by step, giving you the tools to check when you can retire, how much pension you could get and what other financial support you might be entitled to. To get started, simply visit www.gov.uk/plan-for-retirement



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 wish to join, please contact either Derrick King or Geoff Povey.

Your committee member contacts

Derrick King (Chair)
Tel: 01580 212346
Email: derrick.king222@gmail.com

Geoff Povey
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Email: geoff.povey@yahoo.co.uk

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Andy Matthews
Tel: 07732 276355

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Tel: 01622 844888

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Tel: 07496 354134

Clive Jeffery
Tel: 07801 045 831

North West branch

Peter Taylor
Tel: 07825 876358

Pensioner Trustee

Paul Morgan
Tel: 07776 273308
Email: paul.morgan771@gmail.com

Website: www.k-cra.co.uk
Email: admin@k-cra.co.uk



K-C news

Kimberly-Clark launches wind farm

In collaboration with Octopus Renewables Infrastructure Trust (ORIT), K-C has launched a wind farm to supply 80% of its UK electrical power needs. In September 2023, K-C celebrated a major milestone in its ambitious drive towards green energy with the official opening of the new onshore wind farm by Màiri McAllan, Member of the Scottish Parliament for the Clydesdale constituency and Cabinet Secretary for Transport, Net Zero and Just Transition.

The £75 million wind farm, which was built in just 18 months in South Lanarkshire, Scotland, is the largest wind asset owned by ORIT. The green power will be used by K-C's manufacturing facilities across the UK, making up almost 80% of the electricity needs for its Barrow, Flint and Northfleet manufacturing facilities. Between them, these sites produce nearly 1 billion Andrex® toilet rolls, over 150 million boxes of Kleenex® tissues, and almost 136 million packs of Huggies® baby wipes per year, alongside other personal care products for the UK market and B2B products which include 30 million rolls of WypAll® wipers and over 185 million Scott® toilet rolls.

Andrex & Bowel Cancer UK – one year on

A year after the launch of the #GetOnARoll campaign, Andrex and Bowel Cancer UK have shared some impressive results. Today, Andrex is part of a coalition of ten leading partners which includes retailers Aldi, Asda, B&M, Co-op, M&S, Morrisons, Ocado, Sainsburys and Waitrose. Bowel cancer symptoms are now printed on over 100 million packs of Andrex toilet packs which has contributed to the amazing increase in bowel cancer awareness from 55% to 74% in one year!

Launch of the Icon Dispenser Collection

Redefining the touch-free washroom experience, this innovative solution combines game-changing hygiene and design with a new standard of dispensing performance that goes beyond simply dispensing paper towels. The Icon portfolio showcases three system solutions for hand towels, toilet tissue and skincare, including soap and sanitiser. The Principality Stadium in Wales is a leading example of one of the accounts our team has already won with this breakthrough innovation, meeting the demand for clean, safe and efficient washroom facilities.

Get in touch

If you've got a question about the Scheme or your benefits, please contact the Scheme administrator, EQ.

Website: www.kcpensions.co.uk

Call us: 0203 890 2160

Email us: kimberlyclark@equiniti.com

Write to us:

Kimberly-Clark Pension Scheme
Pension Administration Services
PO Box 556
Crawley
West Sussex RH10 1WS

Secretary to the Trustee

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

Email: kimberly-clark@psgovernance.com

Write to: Vidett, Forbury Works, 37-43 Blagrove Street,
Reading RG1 1PZ

Has anything changed?

Please remember to let us know if you move house or if your contact details change. It's important that we can keep you updated with information from the Scheme and pay your benefits when they're due.

This newsletter is for information only and does not constitute advice. You should seek financial advice before making any decisions relating to your pension. All benefits are subject to confirmation at retirement or death and subject to the Trust Deed and Rules, and HMRC rules. Please note that if there is any inconsistency between the information contained in this newsletter and the Trust Deed and Rules or the overriding legislation, the Trust Deed and Rules or the overriding legislation will prevail.