DC newsletter

Kimberly-Clark Pension Scheme Defined Contribution (DC) Section

December 2024

Welcome...

Welcome to the 2024 annual newsletter for members of the Defined Contribution (DC) 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 5.

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 9.

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 16.

Grant Suckling
Chair of the Trustee

In this issue

Your information hub

You can find everything you need to know about your Kimberly-Clark pension on the Scheme website at **www.kcpensions.co.uk**

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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. **Check your target retirement age**
   If you're using the lifestyle investment option, it's really important that your target retirement age matches when you intend to retire. This is so that your investments automatically reduce risk at the right time. You should update this if your plans change.

4. **Review your investments**
   Make sure the way your savings are invested is still right for you. In particular, if you've selected your own investments, make sure you review these on a regular basis because there is no automatic de-risking as you approach retirement.

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.

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Go to **www.kcpensions.co.uk** to take the pensions quiz, find out more about the Scheme and register for the secure member portal.

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**

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** where you'll also find the Helping you decide guide for DC Section members.

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Investment update

Putting your money to work

Have you ever wondered what your money is up to while it's in the Scheme? Between the time that you paid in your contributions and when you take your benefits at retirement, rather than languishing in a pot, your money heads out into the world to be useful.

It buys buildings and companies, food, gold and raw materials. It develops new technologies and medicines. It builds roads and communication systems. When these investments do well, they help your pension savings to grow.

Your investment choices

The Trustee provides a range of funds for DC Section members. You can choose one of three lifestyle options, where your investments are automatically managed for you depending on when you want to retire. The lifestyle options aim to grow your savings sustainably over time, while reducing the impact of any market downturns.

The Scheme's default lifestyle strategy targets taking your benefits flexibly at retirement, or you can choose the annuity lifestyle if you plan to buy a pension from an insurer at retirement or the lump sum lifestyle if you want to take your whole fund as a cash sum.

If you prefer to be more hands-on with your investments, you can choose your own funds from the self-select range.

To find out more about how your savings can be invested, see the DC investment guide on the Scheme website.

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Lifestyle investment performance

The table shows the performance of the core lifestyle funds over the one and three-year periods to 31 March 2024. If you'd like to know more about the individual funds, you can find the fund factsheets on the pensions website at **www.kcpensions.co.uk/defined-contribution/investments**.

	1 year %		3 years % p.a.	
	Return	Benchmark	Return	Benchmark
LGIM Blended Global Equity ESG Fund	19.4	19.1	-	-
LGIM Diversified Fund	8.6	8.3	3.1	5.7
LGIM Future World Annuity Aware Fund	3.6	-1.1	-8.0	-9.5
LGIM Cash Fund	5.1	5.0	2.5	2.5

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. However, in our Scheme, you have a Protected Pension Age (PPA). If you were a member of the DC Section on 5 April 2006, your PPA is 50. If you became a member from 6 April 2006, your PPA is 55. Please note, if you transfer your benefits out of the Scheme, you will usually lose your PPA.

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 value 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 lump sums that are paid following your death or in cases of serious ill health before age 75 where they are tax free. 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**

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**

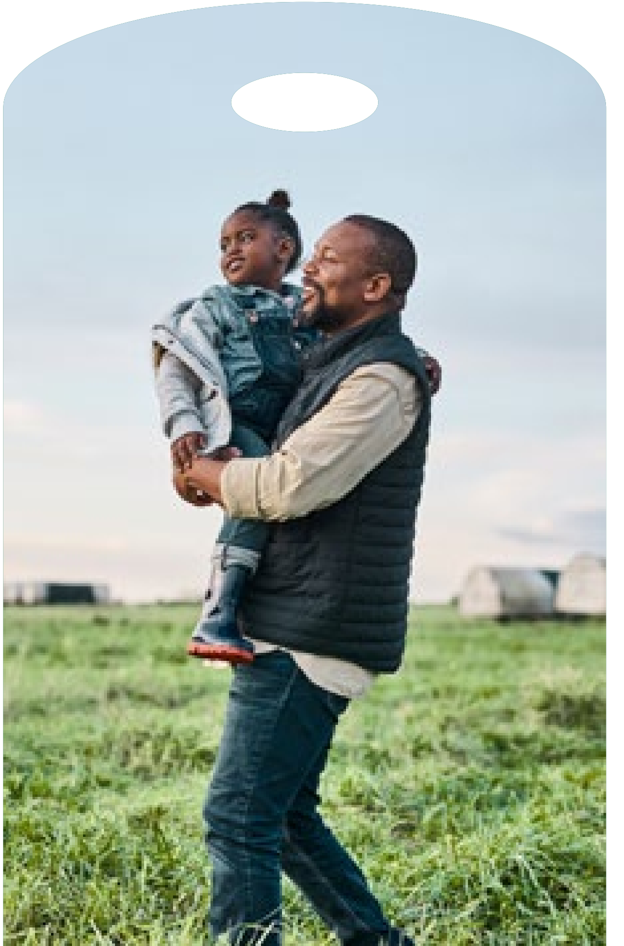
Changes ahead for inherited pensions

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, 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.

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 **https://register.fca.org.uk/s/**
- get impartial advice – MoneyHelper provides free, independent information and guidance **www.moneyhelper.org.uk**

For more information about pension scams and how to avoid them, go to **www.fca.org.uk/consumers/pension-scams**

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.

K-C Retirement Association

When you retire, you might like to join the Retirement Association. It's a social organisation for Scheme members. Membership is £5 per year. If you'd like to join, please contact either Derrick King or Geoff Povey.

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

Geoff Povey
Tel: 07722 562669
Email: geoff.povey@yahoo.co.uk

Website: www.k-cra.co.uk

Email: admin@k-cra.co.uk

Useful links

MoneyHelper

For guidance about all things to do with money and pensions, MoneyHelper is the government's information and guidance service. It's completely free and offers trusted help for your money and pension choices. With clear and impartial help that's quick to find and easy to use, MoneyHelper also provides links to trusted services if you need further support.
Call: 0800 011 3793
Go to: **www.moneyhelper.org.uk**

Find a financial adviser

The Trustee, in conjunction with Kimberly-Clark, has appointed Isio Wealth Planning (Isio), part of the Isio Group, to help you explore your options at retirement. Isio is an authorised, independent financial adviser (IFA), regulated by the Financial Conduct Authority (FCA). You can find more information about getting financial advice on the website at:
www.kcpensions.co.uk/financial-advice

You can also go to **www.moneyhelper.org.uk** for help finding an independent financial adviser in your area.

Check your State pension entitlement

When you're planning your retirement, it's good to have a clear idea about how much State pension you'll get and when you can claim it. Your State pension age depends on when you were born, so it could be either age 66, 67 or 68. When you reach your State pension age, you'll need to claim your State pension as it's not paid to you automatically. The amount you'll receive depends on how many years of National Insurance contributions (or credits) you have.

To find out your State pension age, go to:
www.gov.uk/state-pension-age

To get a State pension forecast, go to:
www.gov.uk/check-state-pension

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:
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@vidett.com
Write to:	Vidett Forbury Works 37-43 Blagrave Street Reading RG1 1PZ

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