



Pensions Department
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June 2020

Dear Member,

Scottish Hydro-Electric Pension Scheme COVID-19 update – June 2020

My fellow trustees and I hope that you and your families are remaining well during the COVID-19 pandemic. The impact of COVID-19 will undoubtedly be far reaching for many families but also for businesses and the economy and it is difficult to comprehend what implications there will be for the future.

The purpose of this update is to explain to you what actions we are taking to ensure that Scheme members receive their benefits as and when they fall due. We also explain the steps we are taking to monitor the impact of COVID-19 on the Scheme. The Scheme's investment strategy, which has been developed over a number of years, is such that we are well placed to deal with the impact of COVID-19 and the Scheme has remained in a strong position despite the recent market volatility. As you will have seen from the previously circulated 2019 Summary Funding Statement, the Scheme was 112% funded on a Technical Provisions basis as at 31 March 2019 and this is broadly still the case, at 111%, as at 31 March 2020.

- The Company itself has implemented a comprehensive set of procedures to preserve its business and maintain service to customers in a safe and healthy environment. It has implemented the recognised procedures for managing emergencies which use the emergency services gold (strategic)/ silver (tactical) classification.
- The Pension Administration staff have been working from home since the week beginning 23 March 2020 and can be contacted, in the first instance, at the pensions team email address **pensions-se@sse.com**. The team have remote access to all of the appropriate systems and records and are continuing to apply the highest standards of security and confidentiality. They should be able to deal with any queries you may have although turnaround times might be a little longer. If possible, any queries should be kept to essential matters only to ensure that priority is given where appropriate. There also may be a delay where it is necessary to use Royal Mail, partly due to their own restrictions, but also because there are limited staff onsite, and mail is collected on a periodic basis.
- Trustee meetings are currently being held by telephone or video conferencing, using Skype or Microsoft Teams, and all our advisers remain in regular contact. They all continue to follow government advice and are providing a good business as usual service across the schemes. They are also providing us with regular updates from their own organisations.
- Financially, the trustees will continue to monitor the Scheme's funding and investments in conjunction with its advisers and take whatever action is deemed appropriate in these difficult and challenging times.

The COVID-19 pandemic has unfortunately resulted in a significant increase in pension scams and fraud. Please be vigilant and exercise extreme caution at this time when making any financial decisions. You should note that it is illegal for organisations to make any unwanted or unsolicited phone calls to individuals about their pension arrangements. As is always the case, before making any financial decisions you should seriously consider taking independent financial advice from an adviser who is regulated by the FCA. The Money Advice website provides free and impartial information on choosing a financial adviser and provides contact details of advisers in your area. The website can be accessed at: <https://www.moneyadvice.service.org.uk/en/articles/choosing-a-financial-adviser>

Yours sincerely

Graham Laughland
Chair of Trustees