President Michael J Smedley

Member of the Occupational Pensioners’ Alliance

YOUR NEWSLETTER FROM IMPAC

No. 52 MARCH 2013

IMPERIAL TOBACCO PENSION FUND INCREASE IN APRIL 2013

You will probably already be aware that the increase in the Retail Price Index (RPI) for the year to December 2012 was 3.1%. Under the IT Pension Fund Rules this determines the April 2013 increase in our pensions. Out of interest the comparable increase in the Consumer Price Index (CPI) for the year to December 2012 was 2.7%. However if you are over state pension age this 3.1% increase will only apply to the excess of your ITPF pension over the Guaranteed Minimum Pension (GMP) element.

The GMP element will increase by the same amount as your state pension. This is determined by the CPI increase for the year to September 2012. This was 2.2% and will apply to your state pension as from April 2013.

A recent study by the price comparison website uSwitch.com found that the real cost of living has risen by 25% since 2008. Car Insurance at 67% and Gas at 52% are the highest rises with other energy rises close behind. In general Contents Insurance and Broadband are the only two costs that have fallen. This 25% increase is 4 times higher than pay rises over the same period consequently maintaining standards of living is becoming more difficult for most of us; especially those in retirement. The Institute of Fiscal Studies’ Director has forecast that by 2015 the average person will be no better off than they were in 2000.

With a General Election due in 2015 perhaps it is worth reflecting upon those responsible for a predicted unprecedented 15 years without any real increase in living standards.

TRIENNIAL VALUATION 2013

The Triennial Valuation of our Pension Fund starts on March 31st 2013. This valuation will be carried out by the Fund Actuary, Tim Panter of Actuaries Towers Watson. March 31st is the date upon which a ‘financial snapshot’ will determine the value of our Fund and it’s projected liabilities against three objectives that are required by legislation and our Fund’s Trust Deed and Rules. Assumptions agreed by the Board of Trustees and the Actuary will be used to calculate the levels of funding and determine whether it is necessary for our Fund’s sponsoring company, Imperial Tobacco Limited, to make contributions. The valuation in 2010 showed that, based upon the agreed assumptions, without continued support there was a shortfall in our Fund’s ability to meet it’s predicted liabilities. This shortfall was met by our sponsoring company ITL (read ITG) in the form of letters of credit and cash injections to the tune of £31m per annum clearly demonstrating it’s commitment to our Fund. With men now closing the life expectancy gap with women longevity will no doubt be one actuarial assumption to be considered.

IMPAC will receive a copy of the Valuation Report that after signing by the Actuary, the Board of Trustees and the Sponsoring Company who will arrange for a presentation to a specially arranged PFCC meeting following scrutiny and submission of questions by IMPAC.

EDWARD H HILL

IMPAC is sad to report the recent death of Midland Region Member Ted Hill. Ted was a founder member of IMPAC and served on the National Council when it was formed in 1992. Ted was the Finance Director at John Player & Sons before moving to Bristol under the ITG centralisation policy and was ITG’s Chief Accountant and served on the ITL Pension Fund Investment Board. He was the first pensioner to be elected to our Fund’s Committee of Management along with Derrick Wragg elected by the employees. Both the ITL Pension Fund Investment Board and the Committee of Management were dissolved some years ago and pensioners and employees now elect nominees to the Board of Trustees. In retirement Ted was elected to serve on the Board of Trustees. Ted was a highly valued member of IMPAC over many years for his knowledge and wisdom. The Midland Region, chaired by Derrick Wragg, honoured Ted with one minutes silence at their AGM in January.
CHAIRMAN’S CORNER.
In an effort to keep up with the grandchildren your Chairman has moved to a fancy new computer and this ‘Corner’ is the first to be dictated directly to it! I can only hope that any resulting change in style is an improvement.

It is mid March and we apparently have just had the coldest March day since 1986. In contrast the stock market is making new highs with a mix of good news on economics from USA and horror stories on politics from Europe. Our own Pension Fund had a total return of some 10% for Calendar 2012, a very respectable result and this will have since progressed further.

We continue to live in a very volatile world with many pundits forecasting a ‘healthy’ setback in markets in the short term and higher inflation in the very long-term. Our trustees are very aware of the pitfalls.

In recent months there has been a national debate on the continuing appropriateness of the Retail Price Index. In spite of various defects it was decided to leave it broadly unchanged and it remains the basis of vast index linked financial contracts. It is, of course, the basis on which our own annual pension increases are given and for us the decision is reassuring.

The Triennial Valuation of our Fund is carried out as at end March this year. This is a complex exercise and as last time is likely to result in a need for financial support from the Company. Complicated negotiations on letters of credit with a consortium of banks can be lengthy and we have been warned that the full results may not appear until early 2014. IMPAC will then carry out the usual independent due diligence with our advisors. The busy time for us will thus be next year rather than this one.

Two items have dominated our recent activities. Firstly as your National Council we are very aware that as we all grow older and the UK workforce has almost vanished IMPAC inevitably shrinks year by year. The effect varies by Region and we are looking at how to adapt to the realities of this situation. Secondly the anno domini effect inhibits succession to key posts. However the news on the second item is very encouraging. We have had nominees for the election to both the roles of National Secretary and of National Treasurer at the AGM in May. If elected they will bring the average age of elected National Officers down by nearly 2 decades! This is very good news for the continuity of IMPAC.

I have mentioned some non-pension financial matters in earlier Corners such as ‘powers of attorney’. There is now a means of applying for these on the computer which any silver surfers can find via Google and the Government website.

Another interesting and controversial subject is ‘equity release’ on houses as a means of raising money. I recommend anyone contemplating this to look at the March edition of Money Which in your local library. Personally I would avoid it if you possibly can as rates of interest charged are very high, much higher than normal mortgage rates.

As ever I wish to thank the innumerable people within IMPAC who keep the show on the road. This covers everything from membership records, this Newsletter, our bank deposit accounts and so much else. Let me end by hoping we all enjoy a long overdue warm and sunny spring.

Norman Ferguson

USELESS INFORMATION
A prime number is only divisible by 1 and itself and there is a relentless search for prime numbers. The latest has 17 million digits. It would take you 403 days to write it down working 12 hours a day at one digit per second. Anyone going to try?

The number was found with Great Internet Search Mersenne Prime Search network using the spare power of 360,000 computers around the world. Hopefully this search came out at no cost to ordinary mortals.

BRAIN TEASER No. 20
Rearrange the letters of ‘ROW OF INSECTS’ to give three weather conditions. What are they?
BEKO & BOSCH
Those with Beko fridge freezers or Bosch dishwashers are being warned by the manufacturers of faults that may result in a fire. The affected Beko frost free fridge freezer models were manufactured between January 2000 - October 2006. Beko is making a free of charge modification to all affected models that takes approximately 30mins. To check whether you have a faulty model either go online or ring 0800 917 2018 in the UK or 1-800-25 29 25 in Eire.
Certain Bosch dishwashers manufactured between May 1999 - July 2005 are also suspect. If you have any doubt either go on line or telephone 1-800-856-9226
Bear in mind that purchase dates will be beyond these dates and before making any telephone call have the model and serial numbers on hand.

MEMBERSHIP
IMPAC’S membership sadly suffers with an annual decline due to anno domini. This natural decline is not balanced by the recruitment of younger retirees. Given the relatively small ITL workforce there is a comparatively small number of retirees each year. However there are many ITL employees and retired employees who are not members of IMPAC. The IMPAC website attracts some new members but generally non members are recruited by having contact with existing members. If you know of any ITL employee, deferred pensioner or pensioner who is not a member of IMPAC perhaps you can ask them why?
I’m sure that Regional Chairmen would be interested to know their reasons. They in turn will pass the information to your National Council to help them devise ways and means to counter the reasons offered and better structure recruitment initiatives.

ELECTRONIC MAIL
With never-ending increases to postage charges using the internet to send mail makes sense. If you want to sign up you need only to access the IMPAC website impac.org.uk and contact BPI Associates at impac@bpiassociates.co.uk. To protect your privacy email addresses are not disclosed in email communications.

RENEWALS
For some membership renewal is automatic via a standing order at the bank. Others prefer to be reminded by our Membership Bureau BPI. Some Regions devote time and energy to pursuing their non-renewals by a dedicated Membership Recruitment Officer. Other Regions rely upon the dedication of David Radford, based in Nottingham, to enquire of lapsed members their reason for not renewing membership. He does have some success in securing renewals. It does appear that some are reluctant to write out a cheque made payable to IMPAC then sending it off to our Membership Bureau, BPI Associates106a High Street, Codicote, Hertfordshire SG4 8XE. Every member can be assured that this is a perfectly secure way of renewing membership. The National Treasurer checks all transactions on a monthly basis.

CARE HOME CAP
With up to 40,000 people a year selling their homes to pay for care home fees the Government have been pressured to act. Ignoring the suggestion by the independent Dilnot Commission two years ago that the cap for care home fees should be set at £35,000 the Chancellor in his wisdom has put this at a lifetime cap of £75,000 from 2017/18 for those with more than £123,000 of savings and assets. This is well above the current £23,250. You may think this cap is a modest sum but beware. This only applies to the basic sum that a local authority would pay to the care home of your choice if your savings and assets were below £123,000. All the hidden extras, even some meal charges, would fall to the resident. So this £75,000 only goes so far, leaving the resident to fund the balance. Individual estimates have put realistic total costs at £200,000. Since the Government have frozen the inheritance tax threshold at £325,000 until April 2019 presumably this £75,000 ‘support’ will actually be paid for those taking advantage of this scheme by paying the Treasury inheritance tax at 40% on death. This scheme is very complicated and those caught up in it need to examine every implication.
INSIDE ITG

The very real threat of plain packet legislation being announced in the Queen’s speech in May continues to affect the UK tobacco industry and share prices have been affected. ITG is no exception and this has been evident over the last few weeks.

On 30th January ITG announced the appointment of Mark Williamson as Deputy Chairman of the Board. Mark joined the Board in July 2007 and was appointed Senior Independent Non-Executive Director in 2012, a role which he will continue to perform. He was formerly Chief Financial Officer of International Power PLC and is a Non-Executive Director of National Grid PLC and Alent PLC.

The ITG Board will see further changes with the announcement that the Finance Director, Bob Dyrbus, has decided to retire. He serves on our Fund’s Trustee Board and is a valued member.

Much more information about ITG and it’s performance is available on their web site that can be accessed directly from the IMPAC web site www.impac.org.uk/links.

BRAIN TEASER NO. 20 ANSWER:

Frost, ice and snow.

KEEP ‘TABS’ AND A LIST.

Most of us at some time will be involved with relatives staying in Hospital and/or Nursing/Care Homes. Despite every effort the personal effects of the patient/resident often go missing.

This can easily happen when changing Hospital wards and during laundry activities in Nursing/Care Homes. Labelling and keeping lists do help, as does regular inventory checking. Hospitals provide claim forms but at the end of the day if an item goes missing recovery is usually a forlorn hope. Removing all items of monetary and sentimental value is always a very sensible precaution.
Medical views on aspects of life change every day. Most I suspect have given up and just get on with living. However to hear that Snorers are at more risk from a heart attack than Smokers may be good news for some but not probably for ‘snoring smokers’.

Tax on interest.
If you have savings generating interest that your Bank or Building Society are automatically deducting income tax from on your behalf then they are using a blanket figure of 20% and giving it to the Treasury. Your income level may place you in a 10% tax rate or even a zero one. As a result it is estimated that the Treasury owe about £200m to savers with some individuals entitled to £1,247 tax refund.

Some Building Societies are now putting information about this on their websites and printing leaflets.

Water charges 2013
Despite a very wet 2012 water charges are set to rise up to 9.3% from April 1st. Ofwat announced an average rise of 3.5%. It’s all about who your provider is. Water supplier South East are to charge meter owners 9.3% more whilst those supplied by South West enjoy a drop of 7.5%. The Southern supplier imposes a 5.6% increase on non-metered customers whilst again the South West non-metered enjoy a 3% reduction. Profits from supplying water flow abroad to Abu Dhabi, Australia, China and Japan. Thames Water made £650m profit last year for it’s overseas owners.

The wine we buy
David Cameron’s cry for pricing alcoholic drinks according to strength has no support from his fellow MPs. The Government’s wine cellar saw 4,651 bottles of wine consumed last year, some at £1,000 each. The consumption included 23 bottles of a vintage 1982 Chateau Margaux Bordeaux costing £1,100 each. The total replacement bill, funded by taxpayers, was £48,955.

Pension progress.
In 2005 43% of occupational pension schemes allowed new recruits to join final salary schemes. In eight years that has dropped to 13%. Meanwhile public sector pensions burden each household in Britain with a bill of £1,600 each year. Future pension costs currently stand at £41billion with public sector workers only contributing around £17billion of this total shortfall.

Money no object.
The Taxpayers’ Alliance report that almost 30,000 council ‘penpushers’ are now paid over £50,000 a year. Despite cuts 118 Councils have recently increased salaries to achieve this total. At least 183 local government officers are paid over £155,000 a year. Meanwhile the long suffering council tax payers face more and more hidden charges, including on-the-spot fines and parking charges to meet these ever growing town hall overheads.

Free travel?
Getting to work and back can be an expensive business. It certainly is for MPs. Collectively they claimed over £4m last year for travel despite Parliament only sitting 150 days a year. That’s £26,666 a day. The Independent Parliamentary Standards Authority published that around £2.3m was spent on public transport, £1.1m on car journeys, £120,000 on parking and £43,250 on tolls including the London congestion charge.

Taxing the heating allowance?
The Government are determined to cut back on ‘extras’ for pensioners. They are now suggesting that the heating allowance should be taxed, thus aiming at the over 60’s that qualify for income tax. However this allowance is already subject to 5% fuel tax that the Treasury takes back. This leaves £95 net allowance for each of two qualifying pensioners but £190 net allowance for only one person qualifying for the allowance. Surely if this goes ahead, any income tax payable, should only be on the net allowance. We shall wait and see.

Back to school
The Higher Education Minister, David Willetts, has suggested that job seeking over 60s enrol for university courses to achieve qualifications to make them more employable. This may help falling student levels and cash strapped universities but with course loans or savings necessary to fund the course fees the notion of pursuing a degree at university to secure a job at any age is never guaranteed.
QUIZ ANSWERS


ANOTHER RPI INTRODUCED

The Office of National Statistics (ONS) have published another Retail Price Index for February 2013. Since 1947 the ONS use the ‘Carli’ method to measure the monthly RPI whilst other countries, like Canada, Sweden and USA, use the ‘Jevons’ method. In February the RPI was 3.2% but the new RPIJ was only 2.6% which the ONS claim is more accurate. RPI is used to calculate many annual increases eg. water charges, rail fares and of course our Imperial Tobacco Pension Fund payments. The future use of RPIJ to determine annual increases will no doubt spark much debate.

EDITORIAL COMMENT

The Editor may produce each Newsletter but he needs someone to proofread checking grammar, spelling and factual accuracy of text. That someone is Barry Lewis of the London & South East Region. The Editor wishes to publicly thank Barry for all his help in the past, at present and hopefully into the future.

Your views on pension matters and any new ideas for IMPACt, are always welcome. Contact the Editor, Tony Lowe at The Cedars, 7 Leahurst Road, West Bridgford, Nottingham NG2 6JD. You can fax on 01159147337 or email tony@impac.org.uk.

NATIONAL INFORMATION

President – Michael J. Smedley email michaelj@impac.org.uk.
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Secretary – Michael Staal tele. 0208 9522838. email lmstaal@impac.org.uk.
Treasurer – Victor H Smithson tele. 0115 9250358 email victor@impac.org.uk

Pensioner Elected Trustees:
Robin Aspinall tele. 0208 9691639 email robin@impac.org.uk
Allan Russell tele. 01764 664805 email allan@impac.org.uk.

Pension Fund Office:
tele. 0117 9530000 fax. 0117 9632860

Inland Revenue Office (ref. 794/BIT3)
tele. 0845 302 1483

Membership Agency:
IMPAC c/o 106a High Street, Codicote, Hertfordshire SG4 8XE.
Tel: 0845 5050118 Email:impac@bpiassociates.co.uk
2013 PFCC MEETINGS
The second PFCC meeting of 2013 will take place on the 4th September 2013.
Members having any questions for the PFCC should contact their Regional Chairman or Lady Chairman.

IMPAC WEBSITE www.impac.org.uk
The IMPAC website is under constant revision to keep it attractive to users and visitors. It has been enhanced recently with the addition of illustrations. Members are able to notify us of any changes in their details or add further information. This will ensure an efficient service from our Membership Bureau BPI.
The website also enables direct access to the Pension Fund Office and the ITG Notice Board via the ‘Links’ page. Occasional visits are always worthwhile.
Your comments, favourable or otherwise, are always appreciated.

REGIONAL INFORMATION
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Eastern Region – Chairman
Richard L Hedley tel. 01652 655548
e-mail richard@impac.org.uk.
If you have any questions about our Pension Fund or IMPAC contact Richard or Secretary David Dukes tel. 01652 6232137 or e-mail david@impac.org.uk.
Ipswich based members can contact Committee member Terry Hiskey tel. 01473 424280

London & South East Region –
Acting Chairman – John D Smith
tel. 01444 483107
e-mail john@impac.org.uk
If you have any questions about our Pension Fund or IMPAC contact John or Secretary Brian Fox tel. 01580 830849 email brian.r.fox@btinternet.com.

Midland Region – Chairman
Derrick Wragg. tel. 01773 789435
e-mail derrick@impac.org.uk
The next Open Meeting will be held on Thursday 12th September 2013 at 10:30 at the Wollaton Park Community Association.
If you have any questions about our Pension Fund or IMPAC contact Derrick or e-mail Secretary John Kenton at john-sue.kenton1@ntlworld.com

North East Region – Chairman
Stephen J Grant. tel. 01912 893944
e-mail stephen@impac.org.uk.
If you have any questions about our Pension Fund or IMPAC contact Stephen.

North West Region – Chairman
Anthony Macadam. tel. 0151 7 22 4807
e-mail anthonymac@impac.org.uk.
If you have any questions about our Pension Fund or IMPAC contact Anthony or Secretary Barry C Stevens tel. 0151 7243336 email barry@impac.org.uk.

Scotland Region – Chairman
Simon Andrews. tel. 01334 828779
e-mail simon@impac.org.uk.
There will be a meeting on Wednesday 17th April 2013 at Stirling Rugby FC, Bridgehaugh, Stirling. 2.00pm for 2.30pm start. The Scotland Region AGM will be held on Wednesday 8th May 2013 at Garfield House Hotel, Stepps, Glasgow. 6.00pm for 6.30pm start. The Committee is looking for strong support at both meetings to receive latest information on the state of our Pension Fund and IMPAC news.
If you have any questions about our Pension Fund or IMPAC contact Simon, or Secretary Colin Martin tel. 0141 7793796 or email colin@impac.org.uk.

Western Region – Lady Chairman
Helga Hincks. tel. 01458-210024
e-mail helga@impac.org.uk.
The 2013 National AGM of IMPAC will be held at the Gateway Hotel in Nottingham on the afternoon of Thursday, 2nd May. Any Western Region members who would like to attend, please contact Alan BOWERING on 01179-502434.
A free minibus or coach may be arranged if there is sufficient interest.
If you have any questions about our Pension Fund or IMPAC contact Helga or Secretary Alan Bowering tel. 01179 502434 email abimpacwr@sky.com.

Overseas – Tony Lowe is the UK co-ordinator for all our Overseas Members Tony’s email address is tony@impac.org.uk.
IMPAC thanks all our Overseas Members for their continued support
QUIZ CUBICLE
Answers will be published in the next IMPACt. If you can't wait - visit the IMPAC web site www.impac.org.uk or contact the Editor.

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<td>1.</td>
<td>Name the 49th and 50th states joining the US in 1959?</td>
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<td>2.</td>
<td>A sackbut was the former name of which musical instrument?</td>
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<td>3.</td>
<td>In which country was the first National Park set up in 1872?</td>
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<td>4.</td>
<td>Which UK Megalithic wonder was built in 3 stages over 1000 years?</td>
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<td>5.</td>
<td>What new kind of female underwear did an American women invented in 1850?</td>
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<tr>
<td>6.</td>
<td>What creatures can unhinge their jaws?</td>
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<tr>
<td>7.</td>
<td>Which musical instrument is named after it’s shape?</td>
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<tr>
<td>8.</td>
<td>What is a young owl called?</td>
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<td>9.</td>
<td>Mustard belongs to which vegetable family?</td>
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<td>10.</td>
<td>How do ants communicate?</td>
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<td>11.</td>
<td>Who was the first President of the USA to resign?</td>
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<td>12.</td>
<td>What supports the North Pole ice cap?</td>
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<td>13.</td>
<td>What is the singular of Dice?</td>
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<td>14.</td>
<td>In golf what nervous affliction affects putting?</td>
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<td>15.</td>
<td>Which bell first tolled in 1859?</td>
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<td>16.</td>
<td>What is the more common name for magnesium silicate?</td>
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<td>17.</td>
<td>What was the London address of John Christie?</td>
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<td>18.</td>
<td>What country is featured on the name of a particular jelly fish?</td>
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<td>19.</td>
<td>What is the name of a baby kangaroo?</td>
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<td>20.</td>
<td>Where are the strongest muscles in the body found?</td>
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<td>21.</td>
<td>What is the only species of bird that can fly backwards?</td>
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<td>22.</td>
<td>Which food forms the basic diet of most people?</td>
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<td>23.</td>
<td>Which alphabet letter is the code name for James Bond’s boss?</td>
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<tr>
<td>24.</td>
<td>Who succeeded Richard 111 at Bosworth?</td>
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<tr>
<td>25.</td>
<td>What is the speed of sound at sea level?</td>
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