



# IHG UK Defined Contribution Pension Plan

Pension Newsletter

2024

**IHG**® HOTELS &  
RESORTS

# Welcome

**This is the annual newsletter for members of the IHG UK Defined Contribution Pension Plan (the Plan).**

In this newsletter you will find an overview of the Plan's financials and investment information as well as some useful pensions updates.

Since the last newsletter, market volatility has continued due to many economic factors. The Trustees receive regular investment updates from their advisers to ensure that the investment funds remain appropriate for you, our Plan members.

It's important to remember that pensions are long-term investments and, although it's not guaranteed, history shows that investment values generally go up over the longer term, despite short-term volatility.

As always, we value your feedback, so please let us know if there is anything you would like to see in future editions. You can find our contact details on page 11.

**Keith Sully**  
**Head of Global Corporate Reward**

## Contents

Looking after your loved ones	3
Investments	4
Financials	6
Pensions news	7
Employee Member Forum	10
Company Management Team	11
Contact us	11

# Looking after your loved ones

It's important to let the Trustees know who you want to receive your benefits when you die. To update your details, simply sign into your personal Aegon TargetPlan Plan Account to complete the Beneficiary Form.

## Complete your nomination

Sign in at [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan) and choose 'View and Manage your Account', then head to the 'Beneficiaries' tab. You'll find the Expression of Wish form in 'Manage your beneficiaries'. Simply complete the form online, confirm and submit!

### You can also use TargetPlan to:

- Manage your Plan Account on any device, anywhere at any time.
- Make changes to your Account, including your Target Retirement Age and other personal details.
- Monitor the value of your retirement savings.
- Check which funds you are invested in and explore what other investment funds are available.
- Learn more about pensions and your options at retirement.

### Not registered yet?

You can go to [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan) and register using your Aegon Account Number and National Insurance number.

## Need help?

Simply email [my.pension@aegon.co.uk](mailto:my.pension@aegon.co.uk) or call **Aegon** on **01733 353 418** from Monday to Friday between 9.00am and 5.00pm. You can also use the webchat at [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan).



# Investments

## The Plan offers two investment approaches - FreeStyle and LifeStyle.

**FreeStyle** – this is designed for the more confident investor. You can choose how your account is invested from a range of different funds.

**LifeStyle** – this is designed for those who might be less confident investors as your investments will adjust automatically at certain stages.

### More about LifeStyle

There are three LifeStyle investment strategies available to members of the Plan (the Drawdown LifeStyle strategy, the Annuity LifeStyle strategy and the Cash LifeStyle strategy). They automatically adjust your fund mix as you approach retirement. The fund mixes in the final phase of each LifeStyle depending on which retirement outcome you're targeting – Drawdown, Annuity or Cash. Annuity and Cash are self-select strategies.

#### The LifeStyle default strategy

The Trustees have selected the Drawdown LifeStyle strategy as the default.

The default option is suitable for those Plan members who do not wish to make an active choice on their investments. It aims to generate growth whilst managing members' investment risk over their careers.

The default option includes investment in funds that meet the strategy for the Trustee's Environmental, Social, and Corporate Governance (ESG) beliefs, also known as 'responsible investment'.

#### Investing sustainably

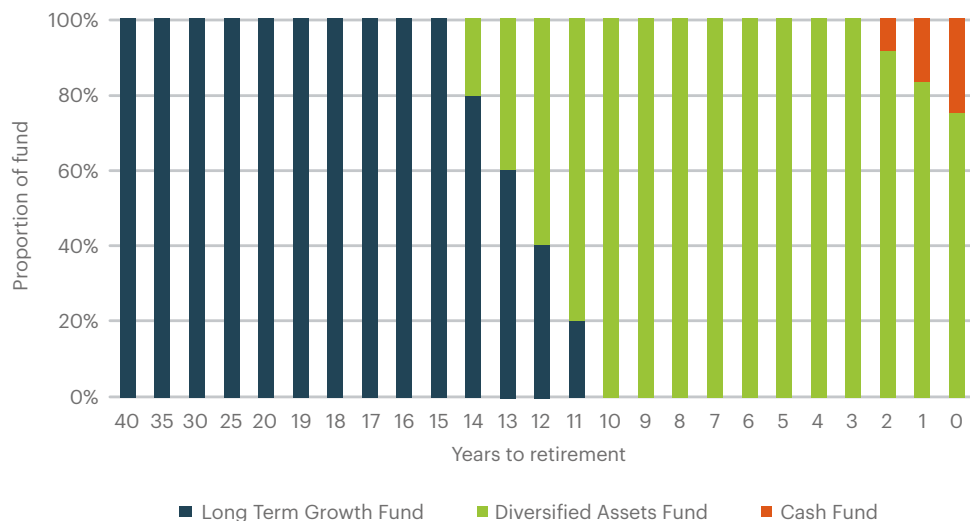
Investing sustainably is important to control the risks that environmental factors (including climate change), social factors (such as the use of child labour) and corporate governance behaviour (collectively known as "ESG" factors) can have on the value of the Plan's investments and in turn the size of your retirement benefits. The Trustees periodically review the fund managers' approaches to sustainable investing. In the most recent review, changes were made to help the Plan better meet its objectives, particularly in protecting members' assets close to retirement. The last review was in 2024 and we'll let you know the outcome.



## The LifeStyle investment strategy

LifeStyle aims to increase the value of your account by investing in equities until 15 years before your Normal Retirement Age. If you intend to retire at a different date, you can change your Target Retirement Age on the Aegon TargetPlan website at [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan).

The default is the Drawdown LifeStyle strategy. Its fund mix is illustrated below:



You can find more detailed information on LifeStyle and FreeStyle in the Your Fund Options booklet at [ihgplc.com/en/business/pensions](https://ihgplc.com/en/business/pensions)

# Financials

## Value for Members

The IHG Pensions Team and the Plan's investment adviser review the Plan each year to assess the Value for Members and identify ways it can be improved.

The assessment criteria includes:

1. Does the plan offer good value for money?
2. Does it provide better quality services at a similar cost or similar services at lower costs, relative to other equivalent schemes or plans?

This assessment is based on feedback from the investment adviser who has access to a wide range of information about similar schemes in the market. The investment adviser carries out a detailed assessment, based on the Value for Members criteria, to provide a considered response.

You will find the Trustee's full report along with other Plan information and the documents listed below at [ihgplc.com/en/business/pensions](https://ihgplc.com/en/business/pensions)

## Plan documents

### Statement of Investment Principles (SIP)

This document sets out the guidelines the Trustees follow when choosing investments for the Plan.

### The Annual Report and Accounts includes:

- **Financial information** – including a copy of the Plan's audited accounts and the auditor's statement.
- **Investment information** – giving details about the Plan's investments and their performance.
- **Trustees Chair's Annual Governance Statement** – including Value for Members assessment.
- **The Implementation Statement** – provides evidence that the Plan continues to follow and act on the principles outlined in the SIP.

The Trustee's Value for Members assessment rating for 2023/24 was 'Good'.

## Membership and assets

The total number of Plan members and assets as at 31 March 2024 and 31 March 2023 is shown below:

	2024	2023
Membership	1,923	1,824
Assets	£118.7m	£96.4m



# Pensions news

## State Pension increase

From April 2024, the State Pension increased by 8.5%, honouring the government's commitment to the pension triple lock in full.

That means it is now worth:

- £221.20 a week for the full, new flat-rate state pension (for those who reached State Pension Age after April 2016)
- £169.50 a week for the full, old basic state pension (for those who reached State Pension Age before April 2016)

You can find out more at [gov.uk/check-state-pension](https://gov.uk/check-state-pension)



## Tax changes

### Annual Allowance (AA)

The AA is the maximum amount that you can save into all your pension arrangements (excluding the State Pension) every year without having to pay tax charges.

From the 2023/24 tax year, the AA is £60,000 which means that you can contribute up to £60,000 without incurring a tax charge.

If you are a high earner, you may be affected by the Tapered AA. This reduces the AA for those with adjusted income (which includes all taxable income such as salary, bonuses, rental income, and pension contributions) over £260,000. The AA reduces by £1 for every additional £2 of adjusted income, down to a minimum of £10,000.

### Lifetime Allowance (LTA)

Since 2006, pension savings have been subject to an LTA. This placed a limit on the overall value of benefits you could build up across all your pensions before having to pay additional tax charges. For the 2022/23 tax year, the LTA was £1,073,100.

The LTA was abolished altogether from 6 April 2024.

From 6 April 2024, there is a limit on the total amount of lump sums and lump sum death benefits that you can receive free from Income Tax. These are the Lump Sum Allowance and the Lump Sum and Death Benefit Allowance.

### Lump Sum Allowance (LSA)

From April 2024, a LSA has been introduced. The LSA is 25% of the former LTA figure which comes to £268,275. This is the maximum lump sum you can receive from all your pension savings without a tax charge.

If you exceed the LSA, the amount over the LSA will generally be taxed as income.

### Lump Sum and Death Benefit Allowance (LSDBA)

From April 2024, a LSDBA has also been introduced. The LSDBA is £1,073,100. This limits the tax-free payments that can be made following someone's death. The limit also applies in circumstances where, due to ill health, someone's entire pension is converted to a single cash sum.

Visit [gov.uk/tax-on-your-private-pension](https://www.gov.uk/tax-on-your-private-pension) for further information.



## How to stay scam smart

With scams more sophisticated than ever, you are still the best line of defence when it comes to keeping your money safe.

### Remember:

Pensions cold calling is illegal

Don't give in to pressure

Be wary of investments that sound too good to be true

Guaranteed investment returns don't exist

You usually can't take your pension before age 55

**Check the FCA register** – most financial services firms have to be authorised by the Financial Conduct Authority (FCA). Check their register at [fca.org.uk/firms/financial-services-register](https://fca.org.uk/firms/financial-services-register)

**If you're suspicious, report it** – report the firm or the scam to the FCA by calling 0800 111 6768 or at [fca.org.uk/consumers/report-scam-us](https://fca.org.uk/consumers/report-scam-us)



# Employee Member Forum

To help the Trustees work with, and on behalf of, Plan members, we have set up an Employee Member Forum. The purpose of the Forum is to listen, engage with and represent your view. The Forum meets with the Trustees at least once a year.

Please feel free to reach out to any of the Employee Member Forum representatives if you have feedback about the Plan.

## Your current Employee Member Forum representatives are:



### **Jacquetta Lowen-Cooper**

 Windsor office

 [jacquetta.lowen-cooper@ihg.com](mailto:jacquetta.lowen-cooper@ihg.com)

**Jacquetta joined IHG in November 2012 and her current role is Board Executive.**

Jacquetta hoped that the numbers of IHG members in the pension scheme would visibly increase as a result of making pension information more accessible to our staff. That has happened over the last 12 months. She continues to want more forums, help desk sessions, and more videos explaining our pension scheme to the younger staff members so that we can ensure everyone is building a great pension pot. Jacquetta says “The importance of joining up to Aegon early and making a start on your pension pot when you are young, cannot be over stressed.”



### **Ben Tilston**

 Windsor office

 [ben.tilston@ihg.com](mailto:ben.tilston@ihg.com)

**Ben joined IHG in May 2016 and his current role is Director, Design.**

Ben joined as one of our Development Architects in the UK. He is passionate and optimistic about the future, and volunteered as an Employee Member Forum representative to learn more about his own retirement planning and ESG (environmental, social and governance) investments. Outside of work, Ben has his hands full with his twin boys Jack and Eddie, and has recently discovered vintage watch collecting.



### **Charlotte Brazier**

 Branston office

 [charlotte.brazier@ihg.com](mailto:charlotte.brazier@ihg.com)

**Charlotte joined IHG in November 2018 and her current role is Employment Tax Manager.**

Charlotte is an advocate for the importance of pension planning and her employment-tax background means she is well acquainted with the tax benefits of pension saving. Outside work, Charlotte enjoys paddle boarding and singing in her local pop choir.

# Company Management Team

The Company Management Team is responsible for managing the outsourced Plan administration and assisting the Trustees with its duties.

## **Administration and Policy**

Keith Sully\*

Head of Global Corporate Reward

Ben Hawley

Manager, Pensions

and Secretary to the Trustees

Kelly Littlewood

Administrator, Pensions

## **Investment and Accounting**

Claire Cook

Director, Financial Reporting

\*Contact for Internal Dispute Resolution Procedures.

## Contact us

### **You can contact the Company Management Team at:**

 No.1 First Avenue, Centrum 100, Burton-on-Trent, Staffordshire, DE14 2WB


 01283 511 311

 enquiries.pensions@ihg.com

### **Have your details changed?**

Please help us to keep in touch with you by notifying Aegon of any change to your home address. This is especially important if you are a deferred member of the Plan as we lose touch with a number of you each year. Please contact us using the details below:

 Aegon Workplace Investing PO Box 17486, Edinburgh, EH12 1NU

 01733 353 418

 my.pension@aegon.co.uk