

**DOW**

# SPOT LIGHT

**Dow Services  
UK Pension Plan  
2023**



# Welcome to your **Spotlight newsletter for 2023**

## Table of **contents**

|   |          |
|---|----------|
| Manage your pension online                | Page 3   |
| Chair's introduction                      | Page 4   |
| Update from the Trustee Report & Accounts | Page 5   |
| Summary Funding Statement                 | Page 6   |
| Plan news                                 | Page 7   |
| Pension news                              | Page 8-9 |
| Trustee Director update                   | Page 10  |
| Get in touch                              | Page 11  |



# Manage your pension online

If you are a member of the Dow Services Section, you can manage your pension online via the secure Hartlink website portal. Registering is easy, and we can collect your personal email address to keep in touch with you digitally for more timely and environmentally friendly communications.

Once you have registered, you can update your personal information and calculate how much pension you could get at retirement. It's important that you keep your personal details up to date to make sure you don't miss out on any Plan communications.



Follow the link to register or login:

**[www.hartlinkonline.co.uk/mydowpension](http://www.hartlinkonline.co.uk/mydowpension)**



For members of the DCL Section, you can opt in to digital communications by emailing your details to **[DCLPensions@aon.com](mailto:DCLPensions@aon.com)**



Don't forget to visit our pension website, which covers all the Sections, to find out more information about your pension and retirement options. You can also and make use of our Chatbot function to get answers to your questions instantly. **[www.mydowpension.co.uk](http://www.mydowpension.co.uk)**



# Chair's introduction

It's been a busy year since the last time we wrote to you. The global economy is continuing to feel the impact of geo-political tensions, which brings increased volatility in investment markets, higher inflation levels and puts added pressure on many people's finances. We pay close attention to how external factors might impact the Plan and make any changes needed to safeguard it in the best interests of our members.

In the last year, some schemes experienced significant challenges as a result of volatility in the gilt market. There were reports of pension funds 'collapsing' in the economic turbulence. However, rather than bringing any real risk of collapse, this market volatility led to short-term liquidity issues for some pension schemes. We're pleased to tell you that the Plan hasn't suffered any long-term effects of that period and remains financially strong despite the volatility of the economic climate. This is due to the long-term investment strategy adopted by the Trustee of the Plan, which includes the Buy-In with Rothesay for the benefits of the DCL Section of the Plan, which we reported on last year.

Earlier this year the administrator of the Dow Services Section of the Plan, Capita, were impacted by a cyber incident. More information on this can be found online at [www.mydowpension.co.uk/dow-services-section](http://www.mydowpension.co.uk/dow-services-section) as well as later in the newsletter, including how to stay safe from pension scams. We have already written to any member whose data was potentially at risk from this incident. For an update on the financial position of the Plan, you can refer to our latest summary funding statement, which includes information on the funding position as of 31 December 2022. Additionally, we provide a summary of the year's accounts and membership figures as well as the latest on the Plan's investments.

In wider news, we provide an update on Pensions Dashboards, an initiative that aims to provide people with online access to all of their UK pensions in one place, the Government's latest review of State Pension Age, and the 2023 Spring Budget. If you have any questions about the Plan or your benefits, or you have a topic you want to see covered in our next issue, please do not hesitate to contact us. Information on how to find our contact details is on page 11.

Andrew Jones  
Chair of the Trustee

# Update from the Trustee Report & Accounts

Every year the Trustee must prepare the Trustee Report & Accounts. This includes information about the Trustee, their advisors and details about the assets of the Plan alongside an analysis of the contributions paid to the Plan and payments made from the Plan. The full document is available on the Plan website at [www.mydowpension.co.uk](http://www.mydowpension.co.uk) but we have included below the summary of the membership at 31 December 2022 with an overview of contributions paid to the Plan during the year to 31 December 2022 and the payments made from the Plan.

The Trustee Report & Accounts is independently audited by Deloitte.

## Membership

At 31 December 2022, the Plan's membership looked like this:

### Dow Services Section

| Active members <sup>1</sup> | Deferred members <sup>2</sup> | Pensioner members <sup>3</sup> | Total |
|-----------------------------|-------------------------------|--------------------------------|-------|
| 41                          | 2,340                         | 3,414                          | 5,795 |

### DCL Section











| Active members <sup>1</sup> | Deferred members <sup>2</sup> | Pensioner members <sup>3</sup> | Total |
|-----------------------------|-------------------------------|--------------------------------|-------|
| N/A                         | 483                           | 737                            | 1,220 |

<sup>1</sup> Members who are currently building up pension benefits through their company employment.

<sup>2</sup> Members who have ceased further accrual to the Plan, but keep the right to pension benefits when they retire.

<sup>3</sup> Members who are currently receiving their pension benefits.

## Contributions and benefits

| Value of assets at start of the year  |         |  |         |
|---|---------|--|---------|
|  DCL | £633m   |  Dow Services | £1,156m |
| Net decrease* in asset value during the year  |         |  |         |
|  DCL | £238m   |  Dow Services | £332m   |
| Values of assets at year end (31 December 2022)   |         |  |         |
|  DCL | £395m   |  Dow Services | £824m   |
| Company contributions during the year   |         |  |         |
|  DCL | £0.009m |  Dow Services | £3.1m   |
| Expenses/benefits/transfer values during the year                                       |         |  |         |
|  DCL | £16.5m  |  Dow Services | £39.2m  |

\*Although assets have fallen significantly during the year, this fall is accompanied by an at least equal fall in liabilities meaning the funding position of both sections is still very strong. More information on the funding position can be read on page 6.

# Summary Funding Statement

The formal triennial actuarial valuation as at 31 December 2021 was agreed and signed in March 2023.

## Dow Services Section

The 2021 actuarial valuation report showed that the funding level of the Dow Services Section was 100.7%. The funding update at 31 December 2022 disclosed a funding level of 106% with the assets valued at £809m and the Section's liabilities calculated by the Scheme Actuary at £761.8m. Further information can be found in the Summary Funding Statement at [www.mydowpension.co.uk/dow-services-section/document-library](http://www.mydowpension.co.uk/dow-services-section/document-library)

## DCL Section

The funding level of the DCL Section disclosed in the 2021 actuarial valuation report was 101.9%. The funding update at 31 December 2022 showed a funding level of 104% with the assets valued at £388.3m and the Section's liabilities calculated by the Scheme Actuary at £375.3m. Further information can be found in the Summary Funding Statement at [www.mydowpension.co.uk/dcl-section/document-library](http://www.mydowpension.co.uk/dcl-section/document-library)

The funding of the Dow Services Section has improved since the 31 December 2021 valuation due to a significant fall in liability value following the increase of gilt yields, which was partially offset by a fall in the value of the Dow Services Section assets. The DCL section funding level has also improved slightly since the 31 December 2021 valuation. It is important to remember the liabilities of the DCL Section have been secured by the bulk annuity transaction carried out with Rothesay in December 2021. This was reported on in last year's edition of Spotlight.

Please note that it is expected both Sections' funding levels will vary over time, as both economic and investment market conditions change.

## Dow Services Section

|                         | At 31 December 2021 (Valuation) | At 31 December 2022 (Update) |
|-------------------------|---------------------------------|------------------------------|
| Dow Section of the Plan | 101%                            | 106%                         |
| DCL Section of the Plan | 102%                            | 104%                         |

## Plan news

### GMP reconciliation & equalisation

The Trustee continues to work with its advisors to complete the ongoing GMP reconciliation and equalisation projects. Some members will be contacted in the coming months regarding the outcomes of these projects, so please keep an eye out for any communications about your benefits.

### Closure to accrual & planned closure of Dewsbury site

As some members may be aware, the Company has been in consultation with the active members in the Plan and the conclusion is that the Plan will close to ongoing accrual from 31 December 2023. This means that there will be no active members in the Plan from 2024 onwards.

The Company has also announced they will be closing the Dewsbury site operated by Dow Chemical Company Limited. Upon receiving the news of the closure, the Trustee sought guidance from its advisers. The Trustee advisers confirmed that the closure of the site is not significant to the security of the Plan and the Trustee does not need to take any further action.

### We need your help

As you will know from our recent editions of Spotlight, the Trustee has been working to reduce risk in both sections of the Plan. But we can't do this without you, we need your help by making sure your details are up to date.



The Plan's long term funding target is set to ensure all members' benefits are secure. If further investment opportunities arise the Trustee and its advisors will again consider any investment options that would be in the best interests of the members. To allow the Trustee to be best placed to act in the event of any such opportunities, it is important that member details are as up to date as possible.

With this in mind the Trustee may need to contact Dow Services Section members over the coming months to verify that any information held is up to date, including contact details and data regarding spouses, partners or any dependants. Although the Trustee may directly contact members, the Trustee would appreciate it if all members of the Dow Services Section review their current information online, this can be done by logging in to [portal.hartlinkonline.co.uk/mydowpension](http://portal.hartlinkonline.co.uk/mydowpension)

If you would prefer to contact Capita directly, you can do so using the information found at [www.mydowpension.co.uk/dow-services-section/contact-us](http://www.mydowpension.co.uk/dow-services-section/contact-us)

### **Fidelity Long Bond Fund closure**

Relevant for Dow Section DC members. In September, Fidelity closed the Long Bond Fund at very short notice. If you were invested in this Fund on a self-select basis, you will have received a letter about the closure from Capita. The Trustee has chosen the Fidelity BlackRock Corporate Bond Index Fund All Stocks and the Fidelity BlackRock Over 15 Years UK Gilt Index Fund as replacement funds and these funds are now available to invest in. The Balanced Fund previously included an allocation to the Long Bond Fund. The Trustee replaced this with an allocation to the UK Gilt Fund therefore the overall asset allocation and investment aims for the Balanced Fund remain unchanged.

### **A guide to your benefit statement**

Did you review your most recent benefit statement?

It's really important that you keep track of your pension savings throughout the years and one way to do this is to review your benefit statement which you receive annually. This holds all the information you need to be able to keep an eye on your savings so far.

For members of the Dow Services Section, we've created benefit statement guides to help you understand the information that's included on your statement.

You can access these via the [www.mydowpension.co.uk/dow-services-section/document-library](http://www.mydowpension.co.uk/dow-services-section/document-library)

### **Going digital**

This year's newsletter has come to you by post, but we'd like to send future editions via email.

There are a number of reasons for this. Firstly, we would like to be able to contact you quickly with important pension information. That's much easier to do if we hold email addresses for our members.

Secondly, the carbon footprint of sending out information digitally is far smaller than our current method of print and postage. As a Trustee we have a responsibility to ensure we're using the Plan's resources prudently, as well as considering environmental factors.

Thirdly, if you move house and forget to tell us, important information about your benefits could end up in the wrong hands. By contrast, if you change your email address without telling us, then we're likely to get a no-delivery message.

Finally, online communications are becoming the usual way for pension schemes to contact their members with updates and information. We want to make sure we – and you – don't get left behind. We can't do it without your help though! We'd like you to provide us with your email address as follows:

For Dow Services Section Members - The best way is to register for the Plan website:  
[portal.hartlinkonline.co.uk/mydowpension](http://portal.hartlinkonline.co.uk/mydowpension)

For DCL Section Members - The best way is to email your full name and date of birth with your email address to [DCLPensions@aon.com](mailto:DCLPensions@aon.com)

If you aren't sure whether or not we've already got your details, you can contact us just to make sure.

We understand that digital communications aren't for everyone so if you'd prefer to keep receiving hard copies, you need to let us know by contacting the Plan administrator using the contact details on page 11.

## Pension scams – stay vigilant

Cyber-crime is a growing threat in the UK and throughout the world. We encourage you to stay alert against any suspicious calls, texts or emails which could be a scam. If you do receive any suspicious messages or calls, please do not hand over any information such as your bank account details. Instead, hang up, or delete any worrying texts or emails. The FCA has some useful information on how to spot the warning signs of financial scams at [www.fca.org.uk/consumers/protect-yourself-scams](https://www.fca.org.uk/consumers/protect-yourself-scams)

Cyber criminals commonly use a scam technique called “phishing”, which is mostly email-based but can also be via telephone calls, to lure victims under false pretences to websites which look legitimate to get them to provide information including bank account and credit card details. These emails/phone calls appear to be from recognisable sources such as banks but actually link to fraudulent websites. Accordingly, we have the following guidance to help reduce the risk of falling foul of these phishing attempts:

- Protect your email with a strong password (tip: use 3 random words to create a single password that's difficult to crack).
- Do not share your password with anyone.
- Install the latest security updates to your browser software and personal computing devices.
- If in doubt, do not open emails from senders you do not recognise.
- Check links look correct before you click on them.
- Be suspicious of anyone who asks for your bank account or credit card details.
- If the email contains spelling mistakes, this can be a sign that this is a phishing scam. Do not open the email or attachments.
- If you think you have been a victim of fraud you should report it to Action Fraud, the UK's national fraud and internet crime reporting centre, on 0300 123 2040.

You can visit the following page on the member website which tells you more about how to stay safe from pension scams - [www.mydowpension.co.uk/dow-services-section/pension-scams](https://www.mydowpension.co.uk/dow-services-section/pension-scams)

## State Pension Age

The State Pension Age (SPA) is the earliest age at which someone can start receiving their State Pension. The SPA for women increased from 60 to 65 between 2010 and 2018, bringing it in line with the SPA for men. Then for both women and men, the SPA increased from age 65 to 66 between 2018 and 2020. It is due to increase to 67 by 2028, and eventually increase to 68.

You can check your State Pension Age at [www.gov.uk/state-pension-age](https://www.gov.uk/state-pension-age)

If you are coming up to retirement in the next few years, you can check the amount of your State Pension by getting a forecast from [www.gov.uk/check-state-pension](https://www.gov.uk/check-state-pension)

Alternatively, you can phone 0345 300 0168.

## Pension tax changes

In the 2023 budget, the Chancellor announced plans to make the following changes to pension tax allowances.

**The Annual Allowance** - The Annual Allowance is the maximum amount of money you can save in pension benefits each year without incurring a tax charge. This amount has remained at £40,000 since 6 April 2016. The Chancellor announced this cap would be rising from £40,000 to £60,000 from 6 April 2023.

**The Tapered Annual Allowance** - The Tapered Annual Allowance is the point at which the Annual Allowance is reduced for high-income individuals whose threshold income is above £200,000. If you are impacted by this, the government has more information at [www.gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance](https://www.gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance)

**Money Purchase Annual Allowance** - When you start drawing money from a defined contribution pension (except if you buy an annuity), the amount you can pay into any defined contribution pensions without paying a tax charge is limited by the Money Purchase Annual Allowance. The Money Purchase Annual Allowance increased from £4,000 to £10,000 from 6 April 2023.

**The Lifetime Allowance** - The Lifetime Allowance is the maximum amount an individual can take from all their registered pension schemes without incurring additional tax charges. This does not include the State Pension. The Lifetime Allowance for the 2022/23 tax year was £1,073,100. The budget removed these additional tax charges for amounts exceeding the Lifetime Allowance for the 2023/24 tax year, and the Lifetime Allowance is due to be abolished completely from 6 April 2024.



**Cash at retirement** - When you start drawing money from your pension account you can choose to receive a tax-free lump sum payment of up to 25% of your pension or Lifetime Allowance (whichever is lower). The maximum amount you can claim tax free is currently £268,275. The maximum amount will be frozen at £268,275, even though the Lifetime Allowance is being removed. If you have existing protections from the Lifetime Allowance and were entitled to a higher tax-free lump sum on 5 April 2023 you will continue to be entitled to this higher sum.

For more information on pensions legislation and taxation, take a look at the pensions page of the government website [www.gov.uk/browse/working/workplace-personal-pensions](https://www.gov.uk/browse/working/workplace-personal-pensions)

If you're not sure how these changes will affect you or want more information about the budget, the government's MoneyHelper website has a useful article and contact details for further help.

[www.moneyhelper.org.uk/en/blog/everyday-money/what-the-2023-spring-budget-means-for-you](https://www.moneyhelper.org.uk/en/blog/everyday-money/what-the-2023-spring-budget-means-for-you)

## Pensions Dashboards

In the last Spotlight we told you about the Government's plan to set up an online service which will allow people to see information from multiple pensions, all in one place: Pensions Dashboards. Since then, phase 1 and 2 of the development have been completed, which means they are now in phase 3. Phase 3 involves connecting volunteer pension schemes and providers to the service, using real data. They will then complete ongoing testing before moving to phase 4.

## What to expect in phase 4 and 5

### Phase 4 – Connection and dashboards available point

In this phase, schemes and providers will begin to connect to the Pensions Dashboards ecosystem.

### Phase 5 – Transition to business as usual

This phase assumes a high level of coverage, meaning that the service can be transitioned into an ongoing delivery and maintenance arrangement.

It's important that you always keep your personal details up to date so that once the Pensions Dashboards is launched, your records can easily be matched and you see the most accurate information. If you are a Dow Services Section member, you can check if we have the most up-to-date details by logging into your personal pension account: [www.hartlinkonline.co.uk/mydowpension](https://www.hartlinkonline.co.uk/mydowpension)

If you are a DCL Section member, please contact the Aon administration team at [DCLPensions@aon.com](mailto:DCLPensions@aon.com)

To find out more about the launch of Pensions Dashboards visit [www.pensionsdashboardsprogramme.org.uk](https://www.pensionsdashboardsprogramme.org.uk)



# Trustee Director **update**

**There has been a recent change to the Company appointed Trustee Directors. Carmen Floristan has stepped down as a Trustee Director. The Company has now appointed Udipta Mukherji as her replacement.**

**In addition, Rob Sparling is due to retire from the Company at the end of 2023, and as a result will be stepping down as a Trustee Director. The Company has now appointed Liza Adeyemi as his replacement.**

The Trustee would like to thank both Carmen and Rob for their contributions whilst Trustee Directors and wish them all the best in the future and congratulate Rob on his retirement.



## **Udipta Mukherji: Company Nominated Director**

Udipta is the Senior Strategic Planning Director for Dow in the EMEAI region. He is responsible for maintaining a close strategic alignment with the businesses and for analysing financial results in the region. He is also the finance focal point for sustainability projects. Udipta joined Dow in 2015 in their Singapore location and has held multiple roles across Treasury and Business Finance. He moved to the Netherlands in 2018.



## **Liza Adeyemi: Company Nominated Director**

Liza is the EMEAI Treasury Director for Financial Operations, Planning and Funding for Dow. She is responsible for leading the Terneuzen Treasury team encompassing Financial Operations, Financial Planning and Funding with accountability for EMEAI activities. Liza joined Dow in 1997 in their London Location and has held multiple roles across multiple locations before undertaking her current role in 2022 and currently is located in the Netherlands.

The current Trustee Directors are:

| <b>Company Nominated</b> | <b>Member Nominated</b> |
|--------------------------|-------------------------|
| Andrew Jones (Chair)     | Kevin Blackwell         |
| Julie Roberts            | Mark Bradford           |
| John Case                | Simon Upcott            |
| Udipta Mukherji          |                         |
| Liza Adeyemi             |                         |



# Get in touch

We hope that you find this edition of Spotlight useful. If you have any questions about your benefits, or any of the topics covered in this document, please get in touch.

Lars Strijdonk is the main point of contact for active Plan members who are still building up pension benefits through their employment with the Company. If you would like to get in touch with Lars, please email him at **feuhrtr@Dow.com**

If you have a specific question about your deferred or pensioner benefits, please visit the Plan website at: **www.mydowpension.co.uk**

Alternatively, you can contact the administrators who can help you with a range of things including:

- Requesting a retirement quotation
- Requesting a transfer quotation
- Updating your address
- General queries about the Plan

## Members of the Dow Services Section

✉ **Email:** [dowpensions@capita.co.uk](mailto:dowpensions@capita.co.uk)

☎ **Phone:** 0114 289 3377

✉ **Post:** Dow Services UK Pension Plan, Capita Pension Solutions, PO Box 555, Darlington, DL1 9YT

## Members of the DCL Section

Members of the Segregated DCL Section of the Plan, can contact Aon by:

✉ **Email:** [DCLPensions@aon.com](mailto:DCLPensions@aon.com)

☎ **Phone:** 0345 602 9505

✉ **Post:** Dow Services UK Pension Plan, Aon, PO Box 196, Huddersfield, HD8 1EG





