

# THE BEACON

MEMBER NEWSLETTER SPRING 2020



## RESILIENCE AMID ADVERSITY

WELCOME FROM THE CHAIR

**In these uncertain times, the MNOPF is working hard to manage the financial impact of Coronavirus, whilst continuing to make sure your benefits are secure. Naturally, you may have concerns about the Fund's continued ability to make pension payments to members, and the impact of recent market instability on the security of members' benefits. In this newsletter we seek to reassure you that, despite the upheaval in our lives, the MNOPF remains on track to deliver its pension promises.**

### Business as usual

The MNOPF is coping well through these challenging times, with members receiving their MNOPF pensions as normal. Please be reassured that your benefits are secure. This is in large part due to the extensive work carried out over the past decade to reduce risk within the Fund, including the purchase of insurance policies by the Trustee - you can read more about this important work under 'Member benefits secured'.

### Come onboard

Over 1,300 MNOPF members have registered for free wellbeing webinars hosted by The Wellbeing People. They cover a wide range of topics; all designed to help you not just survive, but thrive, during the lockdown and beyond. It's not too late to join our weekly 'virtual' meetings and benefit from the webinars - find out more on page 3.

### Lean, effective governance

There have been two recent retirements from the MNOPF Board; Ronnie

Cunningham (a member representative) and Paul Winter (an employer representative).

Additionally, as part of the Fund's ongoing strategic objective to streamline governance, the Trustee has reduced the number of Trustee Directors on the Board from eight to six.

The Board thanks Ronnie and Paul for their respective considerable contributions to the MNOPF and wishes them well for the future.

### .....and finally, a gentle reminder

In the October 2019 issue of The Beacon we asked all members to provide their email address and 'next of kin' data to make sure our records are up to date whilst also helping to reduce waste and save trees. Thank you to all 13,000 members who provided this information and who are now receiving their copy of The Beacon via email for the first time. The Autumn issue of The Beacon, which will include the annual funding update and financial highlights from the Annual

Report and Financial Statement, will be issued in electronic format only. For those members who are receiving a printed copy of The Beacon, the Trustee Board politely requests 10 minutes of your time to complete the enclosed form and return it in the envelope provided so that we can update our records and send you future Fund updates. All issues of The Beacon will continue to be available on the MNOPF website.

As ever, if you have ideas for future editions of The Beacon, or would like to comment on this edition, please do contact myself, or the MNOPF team - the details are on the back page.

It remains for me to wish you, and your family, good health at this difficult time and to reassure you, once again, that your MNOPF pension is in safe hands.

With warmest wishes,

**Rory Murphy**  
Chair of MNOPF Trustees Limited



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# MEMBER BENEFITS SECURED

In recent years the MNOFF has sought opportunities to reduce the risk in the Fund and provide greater certainty to members that their benefits will be paid. On 10 February 2020, the MNOFF took another significant step towards achieving this objective by securing around £1.6 billion of members' pension benefits (around half the total Fund) through a buy-in transaction with Pension Insurance Corporation plc. You can read more about this important risk reduction exercise on the MNOFF website, under 'News'.

*"The success of this strategy to secure member benefits has helped deliver remarkable resilience to market uncertainty, providing reassurance to members that their benefits will continue to be paid in full. The most recent buy-in has also had a positive impact on the funding position of the Fund – increasing the level by around 3%."*

*Rory Murphy*



# IMPACT OF CORONAVIRUS

## On service levels

The usual high standards of service that members are used to receiving from the administration team have continued during the Coronavirus lockdown, despite some increased levels of absence and most of the staff working from home. However, some changes to working practices have been inevitable:

- **Payments to pensioners including retirements, transfers, and death benefits have been prioritised. This means that other, less urgent, services may take slightly longer to process.**
- **Letters are taking longer to be received and longer to process. So please do contact myMNOFFpension by email, if you are able to do so, for a faster response.**

Please check the MNOFF website news from time-to-time for all the latest updates.

## On investments and the funding level

The rapid spread of Coronavirus has resulted in significant economic turmoil and global financial markets continue to be volatile. Despite these extreme conditions, the funding level has held up well thanks to the MNOFF's sophisticated investment strategy.

The Fund invests in a wide range of asset types - using insurance policies and other strategies to minimise investment risk, so-much-so that less than 5% of the Fund is currently invested in equities. This diversification has contained the impact of recent stock market shocks on the MNOFF's funding level, which has been only marginally impacted over the first quarter of 2020. This impact is undoubtedly less than many other large pension funds more heavily invested in equities.

Combining the positive outcome of the £1.6 billion buy-in with the negative impact of Coronavirus, the latest estimate of the funding level, as at 31 March 2020, is 98.2%. This is an overall increase of more than 3% this quarter and means the MNOFF remains on track to meet its long-term goals.



**THE FUNDING LEVEL HAS  
INCREASED BY OVER 3%  
SINCE 1 JANUARY 2020**

# MISSION STATEMENT REVIEW

In 2017 we wrote to all members about the MNOPF's formal mission statement, together with a set of strategic objectives for how the mission statement would be achieved. Together, the mission statement and strategic objectives inform the MNOPF's Journey Plan. Members have been regularly kept informed of the significant progress made against these strategic objectives and the Journey Plan via The Beacon (and previously, the Summary Annual Report). In light of this progress, the Trustee has set new strategic objectives for the Fund.

The mission statement remains unchanged:

**“The MNOPF Trustee’s goal is to secure the Fund’s benefits and to ensure the long-term sustainability of the Ensign Retirement Plan (“Ensign”).”**

The main changes have been to the funding level the MNOPF is targeting and the timeframe within which to achieve it.

The Trustee has now set a revised target which aims to achieve sufficient funding to:

- secure at least 103% of member benefits;
- meet the Fund's ongoing expenses;
- allow a small 'buffer' to help manage any unforeseen events or changes; and
- if possible, provide an uplift to member benefits.

**The actual increase to member benefits, and when it will be paid, will depend on the Fund's experience between now and the end of the Journey Plan.**

The Trustee has also brought forward the date by which all remaining liabilities will be insured: to 30 June 2024 – 30 June 2025. This potentially brings the target date forward by one year, reflecting the good progress made on the strategic objectives and the Journey Plan to date.

**The remaining Fund objectives are unchanged**

The MNOPF will continue to collect all contributions due from employers and will seek opportunities to purchase insurance policies to help further reduce risks within the Fund and improve the overall security of your pension benefits.

The Trustee is also fully committed to the future development and success of the defined contribution pension arrangement, Ensign, for the benefit of MNOPF members who are now in Ensign, as well as for current and future generations of seafarers.

# MNOPF WELLBEING WEBINARS

**The MNOPF has teamed up with The Wellbeing People to present a series of free weekly webinars covering a wide range of topics.**

These webinars are designed to support your mental, physical and emotional wellbeing, particularly during these times of social distancing and, for some, self-isolation.



The thirteen-week programme runs every Thursday from 7 May to 30 July. All members for whom we hold an email address, were sent an invitation to register, and at the time of writing over 1,300 members have registered to take part each week. An introductory video and joining instructions can be found on the MNOPF website at [www.mnopf.co.uk](http://www.mnopf.co.uk) under 'Events'. If you would like to sign up for the remaining webinars, it's not too late to take part! Please feel free to invite non-members, friends and family, who you think would benefit.

Videos of all webinars already aired are available to view at

[www.wellbeingpeople.com/mnopf](http://www.wellbeingpeople.com/mnopf)

The password to view the videos is 'mymnopf'.



## Member Forums

The member forum scheduled to take place in the Spring has, inevitably, been postponed.

We expect to resume the programme of MNOPF forums when it is safe for us to do so, and safe for you to attend.

# THINK BEFORE YOU TRANSFER

**With Coronavirus creating volatility in investment markets and uncertainty for businesses and personal finances, you could be tempted into making a rushed decision about transferring your pension.**

A decision to transfer a valuable defined benefit pension, such as your MNOPF pension, into a defined contribution scheme is a very serious one and may not be in your best interests. Because of this, members are urged to be very careful before making any transfer decisions at this time.

You can get free, impartial guidance from Pension Wise at [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk) including telephone appointments and online information.

If you are considering transferring your benefits, the Trustee would strongly encourage you to take regulated financial advice to fully understand your retirement options before making any decisions.

Authorised Financial Advisers can be found at [www.unbiased.co.uk](http://www.unbiased.co.uk)

## STAY ONE STEP AHEAD OF THE SCAMMERS

We are aware of reports of new pension scams, since the outbreak of Coronavirus, taking advantage of pension scheme members in a time of potential stress.

These scams are attempting to take all your pensions savings away from you. The Pensions Regulator (TPR) says the most recent figures show that victims of pension frauds lost on average £82,000, for some, their entire life savings.

**Please treat unexpected approaches about your pension savings and investments with extreme caution.**

These could be from a variety of sources (telephone calls, email or text) and could even pretend to be from legitimate sources (such as HMRC).

It is illegal for providers to cold-call individuals about pension products, so if you have received a call about your pension you were not expecting, it is probably a scam.

**If you suspect anything, the safest thing to do is hang up or delete the message.**

If you are concerned about scams, and need more information, please visit TPR's website:

[www.thepensionsregulator.gov.uk/en/pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams)

Or visit the ScamSmart website which has specific guidance relating to Coronavirus: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



## Pension increases

As previously communicated, the MNOPF may pay discretionary and non-discretionary (those that are required by law) increases to pension payments.

For 2020/21, the Trustee has agreed that no discretionary pension increases will be paid. The non-discretionary pension increases that apply for 2020/21 can be found on the MNOPF website at

[www.mnopf.co.uk](http://www.mnopf.co.uk)

## Name changes

### JLT to Mercer

In April 2019, JLT Employee Benefits, the Fund's administrator, became part of the Marsh & McLennan group of companies and now trades under the name of Mercer (who are also part of the same group). You will continue to receive communications from myMNOPFpension and the MNOPF, however, you may notice the change in name in the small print of communications and in emails.

### Ensign Pensions to Rock Pensions

Since 1 April 2020, the executive services previously provided to the MNOPF by Ensign Pensions are now provided by Rock Pensions. The team supporting the MNOPF remains the same.

Same people, same service delivery, different name!

## Contact us

Due to the changed working practices caused by the Coronavirus restrictions, for the time being, the best way for myMNOPFpension to respond to your enquiry quickly is to contact us by email:

**Email:**  
[enquiries@mynopfpension.co.uk](mailto:enquiries@mynopfpension.co.uk)

Or you can call myMNOPFpension on 01372 200200.

If you have an urgent question, have not received a payment that you were due or would regard yourself as a vulnerable customer, please do contact myMNOPFpension who will try to resolve any issues as quickly as possible.

Thank you for your patience during this period of change.

## PRIVACY NOTICE UPDATED

The MNOPF Privacy Notice has been updated and can be viewed on the MNOPF website. The changes mainly reflect the transition of the executive services from Ensign Pensions to Rock Pensions and the change in administrators from JLT to Mercer. The types of data the Trustee processes, and the reasons for the processing, have not changed.