

Autumn 2001

# PensionersNews

The Unilever Pension Fund

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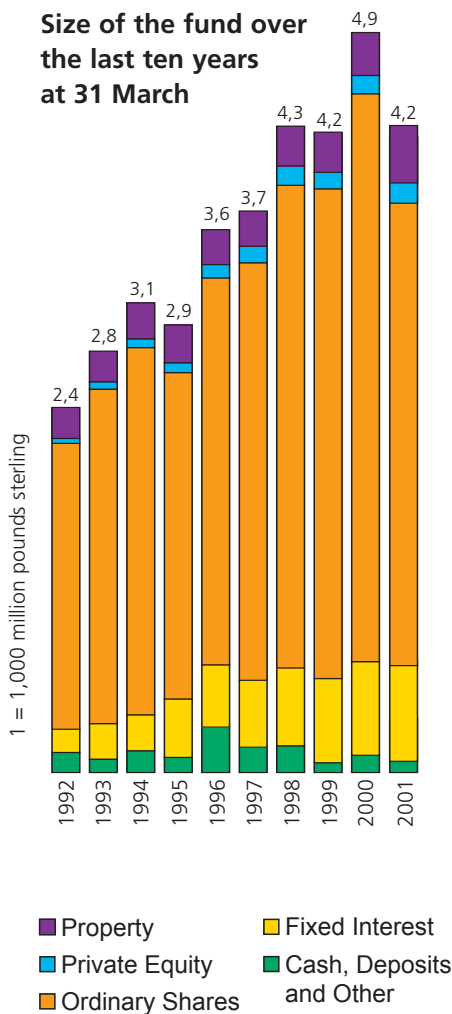
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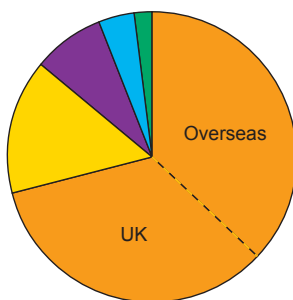


# Reviewing the UPF's investments

Size of the fund over the last ten years at 31 March



Split between asset classes at 31/3/2001



The UPF's first Report and Accounts are available. Wendy Mayall, Chief Investment Officer, reviews the UPF's investments.

“The Fund has taken over the majority of assets and liabilities from the old Unilever Superannuation Fund (USF) and, like the USF, the investment strategy is set by the Trustees with the assistance of the Investment Committee. The membership of the committee is shown below.

Our strategy remains broadly the same as before: we aim to meet the Trustees' goal to secure the best possible long-term investment returns, without taking unnecessary risks. We regularly review our investments and Fund managers, to ensure that the returns on the Fund are the best that we can achieve.

The last financial year was difficult for investments with the value of shares around the world falling, particularly in the first three months of 2001. This has meant an overall fall in the value of the Fund. Despite this, the Fund is in good shape and the overall return, although negative, was still ahead of the benchmark return. Over 1999 - 2000 we remained one of the best performing large pension Funds in the UK. The return on the Fund over the last financial year was -8.6%, the benchmark return was -9.7%. However, the UPF is currently a Fund where more monies are paid out than are received, so we should not expect to maintain the existing value unless there are other changes.”

Full details of the performance of the UPF can be found in the Trustees' Report and Accounts. If you would like a copy, please fill in and return the form on the back cover of this magazine.

## The Investment Committee

**Chairman:** Rudy Markham (Unilever's Financial Director)  
**Deputy Chairman:** Wendy Mayall (Chief Investment Officer)

Christine Drury and David Jones (Trustees)  
 Jeffrey Allgrove (Unilever's Controller)  
 Philip Lambert (Head of Corporate Pensions)  
 Chris Lewin (Head of UK Pensions)  
 Dr Neil Cross (External Advisory Member)

## Focus on the Administrative Support Team

UK Pensions Department (UKPD), has a vision: to provide superb service. To help achieve the vision, the Administrative Support Team (AST) was set up in July 2000 to provide the whole of UKPD with a general administration service. As Pensioners Liaison Manager, Cynthia Elliott is one of their major customers. Pat Johnson, Manager of AST, and the rest of the team, led by Jim Courtney, provide Cynthia with all the support she needs to co-ordinate the Pensioner Visitors, from arranging the lunches to paying expenses and despatching birthday cards and vouchers.

Pat and her team are also helping Cynthia to get more Regional Groups set up - we are pleased to report that at recent lunches volunteers came forward from both Ashford (in Kent) and Warrington to start those groups.

Apart from supporting Cynthia, the AST is responsible for opening and sorting the post for the department each day - on average 300 items - and directing it, electronically, to the appropriate people. They also ensure that the department is well supplied with all the stationery and equipment it needs, and that the operating companies around the country receive appropriate supplies of scheme documentation.



Pat Johnson (left) and Cynthia



Jim Courtney (second left) and the rest of the team

## Are you moving house or changing your bank account?

If so please write to:  
Pensioners Administration  
UKPD  
Unilever House  
Blackfriars  
London EC4P 4BQ

**Don't forget to quote your pension record number!**

When changing your bank account, it is very important that you inform us of your new details in writing no later than 10 working days before your next payment date. Any delay may result in your pension payment being late.

If you have internet access, you can download forms to advise us of your change of address or bank account - they can be found at [www.myupfpension.co.uk](http://www.myupfpension.co.uk), under the Governing Documents button.

## An update from Cynthia Elliott

### Helping Unilever!

At the Pensioners Conference in 2001, the question of whether pensioners would be willing to help Unilever with market research was discussed. As this idea seemed to appeal, I have been working with operating companies to see what could be done. To find out more, please complete and return the enclosed insert.

### Private Medical Insurance

The issue of whether or not Unilever pensioners could benefit from a special premium for private medical insurance is always a popular topic when I travel the country. I am looking into this, and it would be helpful if I could measure objectively the level of interest from pensioners. Therefore, if you have private medical insurance already or might be interested in having it, please could you complete the form on the back cover and return it to me at the address shown on the form.

### SOME USEFUL PHONE NUMBERS:

Unilever Pensioners Administration  
**020 7822 6949/5093**

Unilever Pensioners Association/Liaison  
**020 7822 5863**

Unilever Private Insurance  
**020 7822 5547/5551**

Unilever Pensions Tax Office (Ref 947/V)  
**0161 261 2000**

DWP Enquiry Office (see page 7)  
**020 7712 2171**

Don't forget - You can find general information about the Unilever Pension Fund, plus commonly used forms, on our website. Just visit:  
**[www.myupfpension.co.uk](http://www.myupfpension.co.uk)**

# Pension increase

The October 2001 pension increase is 1.6%. This is the percentage increase granted to pensioners in accordance with the Rules of the Unilever Pension Fund (UPF) based on the increase in the RPI (Retail Prices Index) announced in August. The percentage is reduced proportionately if you left service after 1 October 2000. You will receive a new Pension Payment Statement in October to confirm your revised level of pension. Opposite is an example.

	Before the increase	Unilever increase 1.6%	After the increase
UPF	£1,000	£16	£1,016
UPF/GMP	£300	-	£300
Total UPF	£1,300	£16	£1,316

NB - The GMP element of your pension is taken into account by the State when they assess your State Pension increase in April.

## Your pension increase - your questions answered

Here is a selection of the most frequently asked questions and answers about pension increases, GMPs (Guaranteed Minimum Pensions), SERPS (State Earnings Related Pension Scheme), and NICs (National Insurance Contributions).

### □ The Inland Revenue now allows companies to increase pensions by 3% a year. As the RPI is less than 3% this year, why is Unilever paying only the RPI?

The Fund is designed to maintain the purchasing power of pensions in payment which is broadly achieved by increases in line with the RPI. The Fund rules stipulate the use of the RPI increase, which will sometimes be more than 3%, and sometimes less, depending on how much retail prices have risen.

### □ Why do you not pay increases in line with the RPIX?

The RPIX is the index which excludes mortgage interest. When interest rates are rising, the RPI tends to be higher than the RPIX. When interest rates start to fall, the RPIX will tend to be higher than the RPI. This is the case currently. However over the full interest cycle, there is very little difference on a cumulative basis between the RPI and RPIX.

### □ Why isn't the whole of my pension increased?

The most common reason why pensioners and widows do not receive the full increase is because of something known as the Guaranteed Minimum Pension, or GMP for short.

### □ Why did I get a full increase until State Pension Age? (SPA)

Your GMP does not form part of your pension until you reach SPA.

### □ What is the GMP (Guaranteed Minimum Pension)?

The GMP is an amount of pension that has to be provided by a pension scheme which is contracted out of SERPS. It is the level of pension that could have been earned in SERPS and from SPA it is part of the pension we pay.

### □ What is SERPS?

In April 1978 a new State Pension Scheme was introduced, to be paid in addition to the Basic State Pension. Called the State Earnings Related Pension Scheme (SERPS), it was designed for people who were not members of Company Pension Schemes and it enabled them to earn an additional pension through the State. They paid a higher level of National Insurance Contributions (NIC) and receive at State Pension Age (SPA) a SERPS pension together with their normal Basic State Pension entitlement.

### □ How did this affect Unilever?

Most pension schemes, including Unilever's, were able to become 'contracted out' pension schemes and as a result their members were contracted out of SERPS and paid a lower level of NIC.

### □ What would have happened if Unilever had not been contracted out of SERPS?

You would have paid higher National Insurance Contributions (NIC) and received at State Pension Age (SPA) a SERPS pension together with your Basic State Pension.

### □ Why is my GMP not increased by Unilever?

Under contracting-out legislation, Unilever is not required to increase the GMP element of the pension when awarding the annual pension increase. The GMP is still inflation proofed in almost all cases because the State takes it into account when it calculates increases to State Pensions.

### □ How is my GMP increased?

Any GMP earned from 6th April 1978 to April 1988 will be reviewed by the State in April at the same time as your Basic State Pension.

GMP earned after April 1988 will be increased by Unilever in line with the RPI in April each year up to 3%. (When the RPI is above 3%, the excess is taken into account by the State.)

### □ I have received my pension statement/pension book from the State - I don't understand it.

The pension statement or pension book shows the revised level of State Pension due to you from April. The new amount of Basic State Pension is shown, plus an amount called the "Additional Pension". This figure is the "notional" SERPS pension you would have received from the State had you not been contracted-out, and is increased each year by the percentage increase granted to State Pensions. Below this, you will see a figure labelled as a Contracted Out Deduction (COD), which is broadly the same as the amount of your GMP. The COD figure is deducted from the "Additional Pension" and you receive the balance on top of your Basic State Pension.

This is how the State increases the level of your GMP.

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## Spotlight on the company



"In 30 years working for Unilever, I have noticed how the pace of change gets quicker every year - right now is no exception. Unilever is going through immense change in the UK and globally". Those were the words of Richard Greenhalgh (Chairman of the UPF Trustees and Chairman of UK National Management) in May 2001, as he launched a new Unilever internet site. One of the major changes has been the acquisition of Bestfoods, which was completed in October 2000. Bestfoods was a company with an American owner, with 1300 employees in the UK at 8 sites. They also have 1600 pensioners on their payroll. Bestfoods owned many well-known brands, some of which had a greater presence in Europe than the Unilever equivalent. In particular they owned the Knorr brand of soups and stockcubes, Hellmanns and Marmite. By acquiring Bestfoods, Unilever was pushing forward with its mission to have a portfolio of strong global brands.

Unfortunately because of the size of the acquisition, the Monopolies and Mergers Commission decided that it could only take place if some of the brands were sold. This meant that we had to sell Batchelors and Oxo, two of our long-established and well-loved brands. These brands and the associated sites were sold to Campbells (as in Campbells Soup) at the beginning of May.

As mentioned in the Spring issue of Pensioners News, the rest of Van den Bergh Foods came together with Bestfoods to form the Unilever Bestfoods UK business, with its head office in Crawley. Currently the Bestfoods pension scheme, which is similar to the UPF, is still in existence, although administered on behalf of the Bestfoods trustees by UKPD. We hope to welcome all Bestfoods members into the UPF at 1 January 2002.

If you have internet access, you can keep up with company news via the newly-established website, [www.unilever.co.uk](http://www.unilever.co.uk). This site covers all the activities of Unilever in the UK and has up-to-the-minute news on our companies and brands. Alternatively, you can write to Laura Saunders, UKPAC at Unilever House to obtain a copy of the publication "Unilever UK - Our Brands, Our Business" which replaces "UK Review" and "Brands in the UK". This should be available by the end of October.

Below is a list of our best-known brands, following the acquisition of Bestfoods:  
Ambrosia, Ben & Jerry's, Birds Eye, Carte d'Or, CIF, Chicken Tonight, Colmans, Comfort, Cornetto, Domestos, Dove, Elmlea, Enjoy!, Flora, Hellmanns, Impulse, Knorr, Lynx, Magnum, Marmite, Mentadent, Olivio, Organics, Persil, PG Tips, Physio Sport, Pot Noodles, Slimfast, Solero, Sun, Sure, Surf, Tchaé, Timotei, Twister, Viennetta.

# The Wirral Group round up

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In the last issue we reported on the enthusiastic launch of the Wirral regional group. Here they update us on what they have been doing.

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Since our inaugural buffet dance, we have organised various events ranging from luncheons at local restaurants to a theatre trip and a day out in Llandudno. We also enjoyed an overnight stay in London, visiting the Chelsea Flower Show, and taking a flight on the London Eye. Although our planned ramble around Thurston had to be delayed until later in the year because of the foot and mouth epidemic, we have managed a walk as Charles Evans, a pensioner visitor on the Wirral, kindly offered to

take a group of us around Liverpool City Centre. Our well-informed guide pointed out some interesting buildings that most of us would normally overlook. More city walks are now planned. The highlight of our Gloucester/Cotswolds trip was an excellent lunch at Birds Eye Wall's social club, hosted by members of UPA Gloucester. The committee made us most welcome and hopefully we can repay their generosity.

We have a full programme of events for the remainder of the year, which include a two-day cross channel trip just in time for Christmas shopping, a Blarney night, a buffet dance, more luncheons and our first AGM. Thank you to our members for making our first year go so well, and for your continued support. We wish UPA Ashford and Warrington similar success.

## Letters to Pensioners News

Following your requests, as an experiment, future issues of Pensioners News will, subject to space, feature a letter and, where appropriate a response. So, if you have a particular question, concern, or piece of news you would like to share with others, why not write to Pensioners News, c/o UKPD at Unilever House. There will be a gift token given for the letter that gets printed.



## Unilever continues to back the UPF

Some of you have been writing or telephoning UKPD expressing concern over the latest media interest in pensions. The press in particular have been considering the long term security of pension funds like the UPF which promise a defined level of benefit on retirement, and have noted that some companies have closed their defined benefit schemes and replaced them with defined contribution arrangements, which are simply saving schemes and do not guarantee a level of benefit.

You will be reassured to know that the UPF has the full backing of Unilever, and this was made very clear at the company's AGM in London at the beginning of May, when Niall FitzGerald, Chairman of Unilever PLC, made the following statement, in response to a question raised by a pensioner:

“I have an immense pride in the Unilever Pension Scheme... we need to remind ourselves that we are dealing with a very fine defined benefit scheme,



Niall FitzGerald

unlike many of the schemes which perhaps you will find your children getting involved with these days, which are defined contribution and which will probably be very expensive for them to fund in the years ahead. Everybody who is privileged to be a member of the Unilever Pension Fund is a member of a defined benefit scheme...

which the Company stands behind and guarantees those benefits in all circumstances.”

# Exploring new challenges at the Delegates Conference



Sue Hawes (bottom left) and Cynthia Elliott (top right) with the Pensioners

Each year the Delegates Conference is attended by a small group of pensioner visitors.

The conference took place in March and we were delighted to welcome guest speaker, Lord Rooker, who at that time was Jeff Rooker MP, Minister of State for Social Security. The conference theme was “New Challenges” and Lord Rooker gave us an insight into those faced by the government, particularly the challenge to reverse the current 60/40 ratio between state and private pension provision.

Other speakers included Chris Lewin, Head of UK Pensions, who explored the issues faced by UKPD and the UPF in 2000 and those which they might face in future. Michael Pomery, Scheme Actuary, summarised the background to the Equitable Life AVC situation and how it might progress.

The delegates are employee members, elected by their peers to represent them, and it is from this group that Delegate Directors are elected. The conference gives the delegates the opportunity to raise questions directly with the trustees and members of the management team of UKPD, and this year the debates were as lively as ever.

Although the pensioner guests are observers, they have their own discussion groups chaired by Pensioner Trustees and feed back their thoughts to the conference, adding a valuable dimension to the meeting. It is hoped that this information exchange will continue with a small group of employee delegates attending the next Pensioners Conference.

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## A new name and a new service

Following the general election, the Department of Social Security has merged with the Department of Employment, to become the Department of Work and Pensions (DWP). This new department is introducing “The Pension Service” to provide help and information for pensioners by telephone, internet, post or face-to-face. The Pension Service is to be phased in between April 2002 and April 2003. Information about the new department and the new pensions minister, Ian McCartney MP, can be found on the internet at [www.dwp.gov.uk](http://www.dwp.gov.uk)

## Give as you earn

Due to changes in tax law, it is now more advantageous for some people to give to charity via a system known as “Give As You Earn” or GAYE. It is only available, however, if income tax is being deducted from your UPF pension.

Until March 2003, every £1 that goes to charity via the GAYE system will earn the charity 10p on top from the Government, and the contributor continues to get tax relief on his/her donations.

UKPD is planning to make GAYE available to you from April 2002, to be reviewed in April 2003. Deductions from your gross pension would be made in accordance with your instructions. If you wish to use this new service, please contact UKPD at the usual address, marking your envelope “GAYE” and we will send you an application form.

A	T	R	O	P	S	O	I	S	Y	H	P	Y	D
F	R	P	M	Q	N	K	D	R	M	J	Q	O	F
G	I	S	N	L	S	J	B	P	W	S	M	T	T
E	Q	I	T	A	F	W	V	J	K	E	J	R	L
M	R	K	P	N	B	F	X	T	S	P	O	D	Y
F	N	U	Q	G	E	Z	R	T	Z	F	B	T	J
P	K	Q	S	I	X	D	O	Q	M	Y	J	Q	S
D	F	D	J	S	V	S	A	O	F	T	D	L	C
B	O	P	X	O	U	P	C	T	Y	Z	I	X	I
F	C	N	E	J	Q	R	K	X	N	S	L	M	N
D	Y	K	Z	V	L	T	F	J	R	E	A	Z	A
L	N	J	I	W	O	Q	P	E	O	F	M	Z	G
P	Q	O	D	X	Z	D	P	Q	P	R	F	Y	R
G	B	E	S	L	U	P	M	I	I	F	G	W	O

## Wordsearch

To celebrate the merging of Lever Brothers and Elida Fabergé, 12 products are listed in this Autumn's wordsearch. As usual, there is a £20 Marks & Spencer gift voucher ready for each of the first 5 correct entries drawn out of the sack. (One entry per person, and only Unilever pensioners may enter)

MENTADENT SR, PHYSIO SPORT, SIGNAL, SURF, SURE, DOMESTOS, PERSIL, LYNX, ORGANICS, IMPULSE, DOVE, COMFORT

When you have completed the Wordsearch, fill in your details in the box, cut it out and send it to: Wordsearch Competition, UKPD, Unilever House, Blackfriars, London, EC4P 4BQ to arrive no later than 1 November 2001. Please mark the envelope "Wordsearch". Winners will be notified shortly after the closing date and their names published in the next edition.

Lots of you licked the last Spring Word Search for Ben & Jerry's ice cream. The lucky winners each received M&S Vouchers to the value of £20, and, as a special bonus, a Ben & Jerry's ice cream voucher! Congratulations to:

Mrs M Taylor, Southdown, Bath  
Mrs J Chapman, Welwyn, Herts  
Mrs M Shaw, Orford, Warrington  
Mr D F Roberts, Bebington, Wirral  
Mr T R Kettle, Holmes Chapel, Crewe

(BLOCK CAPITALS PLEASE)

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

POSTCODE: \_\_\_\_\_

PENSION RECORD NUMBER: \_\_\_\_\_

## Private Medical Insurance Form

I HAVE PRIVATE MEDICAL INSURANCE WITH  
(PLEASE TICK THE RELEVANT BOX)

PPP  SAGA  BUPA

OTHER (PLEASE SPECIFY NAME OF COMPANY)  
\_\_\_\_\_

I DO NOT HAVE PRIVATE MEDICAL INSURANCE  
BUT I MIGHT BE INTERESTED IN TAKING SOME OUT

I AM AGED BETWEEN

50-65  65-70  70-75  75-80  80 PLUS

**Completed forms should be sent to:**

PMI  
Cynthia Elliott  
Pensioners Liaison Manager  
UK Pensions Dept, Unilever House Blackfriars,  
London, EC4P 4BQ

## UPF Report and Accounts

The audited UPF Report & Accounts, for the period ending 31 March 2001, are now available on request from UKPD. If you would like a copy, please complete and return this form

**Completed forms should be sent to:**

Report & Accounts,  
The Secretary to the UPF,  
UK Pensions Dept, Unilever House. Blackfriars,  
London, EC4P 4BQ

(PLEASE USE BLOCK CAPITALS)

NAME \_\_\_\_\_

PENSIONER RECORD NUMBER \_\_\_\_\_

ADDRESS \_\_\_\_\_

\_\_\_\_\_ POSTCODE \_\_\_\_\_