




Atos Retirement Plan

Governance Committee Newsletter, March 2022

An aerial photograph of a river flowing through a forest with vibrant autumn foliage in shades of orange, yellow, and green. A long bridge spans the river, and a small boat is visible in the water. The background is a soft-focus view of the same scene.

Our main purpose is to provide oversight of the Plan and make sure it delivers the support that members need while they are saving for their retirement and importantly when they come to draw their benefits.

To Do List:

- ▶ Review your Target Retirement Age – you can do this by logging into the website at: How do I change the retirement age on my plan? | Retiready from Aegon <https://retiready.co.uk/public/about-retiready.html>
- ▶ Review the level of contributions you are paying into your pension – are you paying enough? You can amend your contributions at any time, via the Prosper employee benefits platform
- ▶ Make sure you have completed an expression of wish form to tell Aegon who you would like to receive the benefits under the plan if you were to die before taking your benefits. Review this form on a regular basis.
- ▶ Review the funds you are invested in. You can check where you are invested by logging into your online account or by calling Aegon. Information on all of the available funds can be found here: Workplace Solutions (aegon.co.uk)
- ▶ Review FCA guidance on pension scams and what you can do to avoid them at www.fca.org.uk/scamsmart/how-avoid-pension-scams
- ▶ Remember to keep your details – up to date.
 - address
 - name change
 - contact details
 - Expression of Wish

Welcome

Hello and welcome to the first Atos Retirement Plan newsletter. I am the chair of the Governance Committee who oversee the Atos Retirement Plan (we'll refer to this as 'the Plan') which is one of the largest of its kind in the UK. Our main purpose is to provide oversight of the Plan and make sure it delivers the support that members need while they are saving for their retirement and importantly when they come to draw their benefits. In a nutshell, we want to make sure that the Plan delivers the best possible value for money for you, and we do this by looking at a number of areas which are set out below.

I hope you enjoy reading this newsletter and if you have any questions or feedback, please e-mail pensionenquiries@atos.net.

Gurmukh Hayre

Independent Chair

Plan statistics

Number of
employees in
the Plan

7,200

£409.9m

Total assets held under the Plan

Contributions
paid each
quarter to
the Plan

£13.7 m

87.2%

% of members'
assets invested in
the default fund
strategy

Source: Aegon 31 December 2021

Statistics

In this newsletter we will tell you about...

- ▶ Welcome message from the Chair of the Governance Committee - Gurmukh Hayre
- ▶ Role of the Governance Committee
- ▶ Investment market update
- ▶ Value for Money statement
- ▶ Pension scams
- ▶ A practical to do list

The Governance Committee

The Governance Committee is made up of six members. We are:

Gurmukh Hayre (Independent Chair)	Helen Gray	Margaret Kaleher	Nigel Dixon
Sandra Easson	Mary Dawson	Di Nicholls	

The Committee is advised by Isio (Pension Consultancy) and Baker McKenzie (Legal).

Governance

Governance Committee (the “Committee”) – what do we do?

The establishment of the Committee is not a legal requirement for a Defined Contribution (“DC”) pension plan. However, Atos want to lead by example and follow best practice and that is why we have a Governance Committee with an independent chair. The Committee meet regularly to oversee the Plan, take advice from our advisers on market developments and investment reporting and to challenge Aegon, the pension provider who administer the plan.

Communications

The Committee members receive the same communications that you do, and as a result, we regularly review whether these are clear, effective and informative or indeed whether further communication is required in certain areas.

Investment

With the help of our external advisers, Isio, we review the performance of the Plan’s investments with Aegon on a regular basis. You will see later in this newsletter the performance of the default investment fund which is where most of you have your money invested. We also review the appropriateness of the default investment fund on an ongoing basis, but more formally every 3 years.

Administration

We review the value for money delivered by Aegon and monitor how effectively they administer the Plan relative to the cost. We do this by examining feedback from members, reviewing information on Aegon’s performance against agreed service levels and from time to time, benchmarking Aegon’s charges against other providers. We also examine the Plan’s performance in fulfilling its obligations, particularly, paying over your contributions accurately and in good time.

Provider suitability and charges

We will regularly look at the overall performance of Aegon, including how much they are charge for their services and the investment options made available to make sure that the Plan remains appropriate and competitive. The committee have recently secured a reduction in Services Charges from 0.28% p.a. to 0.25% p.a..

Legislative changes

As you can imagine, for good reason, pensions are a highly regulated area. The Committee wants to make sure Atos is complying with all relevant legislation and regulations. The Committee monitors changes to legislation and best practice with support from our advisers to make sure that Atos fulfils its obligations. For this reason, all members of the Committee also undergo regular training to make sure we keep up to date.

Investment Fund performance Update

Default investment strategy	1 year (%)	3 years (%p.a.)	5 years (%p.a.)
Aegon Growth Tracker (Flexible Target) Fund	13.0	11.7	8.0

Data as at 31 December 2021. Source: Aegon

As the table above shows, performance of the default investment fund was positive over the 12-month period up to 31 December 2021. This was primarily due to the strong performance of global equities, despite increased volatility in November, following the outbreak of the Omicron COVID variant. Longer term performance has also been positive for members invested in the Aegon Growth Tracker.

What could this performance mean for your savings?
To help give you a better idea what effect market performance has, we look at how a contribution of £100 paid into the default investment fund option on 1 January 2021 may have performed over the 12 month period to 31 December 2021. The contribution of £100 would be expected to have risen to £113.

(Please note that this is only an estimate based on the performance of the fund above and does not consider the effect of any new savings. It may not represent the actual performance experienced by an individual member).

Whilst all investments have risks associated with them (meaning that fund values are expected to be subject to greater fluctuations over the long period to retirement), it is important that you are comfortable with the level of risk associated with the fund you are investing in. You should review your investment choices regularly and, if you are unsure what is best for you, you should speak to a financial adviser.

Performance



...Performance of the default investment fund was positive over the 12-month period up to 31 December 2021



VfM

Value for Money statement

The Plan provides very good value for members. To understand the value of the Plan, Atos considers how the Plan performs against the following criteria:

Contributions - The Plan offers a generous matched contribution structure starting from 4.5% of pay, up to 10% of pay. Members are enrolled into the Plan via salary sacrifice which results in members making larger savings on their contributions. More than 50% of members pay contributions that are higher than the necessary minimum, which suggests that members understand the value of the contribution structure that is offered.

Plan charges - The Atos Retirement Plan for a default investor (a member who invests in the Plan default fund, the Aegon Growth Tracker (Flexible Target) Fund) has an overall Annual Management Charge (AMC) of 0.25% p.a. of their fund value. This charge is made up of two elements, the platform charge (0.20% p.a.) and the investment charge for this fund (0.05% p.a.). The AMC is lower than the industry benchmark AMC of 0.50% p.a. and is significantly below the charge cap of 0.75% p.a. It is in the top quartile of member charges for similar schemes with Aegon. An example of how members benefit from the lower AMC provided by Atos is as follows: if a member contributes £100 in to their pension pot every month for a year, they would have a total of £1,200 in their pension pot after one year (ignoring investment performance). This amount would be subject to the 0.25% Atos Retirement Plan AMC, meaning members would pay a charge of £3.00 p.a. If members paid the industry benchmark AMC of 0.50% p.a., members would pay a charge of £6.00 p.a.

Investment options and performance - The Plan's default investment strategy is reviewed on a triennial basis, and more regularly if the need arises to ensure that it remains suitable for the membership. The performance of the default investment strategy is reviewed annually by the Governance Committee and their independent advisers. The default investment strategy targets a flexible retirement outcome which is in line with market practice. Over 4,000 funds are available for members to invest in which includes a range of the main asset classes. The Committee consider that the investment options offered are in line with market practice. Through the Governance Committee, developments within Aegon and the market are monitored regularly.

Retirement support - Aegon provide comprehensive online tools and guidance to help members prepare for their retirement. These services are provided on a regular basis. A range of guidance is offered to members and in-scheme advice can be provided at a cost. Atos are satisfied that the level of retirement support is appropriate for members at this time. This is reviewed regularly.

Administration - The Governance Committee review the performance of the Aegon administration team at each governance meeting. A dedicated member helpline is in place and Aegon's processes and developments in this area are reviewed regularly. Aegon regularly demonstrate that they deal with member requests and queries in a timely manner and to members' satisfaction.

Education and engagement - Aegon engage with members from the start of their journey in the scheme up to their retirement. Members are sent important information based on the age of the member and their current position within their retirement journey. They receive an annual statement which summarises their individual account and this is now issued in a simple video form. On joining, members receive a welcome pack and an online login to help set, and keep track of their investment choices. This includes retirement modelling tools. Member presentations are also run regularly by Aegon.

Governance - The Governance Committee meets formally three times a year, has training twice a year and catches up in between meetings to keep up to date with the Plan. They review Plan statistics and trends provided to help influence communications and the support provided by Aegon. The Governance Committee go beyond the requirements in place for similar schemes including discussing communications, receiving market and legal updates from independent advisers and maintenance of a risk register and a governance scorecard.

Value for Money statement

Contributions



The Plan offers a generous matched contribution structure up to a total (employer + employee) of: **20%**. Members are enrolled into the plan via salary sacrifice which saves members money.

It is a requirement for employers to contribute and for the total contribution to meet legislative minimum levels but employers are not required to match the employee's contributions.

By comparison, the market average total matched contribution rate is c**15%**.

Education and engagement



Members are kept engaged from the start of their journey in the scheme up to their retirement.

They gain access to online tools, presentations, age and pension relevant information, and more.

The market is ever evolving in respect of member education. However there are some schemes where members receive initial documentation on joining and then receive limited support up until making a retirement decision

Investment options and performance



The performance of the default investment strategy is reviewed annually to ensure it remains suitable for the membership.

Depending on the scheme type, the frequency of review across the market can vary from quarterly to annually and in some cases even less frequently.

Governance



Atos have voluntarily set up a governance committee - we go above and beyond the requirements in place for similar schemes.

Eg. training twice a year, reviewing legal market updates, and maintaining a risk register

Many similar schemes do not operate a Governance Committee.

Plan charges



The Annual Management Charge (AMC) for default investors in the Atos Retirement Plan is **0.25%**

The industry benchmark AMC is much higher at **0.5%** p.a. In some schemes, it would be as high as the charge cap, which is set at 0.75% p.a.

Administration



From having a dedicated member helpline, to reviewing the performance of the admin team 3 times a year, the Committee ensure that service is timely and high quality.

Typically, members are given access to a general helpline.

Retirement support



Guidance and support is offered to help prepare members for their retirement. This includes pre-retirement seminars and comprehensive online tools

Pensions Scams

A pension scam will often start by someone contacting you unexpectedly and will try to encourage you to transfer your pension pot to them using bogus offers and claims. This presents a very real threat to your retirement money and it is vital that you can spot them.

Typically, these scams claim to offer members access to their retirement funds before the age of 55, which is not permitted under current Her Majesty Revenue & Customs (HMRC) rules (unless retiring under the grounds of ill-health). This is often done by recommending a new investment opportunity that you've not spoken to anyone about before (often overseas).

Unfortunately, in most cases this transfer will be considered by HMRC as an 'unauthorised payment', which can result in heavy tax charges for the member. The Plan itself could also be liable to a fine by HMRC.

Since the beginning of the COVID-19 pandemic, the Pension's Regulator has recognised that pension fraud activity has been on the rise and the scammers behind these are becoming increasingly convincing and difficult to differentiate from the real thing. We advise members to be extra vigilant during the ongoing pandemic.

To protect yourself from pension scams, the Financial Conduct Authority (FCA) have put together four simple steps:

1. Reject unexpected offers

If you receive a call about a pension opportunity out of the blue, it is highly likely that it will be a scam.

2. Check who you're dealing with

Make sure that who you are speaking with is FCA authorised by reviewing the FCA register on the FCA website (www.fca.org.uk).

3. Don't be rushed or pressured

Ensure you take the time you need to make all the checks before making any decisions – even if it means turning down an 'amazing deal'.

4. Get impartial information or advice

More below on where this can be obtained

If you want more information on pension scams or believe you may have been scammed, please go to:

(www.fca.org.uk/scamsmart/how-avoid-pension-scams)

Guidance:

If you feel you need some additional support with your pension, you can contact Aegon on +44 (0) 345 608 1680 in the first instance, otherwise the following bodies can provide support on different matters:

If you are struggling with financial issues or find yourself in debt, you can reach out to the Money Helper on 0800 138 7777 or by live webchat at: <https://www.moneyhelper.org.uk/en>

If you are coming up to retirement, there is a service available to you called Pension Wise, part of Money Helper. Pension Wise provides free, impartial guidance for over 50's on your retirement options. Find out more at: <https://www.pensionwise.gov.uk>

About Atos

Atos is a global leader in digital transformation with 110,000 employees in 73 countries and annual revenue of € 12 billion. European number one in Cloud, Cybersecurity and High-Performance Computing, the Group provides end-to-end Orchestrated Hybrid Cloud, Big Data, Business Applications and Digital Workplace solutions. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, AtosSyntel, and Unify. Atos is a SE (Societas Europaea), listed on the CAC40 Paris stock index.

The purpose of Atos is to help design the future of the information technology space. Its expertise and services support the development of knowledge, education and research in a multicultural approach and contribute to the development of scientific and technological excellence. Across the world, the Group enables its customers and employees, and members of societies at large to live, work and develop sustainably, in a safe and secure information space.

Find out more about us

atos.net

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Let's start a discussion together



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