Pensions Update

Scheme valuation
Every three years, the Scheme undergoes a fundamental review of the relationship between its assets and liabilities and the assumptions that are used to determine the cost of pension benefits.

The exercise, known as a triennial valuation, was undertaken as at 31 December 2013 and was the third to be carried out under the scheme specific funding requirements of the Pensions Act 2004.

The valuation assumptions were recently agreed by the Trustees and MRC, as principal sponsoring employer, and the finalised report is now available on the member website.

The 2013 valuation showed the Scheme has a very healthy funding position with assets exceeding liabilities by over £160 million.

Notwithstanding the healthy funding position, MRC has agreed to increase employer contributions to 14% with effect from April 2015. The other participating employers will continue to pay 14.9%.

There is no change to the amount that members are required to contribute to the Scheme.

A funding statement, summarising the overall financial position of the Scheme as at 31 December 2013, will be sent to all members by 28 January.

Scheme funding
The MRC Pension Scheme had another successful year in 2014, which saw assets under management increase to of £1.1bn. The overall value of the Scheme is a timely reminder of the financial protection afforded to all members and their dependents.

The Trustees will provide a current funding and investment update as part of their annual report, which is sent to all members each September.

The Trustees pay an annual subscription to the Pension Protection Fund (PPF). In doing so, members have the security afforded by the PPF in addition to the financial commitment of MRC as principal sponsoring employer.
The Francis Crick Institute
The Trustees recently accepted a request from MRC to allow The Francis Crick Institute to participate in the Scheme. This will enable staff at NIMR to remain in the MRC Pension Scheme when they transfer employment to the Crick Institute.

Member Nominated Trustees
There will be an opportunity to contest two seats on the Trustee Board as the term of office of Prof Howard Cooke and Mr Geoff Der are due to come to an end in November. Nominations will be invited during May from active and pensioner members wishing to stand against Prof Cooke and Mr Der.

Annual benefit statements
Annual pension statements will be issued in May this year. The statements will be based on membership and data held by Ensign as at 31 March 2015 and will include additional information on the capital value of your MRC pension benefits relative to the current Lifetime Allowance of £1.25m.

Pension savings statements
Pension savings statements will be sent to those affected by the new £40,000 limit on annual pension contributions in June.

Annual report and accounts
The Scheme accounts for 2014 are in the process of being drafted by Ensign for audit by PwC in April. The audited accounts will be presented to the Trustees for approval when they meet on 24 June. A copy of the audited accounts will be available from the member website by 6 July.

Members’ forum
There will be an opportunity to meet the Trustees and hear how well the Scheme is being managed at 2.00 pm on 5 October. The meeting will be held in London at One Kemble Street.

Member website
The Trustees provide a website for all members at www.mrcps.co.uk. The site, hosted by Ensign, contains helpful information and important scheme documents and can be accessed by using scheme identification code 672785.

Non-members
If you are eligible but have chosen not to belong to the MRC Pension Scheme, you are missing out on a valuable part of your remuneration package. For example, MRC currently pays 13% of salary towards pension benefits for its staff and will not pay into an alternative pension arrangement if you are not a member.

JLT Employee Benefits
Ensign (formerly known as MNPA) has been administering our Scheme since 2001 and paying our pensioners since 2006. Ensign was acquired by the JLT Group in 2014 and will be changing its name to JLT Employee Benefits. The email address for pension enquiries is now mrc.pensions@jltpal.co.uk.

Jim Clerkin FPMI
Group Pensions Manager & Secretary to the Trustees