

One Stop Stores Pension Scheme

Illustration of costs and charges, transaction costs and value for members relating to the year ended 5 April 2019

The information set out on this website relates to the One Stop Stores Pension Scheme. On this page, members can find some useful information on the Scheme's charges, its transaction costs and Value for Members.

Since 6 April 2015, the Scheme's Trustee has been required to produce an annual statement, signed by the Chair, setting out certain information required by the Pensions Regulator. This document is called a Chair's Statement and a copy of the full version can be provided to you upon request.

Below, you will find extracts from the Chair's Statement, most of which cover the charges and transaction costs you incur as a member investing your pension account in the Scheme.

The information below is for noting but you may have questions. Should you wish to speak to someone about the information on this website or you require further information, you should contact:

One Stop Stores Trustee Services Limited
One Stop Stores Limited
Apex Road
Brownhills
Walsall
WS8 7HU

or by e-mailing 0026-Pensions@onestop.co.uk

Illustration of costs and charges

Active members

The figures in the table below show the effect of the fund managers' charges on an active member's fund value over the next 40 years. The table shows the effect based on the assumptions set out in the notes below.

Projected pension fund in today's money								
Year s	Fund/strategy choice							
	Default investment strategy		Standard Life Corporate Bond Pension Fund		Standard Life Index Linked Bond Pension Fund		Standard Life Deposit & Treasury Pension Fund	
	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
1	£6,650	£6,620	£6,670	£6,650	£6,590	£6,560	£6,560	£6,530
3	£10,100	£9,960	£10,100	£10,000	£9,790	£9,680	£9,680	£9,570
5	£13,700	£13,500	£13,700	£13,500	£13,000	£12,800	£12,800	£12,600
10	£24,200	£23,400	£23,300	£22,600	£21,200	£20,600	£20,600	£20,000
15	£36,800	£35,100	£33,800	£32,400	£29,700	£28,400	£28,400	£27,200
20	£51,700	£48,700	£45,500	£42,900	£38,300	£36,200	£36,200	£34,300
25	£69,300	£64,300	£58,300	£54,200	£47,100	£44,000	£44,000	£41,100
30	£90,300	£82,400	£72,400	£66,400	£56,200	£51,800	£51,800	£47,800
35	£115,000	£103,000	£87,900	£79,500	£65,500	£59,600	£59,600	£54,400
40	£145,000	£128,000	£105,000	£93,600	£75,000	£67,400	£67,400	£60,800

Notes

1. Projected pension fund values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. The starting pension fund value is assumed to be £5,000.
3. Inflation is assumed to be 2.50% each year.
4. Contributions of £130 per month are assumed to continue to retirement age and increase in line with assumed earnings inflation of 2.50% each year.

5. Values shown are estimates and are not guaranteed.
6. The projected growth rates before charges for the fund choices are as follows:
 - a. Default strategy: from 4.01% to 5.83% pa depending on the term is to retirement.
 - b. Standard Life Corporate Bond Pension Fund: 4.50% pa.
 - c. Standard Life Index Linked Bond Pension Fund: 3.00% pa.
 - d. Standard Life Deposit & Treasury Pension Fund: 2.50% pa.
7. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

Illustration of costs and charges

Deferred members

The figures in the table below show the effect of the fund managers' charges on a deferred member's fund value over the next 40 years. The table shows the effect based on the assumptions set out in the notes below the table.

Projected pension fund in today's money								
Year s	Fund/strategy choice							
	Default investment strategy		Standard Life Corporate Bond Pension Fund		Standard Life Index Linked Bond Pension Fund		Standard Life Deposit & Treasury Pension Fund	
	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
1	£2,030	£2,020	£2,040	£2,030	£2,010	£2,000	£2,000	£1,990
3	£2,110	£2,080	£2,120	£2,090	£2,030	£2,000	£2,000	£1,970
5	£2,210	£2,150	£2,200	£2,150	£2,050	£2,000	£2,000	£1,950
10	£2,570	£2,450	£2,430	£2,310	£2,100	£2,000	£2,000	£1,900
15	£3,050	£2,840	£2,670	£2,490	£2,150	£2,000	£2,000	£1,860
20	£3,620	£3,290	£2,940	£2,670	£2,200	£2,000	£2,000	£1,810
25	£4,290	£3,810	£3,240	£2,880	£2,260	£2,000	£2,000	£1,770
30	£5,090	£4,410	£3,570	£3,090	£2,310	£2,000	£2,000	£1,730
35	£6,050	£5,110	£3,930	£3,330	£2,370	£2,000	£2,000	£1,690
40	£7,180	£5,920	£4,330	£3,580	£2,430	£2,000	£2,000	£1,640

Notes

1. Projected pension fund values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. The starting pension fund value is assumed to be £2,000.
3. Inflation is assumed to be 2.50% each year.
4. No further contributions are assumed.
5. Values shown are estimates and are not guaranteed.
6. The projected growth rates before charges for the fund choices are as follows:
 - a. Default strategy: from 4.01% to 5.83% pa depending on the term is to retirement.
 - b. Standard Life Corporate Bond Pension Fund: 4.50% pa.
 - c. Standard Life Index Linked Bond Pension Fund: 3.00% pa.
 - d. Standard Life Deposit & Treasury Pension Fund: 2.50% pa.
7. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

Charges and transaction costs

The charges and transaction costs that applied during the year are set out below. In short, all investments are held with Standard Life and their charge is around 0.5%.

The annual management charge for the default investment option is 1.0%. However, under the terms of the arrangement with Standard Life, 0.51% is rebated to members, giving an effective annual management charge of 0.49%. The rebate is achieved by creating extra units in each fund once a month.

The total expense ratio (TER) at the year-end, as reported by Standard Life, which takes into account all expenses relating to the management of the funds, is as follows:

Fund name	Proportion in default strategy	Standard TER	Discount	Effective TER
Standard Life Vanguard FTSE UK All Share Index Pension Fund	40%	1.02%	0.51%	0.51%
Standard Life Overseas Tracker Pension Fund	40%	1.01%	0.51%	0.50%
Standard Life Corporate Bond Pension Fund	7%	1.01%	0.51%	0.50%
Standard Life At Retirement (Multi Asset Universal) Pension Fund	7%	1.04%	0.51%	0.53%
Standard Life Index Linked Bond Pension Fund	6%	1.01%	0.51%	0.50%
Composite for default strategy (weighted average)	100%	1.0161%	0.51%	0.5061%

The proportion in the default strategy in the table above relates to members who are more than 10 years from retirement. As members get within 10 years of retirement, the mix of funds changes in accordance with the chart on the following page, in a process known as lifestyling. The effective TER at various periods before retirement is shown in the following table:

Period to retirement	Effective TER
10 years or more (as shown in the table above)	0.5061%
9 years	0.5065%
8 years	0.5069%
7 years	0.5072%
6 years	0.5076%
5 years	0.5080%
4 years	0.5079%
3 years	0.5078%
2 years	0.5077%
1 year	0.5076%
0 years (at retirement)	0.5075%

For other funds that members had investments in during the year, the TER is as follows:

Fund name	Standard TER	Discount	Effective TER
Standard Life Deposit and Treasury Pension Fund	1.01%	0.51%	0.50%
Standard Life Ethical Pension Fund	1.01%	0.51%	0.50%
Standard Life Global Equity 50:50 Pension Fund	1.01%	0.51%	0.50%
Standard Life Money Market Pension Fund	1.01%	0.51%	0.50%
Standard Life Annuity Targeting Pension Fund	1.00%	0.51%	0.49%
Standard Life Property Pension Fund	1.03%	0.51%	0.52%

Standard Life has disclosed the following transaction costs:

Fund name	Transaction cost
Standard Life Vanguard FTSE UK All Share Index Pension Fund	N/A
Standard Life Overseas Tracker Pension Fund	0.0456%

Standard Life Corporate Bond Pension Fund	0.0274%
Standard Life At Retirement (Multi Asset Universal) Pension Fund	0.1177%
Standard Life Index Linked Bond Pension Fund	0.1162%
Standard Life Deposit and Treasury Pension Fund	0.0901%
Standard Life Ethical Pension Fund	0.1086%
Standard Life Global Equity 50:50 Pension Fund	0.2166%
Standard Life Money Market Pension Fund	0.0116%
Standard Life Annuity Targeting Pension Fund	0.0738%
Standard Life Property Pension Fund	0.0944%

Transaction costs are incurred as a result of buying, selling, lending or borrowing investments. The costs mainly arise as a result of delivering a fund’s target investment return where a passive or active investment approach is used. As an example, a fund may need to buy or sell assets when members pay money into or take money out of a fund and the buying or selling of assets will incur costs.

Transaction costs arise as a result of participating in a financial market and are separate from any administration charges and from any annual management charges. The transaction cost for buying or selling an investment includes all costs incurred by a buyer or seller from the point an order to transact is received to the point at which the transaction completes. These costs include all charges, commissions, taxes and other associated payments incurred directly or indirectly. These costs are ultimately borne by assets of the arrangement or of any investment in which the arrangement is directly or indirectly invested. Of these costs, some are easily identifiable as specific costs incurred, but some are less identifiable and may rely on judgement.

No transaction cost was provided by Standard Life for the Vanguard FTSE UK All Share Index Pension Fund. Standard Life stated that this was because it was not available for external funds. The Trustee has asked Standard Life whether this transaction cost will be available for future Chair’s Annual Statements.

Value for members

In accordance with the Pensions Regulator’s current DC Code of Practice and with relevant legislation available at the time of this statement, the Trustee concluded that the Scheme’s overall benefits and options represent value for members for the following reasons:

- charges to the Scheme’s default investment strategy are below the charge cap of 0.75% a year
- members have access to various asset classes, all of which have competitive fund management costs
- the Trustee challenged Standard Life on fund performance against fund benchmark
- members do not pay Scheme administration costs, or any professional adviser costs associated with running the Scheme

- members have access to new retirement flexibilities.

A formal assessment of value for members was not conducted during the year, but as neither the charges nor the benefits for the Scheme have changed since the last formal assessment, the Trustee believes its earlier assessment is still valid, so that its conclusion remains the same.