Send us your email address

Help us enhance how we interact with you by sending us your email address. We can then start working on sending you information by email about your savings, together with news and features that may help you with your pension and retirement planning. Please visit www.itv-pensions.com and add your email address.

The Trustees are in the process of updating the ITV Pensions website. Currently, you'll find various forms in the Library section, details of who to contact with your queries, and, if you’ve paid additional contributions (AVCs), details about your AVCs via the My Pension section of the site.

We’ll be adding new content over the coming year, to help you consider your options as you approach retirement. This means you can find out about your pension and get answers to your questions whenever it suits you, rather than waiting to phone the Pensions Department during office hours.

Visit www.itv-pensions.com and add your email address
Welcome to this year’s edition of Connection. I took over as Chairman of the ITV Pension Scheme in January 2013 from Graham Parrott and I would like to take this opportunity to thank Graham, on behalf of the Trustees and members, for his commitment and service to the Scheme. During his 20 years as Chairman, Graham steered the Scheme through very significant changes, including the merger of 6 pension schemes when ITV was formed, and a series of major deals to strengthen the Scheme and make your benefits more secure.

As well as wishing Graham all the best for the future, I would like to welcome 2 new faces to the Trustee Board that looks after your benefits: Kate Stross and Andy Whitaker who were appointed Trustees on 1 July 2013. Find out about them and the other members of our Board on pages 6 and 7.

Looking after the benefits you’ve built up is of paramount importance to us. As well as ensuring that the Scheme’s £3 billion of assets are invested appropriately, we carry out regular financial healthchecks to see whether there is enough money building up in the Scheme to cover members’ benefits. This enables the Trustees to address any shortfall with ITV. You can read about both aspects of running the Scheme on pages 10 and 11.

While the Trustee Board is responsible for looking after your benefits, you have a role to play too. Getting the income you want in retirement takes planning. Once a year we send you a personal statement (unless you’re a deferred member over age 55) showing how your pension is building up. This is a good time to sense check your savings. Take a look at pages 4 and 5 for some pointers of what you need to know and how to find out if you don’t.

In this era of fast electronic communication, we would like to enhance how we interact with you, but to do this we need your email address if you have one. Find out opposite where to send your details so we can keep them on file.

Thanks for taking the time to read this edition of Connection – I hope you find it helpful and informative.

Kind regards

Max Graesser
On behalf of the Trustees
8 things you should know

and how to find out if you don’t

Pensions don’t happen by themselves. Here are 8 things you should know to help you plan your pension and make the most of the Scheme.

1 Your potential income when you retire.

Do you know what income in retirement your pension is likely to provide? If not, why leave it to chance? If we send you a benefit statement, check this; it shows the value of the pension you’ve built up in the Scheme and, if you’re an active member, how much pension you might be able to build up by the time you retire.

2 How your pension is building up.

If you’re an active member, you can choose the rate at which your pension builds up. This is expressed as a fraction of your pensionable earnings: 50ths, 60ths, or 68ths. So, for example, if you chose 50ths, you’d build up a 50th of your pensionable earnings for each year of membership. You can change this build-up rate once a year. Keep a look out for the Your Choice form we send you each year.

3 When you’d normally receive your pension.

The date you’d normally start to receive your pension depends on the option you choose or chose in the past, as well as when you built up your pension. Check your benefit statement for a reminder of when your pension would normally start to be paid.

4 How much State pension you might get.

Find out on the Government’s website www.gov.uk/calculate-state-pension
Keeping track with My Pension

If you're paying additional contributions (AVCs) to boost your pension, remember that you can keep track of them by logging on to My Pension at www.itv-pensions.com > My Pension > DB section. You'll need your member ID and PIN, so if you've forgotten these, please get in touch with the Pensions Department by calling 01772 884488 or emailing enquiries@itv-pensions.com.

Don’t be average
The average person can expect to receive an annual income of just over £6,000 a year when they retire.
Office of National Statistics

When you can claim your State pension.

Unless you were born before October 1954, your State pension won’t be paid until you’re at least 66, and probably not until you’re 68 or older. Find out on the Government’s site www.gov.uk/calculate-state-pension.

Where all your pensions are.

If you've built up pensions with other employers, make sure you keep in touch with them so they can pay your pension when it's due. If you’ve lost track of old company pensions, The Pensions Tracing Service can help you track them down. www.gov.uk/find-lost-pension

Benefits payable to your dependants.

When you die, your spouse or financial dependants may be entitled to a pension based on the value of your own pension. Your benefit statement will explain.

Who will receive benefits when you die.

Tell us your wishes – complete a Nomination Form and keep it up to date. This lets the Trustees know who you’d like to receive any benefits payable. For tax reasons, the Trustees can’t be bound to follow your wishes, but they'll always take them into account when deciding how to pay the lump sum. You can get a new form online at www.itv-pensions.com > Library > DB section > Forms.
Managing the Scheme is a big undertaking with operational issues to deal with, strategy to set, budgets to meet, legal obligations to adhere to, and over 27,000 members to look after, not to mention total assets of nearly £3 billion to invest.

This falls to the Board of 9 Trustee Directors. 4 Trustees are nominated by the members and 5 are appointed by the Company. There have been a number of changes on the Board this year, with Graham Parrott stepping down as Chairman and Michael Bailey and Ralph Jones coming to the end of their tenure as member-nominated Trustees. In addition, Sarah Woodward resigned as a Trustee in July 2012. These changes created a vacancy for a Company-appointed Trustee, which is still to be filled, and 3 vacancies for member-nominated Trustees.

In April, the Trustees wrote to members inviting them to seek nomination from colleagues for the 3 vacancies for member-nominated Trustees. For the first time deferred members of the Scheme were included in the invite and the response was very positive. With so many qualified people to choose from, the Selection Panel chose a shortlist of 9 candidates to attend a selection day. After considering the candidates’ skills and the needs of the Board, Kate Stross and Andy Whitaker were appointed as new member-nominated Trustees and Ralph Jones was reappointed for a second term. With Max Graesser’s appointment as Chairman from January 2013, this is how the Board is shaping up.

**Max Graesser**  
(Chairman)  
*Appointment:* Appointed by ITV  
*Status:* Pensioner of the Scheme  
*ITV role:* Operations Director, ITV plc  
*Committees:* Chairs the DC Committee, and sits on the Audit & Operations Committee  
*Other roles:* Operations and Change Consultant  
*Likely to be found:* Messing about in boats

**Clive Jones**  
*Appointment:* Appointed by ITV  
*Status:* Former employee  
*ITV role:* CEO, News and Regions ITV plc, Carlton Television, Central Television and London News Network  
*Committees:* Chairs the Audit & Operations Committee, and sits on the DC Committee  
*Other roles:* Chairman, Disasters Emergency Committee  
*Likely to be found:* Supporting Welsh rugby or at the theatre

**Ralph Jones**  
*Appointment:* Nominated by members  
*Status:* Pensioner of the Scheme  
*ITV role:* Managing Editor at The Lab  
*Committees:* Sits on the DC and Investment Committees  
*Other roles:* Runs publisher Reinkarnation  
*Likely to be found:* Walking in the Yorkshire Dales

**William Medlicott**  
*Appointment:* Appointed by ITV  
*Status:* Active member of the Scheme  
*ITV role:* Finance Director, ITV Broadcasting  
*Committees:* Chairs the Investment Committee  
*Other roles:* Trustee of St Bart’s charity  
*Likely to be found:* Messing about in rowing boats
Looking after the Scheme: at a glance

<table>
<thead>
<tr>
<th>Role</th>
<th>Meetings</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; Operations Committee</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Member-nominated trustees</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Board meetings</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Investment Committee meetings</td>
<td>5</td>
<td>516</td>
</tr>
<tr>
<td>Company-appointed Trustees</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

One more place to fill

There is currently a vacancy on the board for a Company-appointed Trustee. ITV has been working to find the most suitable candidate and hopes to be able to announce the name of the Trustee shortly.

Robin Paxton
*Appointment:* Nominated by members
*Status:* Pensioner of the Scheme
*ITV role:* Managing Director of London Weekend Television Broadcasting
*Committees:* Sits on the Investment Committee
*Other roles:* Chairman, Headlong Theatre, other non-exec directorships, board mentor.
*Likely to be found:* At the theatre or on the ski slopes

Sue Slee
*Appointment:* Appointed by ITV
*Status:* Pensioner of the Scheme
*ITV role:* Director of HR, ITV Channels and Shared Services
*Committees:* Sits on the Audit & Operations Committee
*Other roles:* Independent HR and Change Management Consultant
*Likely to be found:* Trying to keep fit by swimming 40 laps every morning

Kate Stross
*Appointment:* Nominated by members
*Status:* Deferred member of the Scheme
*ITV role:* Finance and Development Director of ITV Network
*Committees:* Sits on the Investment Committee
*Other roles:* Trustee, Ofcom ITC Pension Scheme
*Likely to be found:* In the theatre, concert hall or garden

Andy Whitaker
*Appointment:* Nominated by members
*Status:* Active member of the Scheme
*ITV role:* Programme Director, Archive Transformation Project
*Committees:* Sits on the Audit & Operations Committee
*Other roles:* Previously COO at ITV Breakfast and FD at GMTV
*Likely to be found:* Coaching Tunbridge Wells Hockey Club or pitch side supporting my family in their sporting endeavours
An account of the year

Your benefits are paid out of the money that’s building up in the Scheme. Here’s a summary of how the Scheme’s value changed during 2012 and its key items of income and expenditure.

The Scheme value was £79 million higher at the end of the year than it had been at the start. This was due largely to 3 factors:

- the significant contributions that ITV made to the Scheme of almost £62 million;
- the income the Scheme earned on its investments (such as interest payments and dividends) which was around £63 million; and
- investment performance, which resulted in the Scheme’s assets being worth almost £93 million more at the end of the year than they had been at the start.

Of particular importance for the Scheme’s financial position is not only ITV’s continued support of the Scheme but also the Scheme’s investment strategy. Take a look at the article opposite to find out more about how the Scheme’s assets of £2.919 billion are invested.

How much is enough?

A key question the Trustees focus on is whether there is enough money in the Scheme to pay the benefits of all members when they are due. To help understand what these numbers mean and how the Scheme is shaping up financially, take a look at pages 10 and 11.
Everyone wants their savings and investments to grow, and the Scheme is no exception. But when it comes to investing £3 billion, it’s not as simple as that.

There are many different types of assets and many different ways of investing money to consider. Generally, the more potential there is for growth, the more risk there is that the value of the asset could go down as well as up. Likewise, the more stable an investment is, the less likely it is to deliver high rates of growth.

The Trustee Board reviews the investment strategy every year but, in broad terms, the Board aims to balance achieving the highest investment terms possible with the need to maintain the security of members’ benefits.

One of the ways it does this is to invest the Scheme’s funds in different types of asset, in different business sectors (banking, oil and gas, technology etc), and in different regions around the world to spread the investment risk. To do this, the Trustees have appointed over 40 managers who have specialist knowledge about particular aspects of investment.

These charts on the right show how the Scheme’s assets are invested.

**Need more information?**

If you’d like to find out more about the Scheme’s investments, ask the Pensions Department for a copy of the Statement of Investment Principles, which explains how the Trustees invest the Scheme’s assets.

### Here’s how the Scheme’s assets are invested

- Bonds (active)** 62.7%
- Hedge funds*** 3.1%
- Reinsurance*** 2.1%
- Property*** 1.8%
- Infrastructure*** 1.7%
- Emerging market debt *** 2.3%
- Other*** 3.8%
- Shares* 22.5%

### Here’s how the shares are invested by business sector and region

- **Financials** 23%
- **Industrials** 14%
- **Consumer services** 12%
- **Consumer goods** 11%
- **Technology** 9%
- **Oil and gas** 8%
- **Healthcare** 8%
- **Basic materials** 6%
- **Telecoms** 3%
- **Utilities** 1%

Emerging markets 7%

The remaining amounts are held as cash.

* Traditional assets that have historically produced growth over the long term.
** Traditional assets that have historically reduced investment risk whilst producing steady returns over the medium term.
*** Alternative assets that aim to spread the risk and produce good growth over the long term.
Every 3 years, an independent expert appointed by the Scheme, known as the Scheme Actuary, carries out a formal review of the financial health of each section of the Scheme. This is known as an actuarial funding valuation.

The valuation provides the Trustees with a clear view of the Scheme's financial health and is an important check to see whether enough money is building up in the Scheme to cover members' benefits. Based on the assumptions agreed specifically for the Scheme about factors such as the future rate of inflation, investment returns and life expectancy, the Scheme Actuary calculated that the money built up in Section C of the Scheme as at 1 January 2011 would have been sufficient to fund 89% of the benefits due at that date. This is equivalent to a funding shortfall of £39 million.

In between the 3-yearly valuations, the Actuary reviews Scheme funding. The latest review, which looked at Section C as at 1 January 2013, showed that the shortfall had increased to £54 million – which meant that 87% of the benefits due at the date were funded. This is due mainly to a change in the price of government bonds (gilts), although the effect of this was partly offset by the extra contributions made by ITV and an increase in the value of the Scheme's assets.
Addressing the shortfall

As part of the valuation, the Trustees agree with ITV the contributions needed to help protect members’ benefits and ensure that benefits can be paid when they are due – perhaps the most important responsibility of the Trustee Board.

- **Contributions:** ITV’s contributions for benefits building up in the future for DB members are around £0.2 million a year. ITV also makes contributions to meet the cost of administering the Scheme. These are recorded in a document called the ‘Schedule of Contributions’ and are reviewed and updated at least each time an actuarial funding valuation is carried out.

- **Additional contributions:** ITV is currently making additional payments of at least £3.75 million each year to the Scheme. These payments are set out in a document called a ‘Recovery Plan’. This shows how the shortfall in funding will be met and covers the period to March 2021.

A ‘what if..?’ view

By law, the Scheme Actuary also has to look at the position if ITV was to go out of business or the Scheme ceased to exist. This type of valuation is called a ‘full solvency valuation’.

In this scenario, ITV would be expected to pay enough money into the Scheme so the benefits that had built up could be provided by an insurance company. Since insurers take a very cautious commercial view, the cost of securing pensions in this way is more expensive than providing them through the Scheme. On this basis, the actuary estimated that the Scheme’s assets would have been sufficient to fund about 76% of the benefits built up; an estimated shortfall of around £100 million as at 1 January 2011.

Although it’s unlikely that ITV would wind-up the Scheme with insufficient money to fund members’ benefits in this way, if this did happen when ITV was insolvent, the Scheme could apply to the Government-run Pension Protection Fund (PPF) for compensation. Further information is available on the PPF website at www.pensionprotectionfund.org.uk.
Getting the UK Saving

Auto-enrolment is a Government initiative to get more people saving for retirement. Since it was introduced in October 2012, over a million UK workers have been enrolled automatically into a pension scheme. It’s being introduced gradually with larger employers going first.

Colleagues at ITV who are eligible have started being enrolled in a separate pension scheme – the ITV Auto-enrolment Pension Plan. The first colleagues were auto-enrolled at the end of May 2013 after a 3-month postponement period. ITV will be inviting members of the Auto-enrolment Plan to join the ITV Pension Scheme once they meet certain qualifying conditions. So from March 2014, the number of active members of the DC section of the Scheme may start to increase. This is good news as more members create economies of scale and the opportunity to secure more competitive terms for the Scheme.

“...people really value the chance to save into a workplace pension as they know they will also get money from their employer and the taxman too.”

Steve Webb, Pensions Minister
STATE Pensions

one for all...

From April 2016, the State pension is changing. Instead of the current 2-part pension, which consists of the basic State pension and an earnings-related pension (the State second pension), the Government is introducing the Universal State Pension. This is designed to be fairer for everyone, with people retiring from April 2016 receiving a flat-rate State pension of £144 a week (provided they've built up sufficient National Insurance contributions).

If you've built up significant State second pension in the past, there are measures in place to make sure you don't lose out.

To find out more visit www.gov.uk/government/policies/making-the-state-pension-simpler-and-fairer

...but probably not until you’re older

By 2046, you’ll have to wait until you’re 68 to get your hands on your State pension. The good news is that we’re all living longer, but this means that State pensions have to be paid for longer, with the Government (and ultimately the tax payer) footing the bill. So the Government is planning to increase gradually the age at which State pensions are paid (SPA – State pension age). Here’s a rough guide.

<table>
<thead>
<tr>
<th>by 2018</th>
<th>2018 to 2020</th>
<th>2034 to 2036</th>
<th>2044 to 2046</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPA will increase to age 65, for women born after 6 December 1953</td>
<td>SPA will increase to age 66, for both men and women</td>
<td>SPA will increase to age 67, for both men and women</td>
<td>SPA will increase to age 68, for both men and women</td>
</tr>
</tbody>
</table>

Calculate your State pension age using the calculator at www.gov.uk/calculate-state-pension

DONT’GET CAUGHT OUT

These changes to tax rules could affect you.

Are you a high earner? Have you built up a large amount of pension? If the answer is ‘yes’, then read on.

Pensions are a tax-efficient way of saving, but HMRC places allowances on the amount you can contribute and build up overall and still get tax relief. From 6 April 2014, these allowances are reducing.

The Annual Allowance is the amount of tax-free contributions and/or benefits you can build up each tax year. The Allowance will reduce from £50,000 to £40,000.

The Lifetime Allowance is the total value of the pension benefits you can build up tax efficiently over your lifetime; this includes pension benefits you’ve built up away from ITV but excludes any State benefits and any pension you receive that you haven’t built up yourself (for example, a spouse’s pension). It will reduce from £1.5 million to £1.25 million.

Any pension savings you have over these allowances will be subject to tax. If you think you may be affected by these changes, you should speak to an impartial financial adviser as there are measures you can take to reduce the impact. You can find the name of a local impartial financial adviser by visiting www.moneyadviceservice.org.uk/en/categories/financial-help-and-advice
Good housekeeping

If you need to contact us
If you have a question about your pension benefits or need more information, get in touch with the Pensions Department:

Call: 01772 884488
Email: enquiries@itv-pensions.com
Write to: ITV Pensions Department, 35 Winckley Square, Preston, Lancashire PR1 3JQ

ITV-pensions.com
For information about the Scheme, take a look at the ITV Pensions website at www.itv-pensions.com You don't need a logon or password, unless you want to access details about any additional contributions (AVCs) you've built up. So start surfing.

Don’t lose out
Change of name? Moving home? Keep your details on our records up to date. You'll find a Change of information form on the ITV Pensions website. From the home page, select Library > DB section > Forms

Want to know more?
If you'd like to find out more about the Scheme, ask the Pensions Department for a copy of the Scheme’s Report and Accounts.
Every effort has been made to ensure this newsletter is accurate. If there is any conflict between it and the Trust Deed and Rules of the Scheme, then the Trust Deed and Rules will take priority.

DECEMBER 2013