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# Welcome

## From the Chief Executive

Stephen Nichols



Welcome to the latest issue of Intouch. Unfortunately, there is little good news to report regarding the economic outlook. The 'credit crunch' has developed from concerns about the US sub-prime mortgage sector to a global credit issue and more recently, fears of economic recession. The recent downturn in the financial markets is a concern; however, our investment consultants remain confident about their long-term outlook for equity returns.

Market turmoil highlights the economic risks inherent in all funded pension schemes. Therefore, over the past months the Board has been considering ways in which to mitigate these risks. There has been much publicity over recent months about transferring pension scheme risk to insurance companies via the purchase of an insurance policy. In return for the premium paid the insurer promises that the benefits that will be provided under the policy will replicate those under the rules of the scheme. Having carefully considered the pros and cons of transferring risk in this way, the Trustee has decided to secure all pensions currently in payment from the Growth Plan via an insurance policy with Paternoster UK Ltd. This decision will not in anyway change the current arrangements in place for the payment of Growth Plan pensions. All Growth Plan members should have received a letter explaining the

implications of and reasons for this decision.

Our Edinburgh office closed on 31 March 2008. Whilst our Edinburgh presence continues, with a small office servicing our employers based in Scotland, this closure marked the end of 16 years of the provision of administration services in the city.

Whilst every effort has been made to minimise disruption caused by the transfer of work from Edinburgh to Leeds, inevitably there has been some short-term impact on service delivery at a time when we are also transferring to our new administration system. We are working hard to address these minor problems and normal service will be resumed shortly. We appreciate your patience at this time.

On a more positive note, the majority of members' records have now been transferred to our new administration system and we are on target to complete this transfer by the end of the year. The efficiency gains generated by the new system will both reduce costs and deliver an improved service experience to our members.

I hope that you find this edition of Intouch an informative and enjoyable read. If you have any comments or queries on any of the articles please email us at [intouch@thepensiontrust.org.uk](mailto:intouch@thepensiontrust.org.uk)

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