

THE UNILEVER PENSION FUND

Pensioners News

UNILEVER

PENSION FUND

SEPTEMBER 2000



Welcome to the September edition of 'Pensioners News'.

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Unilever

PENSIONERS AT DELEGATES CONFERENCE 2000 by Hannah Clarke Communications Manager

For the second year running, pensioner visitors were invited to attend either the Pensioners Conference or the UPF Delegates Conference 2000. In the May issue of 'Pensioners News' we wrote about the Pensioners Conference. Our report on the Delegates Conference, which was held at the ICC in Birmingham, follows below.

The Delegates Conference gives an opportunity for employee members (who are elected by their peers) to discuss specific fund developments as well as pensions in general. This year the conference centred mainly on the switch from the USF to the UPF, explaining the rationale behind, and the benefits resulting from, the change.

Although the annual Pensioners Conference has been established, 10 pensioner visitors attended the Delegates Conference. Richard Greenhalgh (Chairman of the Trustee Board) commented in his opening remarks that retaining a pensioner presence at the Delegates Conference adds an important extra dimension.



Richard Greenhalgh

The pensioner visitors attended a dinner on the evening before the main conference, at which they were able to share their ideas and concerns on an informal basis with Cynthia Elliott, Pensioners

Liaison Manager, and some members of UK Pensions Department (UKPD) Management Team.

The first speaker at the conference itself was Jacqui Lait MP, the Conservative front bench spokesperson for pensions. Jacqui gave her perspective on the current pensions scene, and



Jacqui Lait

outlined the shape of future Conservative pensions policy. Of particular interest to many of the delegates were her views on long-term healthcare and the difficulty many people experience in affording such care in retirement.

Chris Lewin, Head of UK Pensions, then updated the delegates on developments in the pensions world over the last year and issues likely to emerge in the future. In particular, Chris gave details of

stakeholder pensions and the recently published regulations regarding pension sharing on divorce. Unfortunately Wendy Mayall (Chief Investment Officer) could not join us this year to present the investment report, but Philip Lambert, Head of Unilever Corporate Pensions Division, stepped in and did a sterling job. Philip reported that the fund's investments continue to perform well. Further details of the fund's investments are given on page 4.



Philip Lambert

After tea, Chris Lewin explained the stages involved in the Actuarial Valuation. The leaflet entitled 'Interview with the Actuary', which was sent to all fund members in November last year, gives details of the process.

In the evening, over dinner, the delegates and pensioner visitors took the opportunity to discuss the events of the day with some of the Trustees and the UKPD Management Team.



Chris Lewin

The next day Chris Tripp, Actuarial Manager, and Christine Drury, one of the Trustees, explained the proposals for the new structure of the Trustee Board and the constitutional changes to the fund.

Kim Northwood, Service Delivery Manager, and I then gave a short presentation on customer service.

At the end of the conference, delegates presented their feedback to the UKPD Management Team on the issues considered. The team responded to the questions asked by the delegates before the discussion widened to encompass further questions. Most of the points raised by the delegates focused on matters close to the hearts of employee members.

Since the structure of the Trustee Board is undergoing change, this year's conference was likely to be the last one when the delegates are from 3 areas. There was a feeling that we were coming to the end of an era, but this was mixed with an air of anticipation as we look forward with confidence to the future.

PENSION INCREASE 2000 – 3.3%

In October, pensions above the Guaranteed Minimum Pension (see table) will be increased using the annual increase in the Retail Prices Index published in August. If you left after 1 October 1999 the percentage is reduced proportionately.

Why use the RPI?

John Wilcock, Financial Controller, explains:

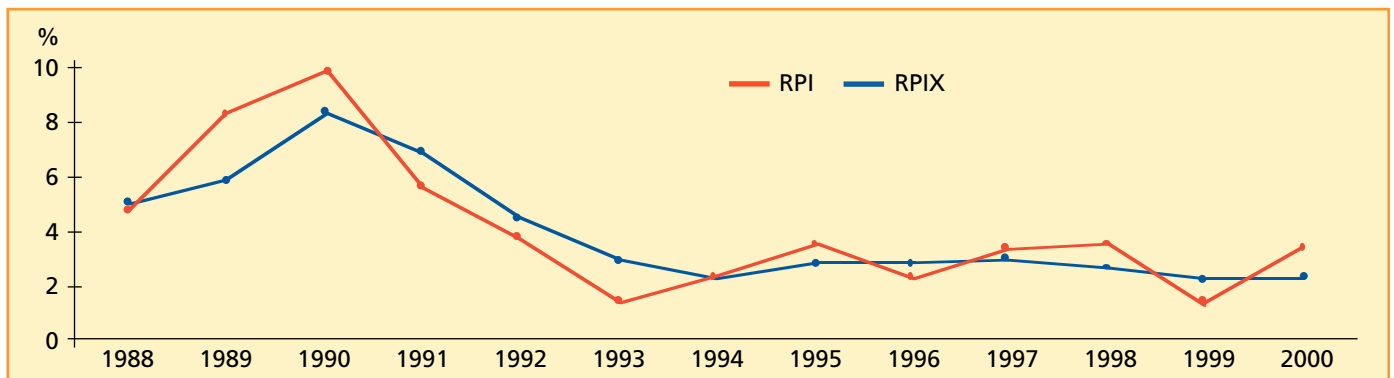
Last year a number of pensioners asked me why we use the RPI, which includes mortgage interest payments, rather than the RPIX which excludes mortgage interest. RPIX is the government's preferred indicator for managing the economy. At the time the RPI increase was at a historically low level of 1.3% whereas the RPIX figure was 2.2%. It was suggested that, since most pensioners have already paid off their mortgages, they were being unfairly penalised.

This year, while the RPI increase is 3.3% the RPIX figure is again 2.2%. The reason for this is that the recent trend in interest rates has been upwards. During this phase of the interest rate cycle,

Pension Increase 3.3%			
	Before the increase £	Unilever increase 3.3% £	After the increase £
UPF	1,000	33	1,033
UPF/GMP	300	–	300
Total UPF	1,300	33	1,333

mortgage costs (for those who have mortgages) tend to increase and the RPI will generally be higher than the RPIX. But once the cycle turns and interest rates start to fall, the reverse is true and the RPIX will tend to be higher than the RPI increase. This was the situation 12 months ago. The graph below shows the relationship between the 2 rates over the last 13 years. Over the full interest rate cycle there will be very little difference on a cumulative basis between the increase measured by the RPI and RPIX.

Finally, for anyone who remains unconvinced, I should add that the fund rules stipulate the use of the RPI increase.



NEW INITIATIVES by Cynthia Elliott, Pensioners Liaison Manager

Over the last few months, I have spent most of my time out on the road, meeting many of you. In May I visited the Wirral where I attended pensioners lunches and asked for volunteers to help set up a pilot regional group for pensioners. We intend to encourage the setting up of these groups to cover the whole of the UK over the next 3 years.

The groups are not intended to replace the Unilever Pensioners Association. Their purpose is to:

- ❖ give those who wish to do so the opportunity to take part in social events
- ❖ improve communications with both the Company and the Unilever Pension Fund.

The Chairpeople of the groups would be invited to attend the annual Pensioners Conference in London

where they would have the opportunity to put forward the views of their fellow pensioners to the Trustees and the UKPD Management Team. If you would like to be involved in the setting up or running of these groups I would be delighted to hear from you.

For more information you can contact me by letter or e-mail or call me on 020 7822 5863. Please note that, as I am often out on the road, it may take time to reply to your queries.

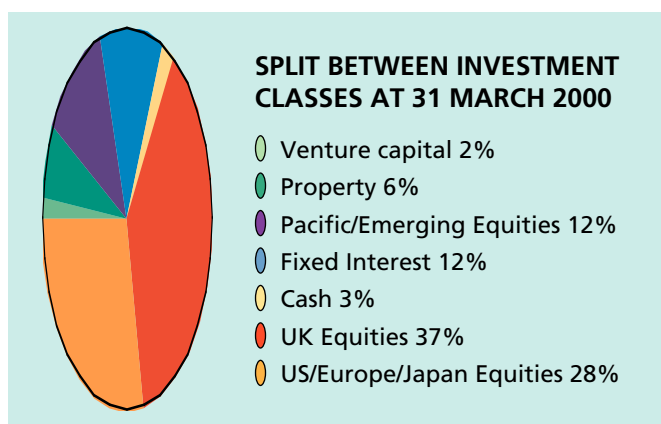
Cynthia Elliott, Pensioners Liaison Manager
 UK Pensions Department
 Unilever House
 Blackfriars, London EC4P 4BQ
 e-mail: Cynthia.Elliott@unilever.com

LOOKING AFTER THE FUND'S ASSETS

An interview with Wendy Mayall, Chief Investment Officer

The 28th Trustee Report and Accounts for the USF has now been audited and copies are available on request from UKPD. One of the questions people frequently ask, when they consider the Report and Accounts, and the fund investment is "Who makes the investment decisions for the fund?" To answer this question, we interviewed the fund's Chief Investment Officer, Wendy Mayall.

PN (Pensioners News) Wendy, we all know that the Trustees have a duty to obtain the best possible returns when investing the fund's assets. How do the Trustees fulfil this duty?



WM (Wendy Mayall) The Trustees do have this obligation, although the phrase "best possible returns" also means that they have to consider other factors. For example, they should not take excessive risks to achieve outstanding returns.

As you know, the fund has between £4.5 billion and £5 billion in assets – bigger than the Gross Domestic Product of the Bahamas – and the Trustees have recognised that the investment of the fund's monies calls for specialist expertise. They have, therefore, delegated some of the supervision of the investment process to the Investment Committee.

PN Who sits on the Investment Committee?

WM Patrick Cescau (Unilever's Financial Director), chairs the committee, which comprises 2 of the Trustees: Christine Drury and David Jones, Jeffrey Allgrove (Unilever's Controller), Philip Lambert and Chris Lewin, as well as myself. There is also an external advisory member, Dr Neil Cross.



Wendy Mayall receiving the award for "Outstanding Alumna 2000" from University of Manchester Institute of Science and Technology

PN What is the committee's role?

WM The committee suggests the investment strategy that the Trustees should adopt. Once this has been agreed, our

role is to ensure that it is carried out. This includes supervising the various investment managers appointed by the fund. Although the committee does not get involved in the selection of individual stocks and shares, it does keep a close eye on the investment managers.

PN How often does the committee meet?

WM We meet once a quarter, and also report to the full Trustee Board at each of their meetings – generally quarterly.

PN What is your role in the process?

WM As Chief Investment Officer, I am involved in the day-to-day business of supervision of the fund investments, which includes liaising with the investment managers, watching out for trends to which we may need to respond, being alert to potential trouble spots and ensuring that the fund's assets continue to be invested efficiently.

PN Thank you, Wendy, that was very interesting. Congratulations on your award (see above)!

This interview took place before the changes in company structure recently announced by Unilever. We will report on these changes in the next issue.

USF REPORT AND ACCOUNTS

The audited Report and Accounts contains more details about the USF's financial activity during the 12 months to 31 March 2000.

If you would like a copy, please fill in this form and send it to:

The Secretary to the USF, UKPD, Unilever House, Blackfriars, London EC4P 4BQ.

Please send me a copy of the 28th USF Report and Accounts (PLEASE USE BLOCK CAPITALS)

Name: _____

Pension record no: _____

Address: _____

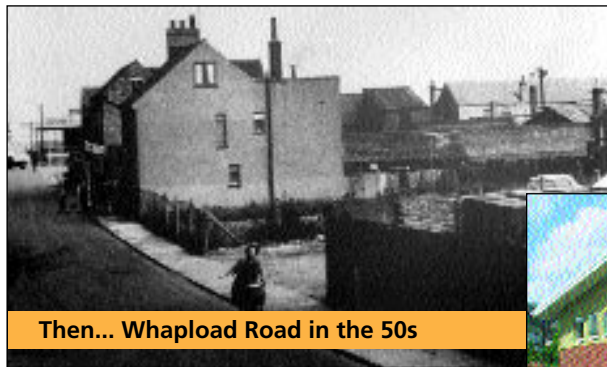
Postcode: _____

SPOTLIGHT ON UNILEVER

BIRDS EYE WALL'S, LOWESTOFT

Welcome to "Spotlight on Unilever", where we turn our attention to one particular company or site. This new addition to 'Pensioners News' is in response to your requests to learn more about Unilever's businesses and their plans. We start off with Birds Eye Wall's, Lowestoft, which celebrated its 50th anniversary in 1999.

Prior to 1949, part of the Lowestoft site had been used by MacFisheries for herring curing during the winter. The factory began its work for Birds Eye in 1949, making cartons during the summer months for the fruit picked in the area. The fruit was packed at Lowestoft and then sent to Great Yarmouth for freezing. It wasn't until 1951 that food was actually frozen at the site.



Then... Whapload Road in the 50s

The site went from strength to strength, expanding the range of products and in turn the number of buildings. Pastry and sausage roll production started in the 1960s, and in the 1970s a new Repack Department was built.

In 1981, Birds Eye Foods merged with Wall's Ice Cream Ltd, to form Birds Eye Wall's Ltd and in 1985, with the closure of the Great Yarmouth factory, Lowestoft took over the production of Waffles and Burgers, leading to the construction of a new Steakhouse Building. In 1991, test production of white meat products such as Chicken Burgers started. The products proved such a success that in 1993 a new building for white meats was opened.

In 1996, the site started to operate 24 hours a day, 7 days a week, and greater emphasis is now placed on team working, problem solving and Total Productive Maintenance (TPM). Traditional roles have changed, as all employees are now involved in the smooth running of the production line. Process workers are now trained to be able to carry

FACTS & FIGURES

Number of employees at BEW Lowestoft **1,000**

Famous Brands

Crispy Chicken Dippers...Original & Best Beef Burgers...Chicken Curry...Garden Peas...Cod Fillet Fish Fingers...Potato Waffles

Over 50 new products in the Birds Eye Wall's range are launched every year. 500 million packs of Birds Eye products are made every year – 230 million by the Lowestoft factory.

out minor engineering tasks on the production lines, freeing engineers to take on more detailed technical aspects of machine care and development.

1999 saw the opening of a new frozen food development centre, costing £1m. The centre forms the focus for development activities across frozen foods for Birds Eye. Giving consumers what they want is still key to the development of the business, and the centre has facilities which allow consumers to come in and cook and taste the products to give first hand experience of product



and now... Birds Eye Wall's today

performance in the real world. A panel of housewives is also retained to give impartial product validation.

As always, Birds Eye is focused on the need to continue to give

its consumers high quality, trusted food products and the Lowestoft site, especially with the development centre, is continuing its tradition of doing exactly that.

Thanks to Birds Eye Wall's for allowing us to feature the Lowestoft site and for providing the information in this article.



The development centre at Lowestoft – giving consumers what they want

FREE TV LICENCES FOR OVER 75s

Are you over age 75 and living in Great Britain? If so, you will qualify for a free TV licence from 1 November 2000.

However, residents of the Channel Islands and the Isle of Man are currently excluded, as their respective authorities have still to make a decision.

Only one resident in the household needs to be over age 75 to qualify, but obviously the licence must be in that person's name. It may therefore be necessary for you to change the name of the licence holder for the property and you will still need to make sure you renew your licence each year.

If you are over 75 now and your current TV licence expires before 1 November 2000, you

can buy a temporary licence up to this date, at which time you should apply for the free licence. If, however, you are already over age 75 and your licence expires after November, you should apply for your free licence from November when you will receive a refund for the remaining months of your existing licence. This information is for guidance only.

TV Licensing will be writing to everyone with details of how to apply for the new Over 75 Licence. In the meantime, if you have any queries relating to this you should contact TV Licensing on their special telephone enquiry number.



TV Licensing enquiry number
0845 602 3334



GOVERNMENT RESPONSE TO THE ROYAL COMMISSION ON LONG-TERM CARE

Much debated over the past 2 years at pensioner functions and our conferences has been the Royal Commission on Long-Term Care and how the government might respond. The Commission, which reported in 1998, highlighted the problems that elderly people experience when needing long-term care, particularly the distress caused when some are compelled to sell their houses or use up any savings to pay for their care needs. A series of recommendations was made.

At the end of July the Prime Minister introduced the government's plans for the National Health Service, which include a response to the Commission. Set out below are some of the more pertinent points:

- ❖ NHS nursing care will be free in all nursing homes by October 2001
- ❖ From April 2001, the value of the patient's home will be disregarded for the purpose

of means testing for the first 3 months after entry to a nursing home

- ❖ The limit above which a person has to meet their own accommodation and personal care costs will be raised to £18,000 from April 2001
- ❖ The Treasury is to investigate the insurance products available to meet the cost of long-term care. The report is due in autumn 2000.

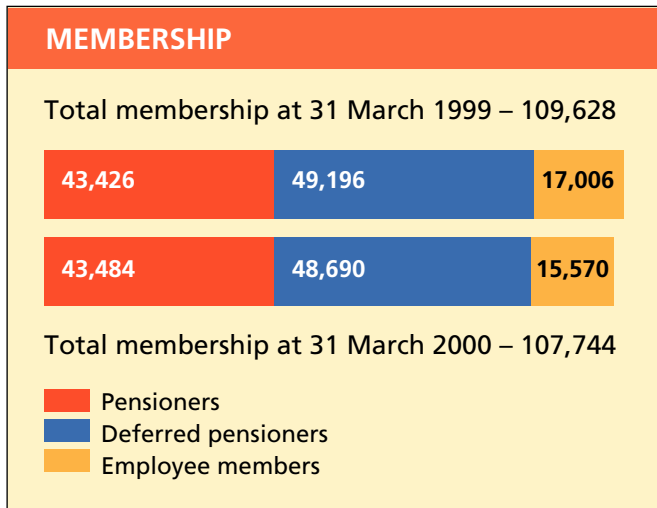
The government rejected the Royal

Commission's recommendation that the cost of "personal care" which includes nursing care and some social care tasks, such as help with bathing, should be free.

Copies of the report, "The NHS Plan" are available from "The Stationery Office" bookshops, and can also be found on the internet – www.nhs.uk/nhsplan.



USF MEMBERSHIP – THE NUMBERS EXPLAINED by Sue Hawes



We have received several enquiries about the different categories of fund members so, following a suggestion from some pensioners, a more detailed analysis of the pensioner and deferred membership at 31 March 2000 is given below.

Pensioners – 43,484

All pensioners have transferred to the UPF and the total consists of the 3 types of pensions in payment.

Retirement Pensions	30,738
Spouse & Dependant Pensions	12,486
Child Pensions	260

Deferred pensioners – 48,690

The total is made up of 2 groups, as there are some members with full deferred benefits who have left their pension rights in the Fund to be paid when they reach retirement age. The other category received a refund of contributions when their employee membership ended and it is a legislative requirement that we have to provide the equivalent of a very small part of their State Pension. When it becomes payable they are offered a lump sum settlement which the vast majority accept, so they do not join the pensioners payroll.

Prior to the transfer to the UPF at 1 April there were about 24,000 in each group. The division has now changed as the full members have moved to the new fund along with some of the State equivalent members. As a result the UPF has started with 32,043 deferred members, leaving 16,647 in the USF.

STOP PRESS

The period of nomination of pensioner members as candidates for election to the Trustee Board of the UPF is now over. Please see the enclosed leaflet for details about the outcome of the nomination process.

IMPORTANT REMINDER – LAST CHANCE TO BOOST YOUR SPOUSE’S PENSION

If you are a member of the Unilever Pension Fund, (not including the UNIAC Pension Fund or other overseas arrangement), and were in receipt of a retirement pension on 31 March 2000, you have the option to give up some of your own pension to provide extra pension for your spouse in the event of your death. To date almost 50% of members who have received quotations have taken advantage of the option.

The option expires on 31 December 2000. Therefore, should you wish to take advantage of this option, you must request a quote by 15 November 2000 at the latest to allow enough time for your application to be processed by the end of December. Please complete and return the form at the back of the booklet we sent you in February about the change from the USF to

the UPF, or write to UKPD if you need another form.

OFFERS ... OFFERS ... OFFERS ... OFFERS

In this edition of 'Pensioners News' we enclose the latest information from Unilever's Private Insurance Department, which we hope you will find useful. Please note that all queries on this should be directed to UK Insurance Department (see the names and numbers on the form) and not to UKPD.

Last year, we included information about an offer from SpecSavers Opticians. SpecSavers are planning to launch a new scheme in January 2001, and we hope to include details of this in the next edition of 'Pensioners News'.

WORDSEARCH

SPOT THE MISSING PRODUCT!

As we continue to receive a positive response to the Wordsearch, we've decided to make it a regular feature. This time, though, we've added a new twist to the puzzle. Although we have listed below only 10 Birds Eye Wall's products, hidden in the Wordsearch you will also find an additional 11th mystery product! As before, we are offering £20 Marks & Spencer gift vouchers to each of the first 5 names drawn out of a sack, who correctly identify the 11 Birds Eye Wall's products in the Wordsearch below (one entry per person; only Unilever pensioners may enter).



BRUSSELS SPROUTS, BEEFBURGERS, MIXED VEGETABLES, GARDEN PEAS, POTATO WAFFLES, OVEN CHIPS, SLICED BEANS, ALPHABITES, PETITS POIS, CHICKSTICKS

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 20 October 2000. Please mark the envelope "Wordsearch".

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

(BLOCK CAPITALS PLEASE)

Name:

Address:

Postcode:

Pension record no:

Missing word

SOME USEFUL PHONE NUMBERS

Unilever Pensioners Administration 020 7822 6949/5093
 Unilever Pensioners Association / Unilever Pensioners Liaison 020 7822 5863
 Unilever Private Insurance 020 7822 5547/5551
 Unilever Pensions Tax Office (Ref 947/V) 0161 261 2000
 DSS Enquiry Office 0345 313 233

Congratulations to the winners of the Spring Wordsearch:

Mrs G E Rose from Whitton, Middlesex
 Mrs D I Cant from Grimsby, North East Lincs
 Mrs F M Owen from Liverpool
 Mr R Owens from Birkenhead, Merseyside
 Mrs V M Redman from Chislehurst, Kent