

Plan your Future

Welcome to the latest issue of the Land Rover Pension Scheme newsletter.

This is my first newsletter as Chairman of Jaguar Land Rover Pension Trustee Limited Board. As you may be aware, our previous Chairman, Alan Walker OBE, retired from the Company during the summer and stepped down from the Board at the same time.

I would like to take this opportunity to thank Alan for his years of commitment to the Scheme and leadership of the Trustee Board, and wish him well for his retirement.

We have also said goodbye since the last issue to three other Trustees: Ray Humphreys, Jenny Mitchell and Brian Davy. My thanks to them all for their hard work and service to the Scheme, especially to Jenny who was Chair of the LRPS Board from 2003, until the new single Board became created at which time she was Alan's deputy chair.

In this Winter edition of the Newsletter, we welcome their successors, new Trustee Directors Graham Dixon, Sharon Willis and Sajid Yacoob. We look forward to

working with them in the coming years.

Alongside the usual updates from the Scheme's most recent report and accounts, we have included some brief items on developments in the wider pensions world including the Government's new requirement for companies to enrol employees into their pension schemes automatically. In addition we provide important information on changes to the Scheme's early retirement factors and following queries we have received about retirement ages, we have included an article to clarify the position for pensions since the removal of the default retirement age.

I hope you find the newsletter useful and informative. If you have any questions about any of the contents or your own benefits in particular, please get in touch with the Helpline, using the contact details on the back page.

Rob Lummis. Chairman, Jaguar Land Rover Pension Trustee Limited

Newsletter by e-mail

We believe that distributing as many copies of the newsletter as we can by e-mail will, of course, not just bring down the printing cost involved – but also help in our efforts to be more 'green' in our approach to communicating with members.

If you are not already receiving your newsletter by email, and would be happy to switch from the printed version, please fill in the enclosed form and returning it to Land Rover Pension Scheme, JLT Benefit Solutions, St James House, 7 Charlotte Street, Manchester M1 4DZ or by email to landrover@jltgroup.com.

If you wish to receive the next copy of Plan Your Future Newsletter by e-mail, please get in touch before March 2013.

Introducing... Sharon Willis

Sharon has worked at Jaguar Land Rover since April 2012, as HR Manager for Halewood.

Sharon started her career in utilities as a graduate HR trainee at British Gas plc in Solihull in the early 90s.

In 1996, she joined Owens Corning Fibreglas in Wrexham, where she developed a modern employee relations framework that improved performance against all the manufacturing targets of the US parent company.

She was recruited to United Utilities in 2001 to create the HR function for their largest non-regulated division. By the end of 2005, the division's workforce had grown to 5,000 people, many of whom had transferred from

other businesses bringing a range of different pension arrangements with them. Sharon was involved in setting up new pension schemes to mirror the existing arrangements for those joining the business through takeovers and mergers. At the end of 2005 she managed United Utilities Group's sale of their Business Process Outsourcing division and developed a new operating model for the Group.

At the start of 2008, she entered the world of self-employment and contracted with a number of organisations of all sizes. She led employee relations activities during the merger of Britannia Building Society and the Co-operative Bank.



Her last major assignment before joining us was HR Director with Cheshire Police.

Sharon holds an MBA from Aston University.

Outside work she is a competitive runner, specialising in half-marathons.

Sajid Yacoob

Sajid has worked for JLR for almost 5 years. While Head of Internal Controls, he helped the organisation successfully reach the 'Sarbanes-Oxley' standards of financial reporting, before becoming Director of Risk and Compliance in July 2012.

Sajid has recently returned to the UK from a six month secondment in China, where he was part of the team that negotiated the Chinese Joint Venture between JLR and Chery Automotive.

Previously, Sajid worked for Pricewaterhouse Coopers, E.ON and Arthur Andersen, where he gained considerable experience in due diligence, auditing, business and IT consulting, M&A, transaction support, strategic reviews, risk management and business process re-engineering.

Sajid has a BSc (Hons) in Economics and an MSc in Computer Science, both from the University of Birmingham. He is also a qualified auditor (CIA & CISA), and an expert in various business management approaches (including enterprise governance, risk management and 'six sigma').

Sajid likes to spend his spare time with his family and is married with two children. He loves to travel, and is a technology fan, with gadgets by Xbox 360, PS3, Wii, Windows Mobile, Android and Apple devices. Sajid also likes to play squash, hockey and follows the trials and tribulations of Birmingham City Football Club!



Finally Sajid wanted to mention that he is honoured to serve on the Trustee Board and will do his utmost to look after the interest of all the Scheme's members.

Graham Dixon

Graham recently became Manufacturing Controller, following Alan Walker's decision to retire.

Graham started his career in Finance as a graduate trainee at Ford in the mid eighties. He worked in a number of Ford's Finance departments during his early career, including several roles in the Treasury function. One of these involved analysing Ford's European pension fund investments.

Graham has worked overseas twice during his time at Ford, once at the national sales company in Switzerland during the early nineties, and then in Dubai from 1998, when he became the Finance Director of Ford's expanding sales operations for the Middle East and North Africa.

He was seconded to Land Rover following its acquisition by Ford in 2000, joining the Finance team to help bring the company into Ford's financial reporting systems. Following several roles in Profit Analysis and Product Development Finance at Jaguar Land Rover, he was appointed Director of Financial Controls, Systems and Processes for the Premier Automotive Group operations in 2007.

As part of the team planning the separation of Jaguar Land Rover operations from Ford during the sale to Tata Motors in 2008, Graham decided to transfer to Jaguar Land Rover as Accounting Director following the sale. He held that position until the recent change to his current role.

Graham holds a MBA from Warwick University and a degree in Industrial Technology and Management from Bradford University. Outside work he has a long standing interest in ancient history, casually follows a number of sports, enjoys the occasional game of golf, but mostly spends time with his family.



Auto Enrolment

As you may be aware, a new law requires employers to enter employees into pension schemes for workers who:

- earn over £8,105 a year;
- are aged 22 or over; and
- are under State Pension age.

The Company has asked us to confirm that, as you are already in a workplace pension scheme and the scheme is a qualifying pension scheme, which means it meets or exceeds the government's new standards, this change does not affect you.

For information on pensions and saving for later life visit:

www.direct.gov.uk/workplacepension

Q: Why has government brought in this new law?

The government's aim is for more people to have another income, on top of the State Pension, when they come to retire. The full basic State Pension in 2012-13 is £107.45 a week for a single person.

Employers are enrolling their workers automatically into a scheme to make it easier for people to start saving.

Workers who are not already in a workplace pension but don't meet the criteria can choose to join if they want to.

Report and Accounts for the year ended 5 April 2012

Given below are some headline figures from the Scheme's latest annual Report and Accounts, which cover the financial year to 5 April 2012. If you want to know more, you can obtain a copy of the full report from the administrators, JLT (see the back page for contact details).

Financial details

Net assets, as at 6 April 2011 **£1,901,957,000**

Money into the Scheme

Contributions **£90,453,000**
Net return on investments **£229,521,400**

Total money in **£319,974,400**

Money out of the Scheme

- Investment management expenses **(£3,767,000)**
- Pension Scheme benefits paid to members **(£42,231,000)**
- Payments made for leavers **(£1,591,000)**
- Administrative expenses **(£3168,000)**

Total money out **(£50,757,000)**

Therefore in total we have a net increase of **£269,217,000**

Net Assets as at 5 April 2012 **£2,171,174,400**

Membership Statistics

At 5 April 2012, there were 12,508 people in the Scheme, split between the three main types of member, as shown below:



News in brief

Company restructure

As a result of the forthcoming organisational changes to the Company, the Principal Employer for the Land Rover Scheme will change from Land Rover to Jaguar Land Rover Limited.

Please rest assured that this change will not affect the Scheme or your benefits.

Early Retirement Factors

If you take your pension early, i.e. before your normal retirement age, your pension will be reduced by a certain percentage – called an 'early retirement factor' – to allow for the extra years you are likely to receive it. The Trustee Directors decide on the early retirement factors on advice from the Scheme's Actuary. They review them regularly, taking account of expected investment returns, increasing life expectancy, scheme funding and inflation – so the factors may change from time to time.

Please note that changes to the early retirement factors will not affect you if you retire early with Company consent or due to ill health. Early retirement factors do not affect your benefits if you retire at your normal retirement age.

The 2011 review concluded changes were required and following consultation with the Company, greater reductions in early retirement pension will apply from 6 April 2013. The current reduction for early retirement is 4% for every year you retire before age 65, which equals 20% at age 60 and 40% at age 55. The revised factors will reduce accrued pension by 29% at age 60 and 48% at age 55. Please note that these factors could also change following a future review.

This means that:

- If you retire before 6 April 2013, the current factors will apply.
- If you have already asked for an early retirement quote with a date after 6 April 2013, you may want to request an updated illustration using the new factors.

AVCs

As you may be aware, you can make additional voluntary contributions ('AVCs') to add to your Scheme benefits. If you are considering paying AVCs, it is worth noting that we have negotiated lower charges with one of our AVC providers – Prudential. Please contact the Helpline if you would like to find out more about AVCs.

Default retirement age

In October 2011, the 'Government abolished the default retirement age' – which means that employers can no longer insist that their staff stop work at age 65 unless there was very good reason.

However, whether or not you choose to work on past age 65, there is no change to your 'normal retirement age' for receiving your Land Rover pension – which is still 65.

If you choose to work on past age 65, then your pension will continue to build within the Scheme, until your eventual retirement.

Summary Funding Statement

Most issues of this newsletter include a Summary Funding Statement which updates you on the latest financial position of the Scheme. However, in years when a full valuation is in progress, we are not required to issue a statement. This is the case for 2012. Valuations are the regular 'healthchecks' on the Scheme's funding and normally take place every three years. The actuary – the financial expert who carries out the valuation – uses certain assumptions to estimate how the Scheme's finances may change in future years – examples include how salaries or inflation will rise, or how member life expectancies might change. The Trustee Board has responsibility for deciding on these assumptions with advice from the actuary, then agreeing them with the Company. Valuations are very complex. They involve a large number of different estimates and calculations, and must comply with a wide range of rules and regulations. With this in mind, trustees are given 15 months to carry one out. We will let you know the results of the current valuation once they are available,

Useful sources of Information

The following websites and services may help you with your retirement planning:

Gov.uk

The Government's website for information about all State benefits. The 'Working, jobs and pensions' section covers State Pension Age, asking for a State Pension Forecast, and applying for Pension Credit. The website is also home to the Pension Tracing service, which can help you to find any 'old' schemes you are no longer in contact with, but may be due to pay your benefits.

www.gov.uk

(Please note that this site, launched in October 2012, has replaced the Government's previous benefits website, Directgov.)

As well as the website, there are helplines available:
Future Pension Centre for a State Pension Forecast:
0845 3000 168

Pension Credit Line: 0800 99 1234

The Pensions Advisory Service (TPAS)

TPAS is available at any time to help pension scheme members with any queries they have about their benefits, and its website contains useful information about different types of pension arrangement. If you have a problem or complaint to do with your benefits that you cannot resolve with the scheme itself, you can approach TPAS for guidance.

0845 601 2923

www.pensionsadvisoryservice.org.uk

The Money Advice Service

A consumer service (Government-funded, but independent) with a website containing information and guidance about all aspects of financial planning, including pensions. (Please note that the 'advice' is strictly general – see below if you need independent advice about your own finances.)

0300 500 5000

www.moneyadviceservice.org.uk

Independent financial advice

No-one involved in running the Scheme can give you personal advice about your finances. If you want help with any financial decisions you need to make, please consider speaking to an independent financial adviser. The websites www.unbiased.co.uk and www.mylocaladviser.co.uk can help you search for an adviser in your area. You could also visit the website of the Personal Finance Society (www.thepfs.org)

Getting in touch

We hope the information in this issue of the newsletter has been useful to you, but if you have any further questions on any matter relating to your Land Rover pension, please get in touch:

Telephone: 0845 300 2967 or +44 207 806 8908
from outside the UK.

E-mail: landrover@jltgroup.com

Address: Land Rover Pension Scheme, JLT
Benefit Solutions, St James House,
7 Charlotte Street, Manchester
M1 4DZ.

Please also note that the Company Pensions Department has moved. Here is the new address:

Jaguar Land Rover Pensions Department

Block 17
53S/7/4
Land Rover
Lode Lane
Solihull
West Midlands
B92 8NW