

**PENSIONS CONSULTATIVE COMMITTEE
REPORT TO MEMBERS FOLLOWING THE MEETING ON 13 JANUARY 2011**

A meeting of the Pensions Consultative Committee (PCC) took place in London on 13 January 2011.

The PCC has been set up to discuss, co-ordinate, advise and represent the views of the members of the SELEX Pension Scheme. There are fourteen representatives on the Committee and their contact details are attached to this Report.

The meeting was attended by:-

Tony Kingsbury	Capability Green - Chairman
James Fordyce	Edinburgh
Christopher Guertin	Basildon
Martin Johnson	Basildon
Scott McMillan	Basildon
Paul Murrell	Christchurch
Stuart Rushworth	Capability Green
Phil Slade	Capability Green
Ken Thompson	Pensioner Representative
Jim Thomson	Edinburgh
Scott Wallace	Edinburgh
Andrew Letton	HR – SELEX Galileo
Mike Nixon	Head of Pensions
Angela Weston	Pensions Manager
Sue Smith	Pensions Adviser

Apologies: Jim Cull, Paul Wilton, Colin Wylie and Helen Pass

The meeting was held to receive feedback from the Trustee meeting held on 7 December 2010.

Administration

Work levels at Aon have seen a seasonal reduction during Q3. Performance continues to meet or exceed service targets.

The issue of annual benefit statements completed in December 2010 in accordance with the agreed timetable.

Actuarial

The quarterly funding update showed that the Scheme's estimated deficit had decreased from £35 million at 30 June 2010 to £29 million at 30 September 2010. This remains ahead of the recovery plan. The main cause of the improved position has been the performance of equity markets on assets held during Quarter 3.

It was confirmed that the next edition of InFocus would include the Summary Funding Statement which would provide information on the funding position as at 5 April 2010.

CPI/RPI

It was noted that the Government has extended to March 2011 its consultation concerning the use of CPI to measure inflation for pension schemes. The Trustee will be seeking further advice when the consultation ends.

On-line access to pension details

The Trustee, with Aon Hewitt, recently launched an on-line interactive facility to members. Members can access details of their personal information and now have access to a pension planning modeller. Access is via a personal log-in. Members with queries relating to access to the site or modeller can contact Aon Hewitt in the first instance at selex.pensions@aonhewitt.com. Members with suggestions for potential improvements can contact their local PCC representative.

It was noted that some technical difficulties had been experienced with the automated response from the selex.pensions mail box. Aon Hewitt had apologised for this and were working on the solution.

Working past age 65

The Government had recently announced the timetable for the removal of the Default Retirement Age. Following this announcement there would be a requirement to review existing HR and pension processes. An updated guidance note for those continuing to work past the scheme's normal retirement date had been re-issued.

It was noted that in most circumstances members are likely to receive the best value by electing to cease contributions on attaining age 65. Members are recommended to contact Aon Hewitt for further information as they approach their 65th birthday.

Review of Standard Life as the AVC provider

The annual review of the current Additional Voluntary Contribution "AVC" provider, Standard Life, had been completed by the scheme advisers and the Trustee had retained Standard Life. With the exception of the sterling fund, the range of existing investment options had been retained. The managed cash fund option provided would replace the sterling fund, including in the Lifestyle arrangement.

New Tax Laws

In response to the Government's announcement to introduce a tax on high pension savings Aon Hewitt have prepared a briefing note on the forthcoming changes, including the reduced annual allowance which takes effect from 6 April 2011. A copy of the briefing note is posted on the SELEX pensions website.

Transfer illustrations

It was confirmed that deferred members or those seeking an illustration for divorce purposes, were permitted one free transfer quotation in a 12-month period. Additional requests could be provided by the administrators but there would be a charge.

Mid Life Pension Seminar Pilots

Feedback from the pilot mid-life seminars presented by a joint team from Pensions Management and Aon Hewitt was discussed. Further seminars are planned for Luton, Southampton and Basildon with the pilot program scheduled to complete in Edinburgh during June.

Finmeccanica FuturePlanner training

The Committee was provided with training on FuturePlanner which is the defined contribution pension plan for new entrants to the Group.

Date of the Next Meeting

The next meeting of the PCC was due to be held on 5 May 2011.

Post meeting update

Due to exceptional circumstances (two broken legs among the Pensions Management team) the meeting on 5 May was cancelled. Items scheduled for May will be carried forward to the meeting on 12 July.

Contact Details

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