



Autumn 2006

Looking ahead



Paul Hopkins, Director of Pensions, writes:

At the end of this year, Barbara Keech will retire from her position as President of the XPA and I know you will all join me in thanking her for her much-appreciated work over the years and in wishing her well in the future.

The way forward

In many ways, Barbara is irreplaceable and, in fact, we have no plans to replace her. Instead I have taken the opportunity to go back to basics – to review the aims of the Xerox Pensioners' Association and to see how we can best achieve them.

The original vision was that the XPA should:

- Keep pensioners up to date with what is happening in the Company; and
- Maintain a social network amongst pensioners through our Co-ordinators and Visitors.

XPA people

In May this year, we held a meeting with the XPA Regional Co-ordinators to discuss their concerns and to plan for the future. It was a fruitful meeting and generated a number of ideas and concerns.

The Co-ordinators voiced the need for more opportunities to get together with me, to pool ideas and ensure a uniform approach. They indicated that their Visitors would prefer a clearer sense of direction and would also like the chance to meet. As a result, I will be holding annual meetings here at Xerox Pensions – one for Co-ordinators early in the year, and one for Visitors in the Autumn (on 11th October this year) to discuss ideas. More meetings will take place at local level at the discretion of the Regional Co-ordinator.

We depend on our Co-ordinators and Visitors to keep in touch with XPA members and their voluntary work is greatly appreciated. I want them to know that they have my full support in the valuable work that they do.

Your newsletter

XPA News, as the communication instrument of the Association, should reflect its basic aims. With this in mind, this issue is taking on a new look and a new emphasis. You will see more Company news, keeping you up to date with important developments in our business and products. Your stories about *Life After Xerox* are always popular and in good supply – we only regret having to edit them to fit the available space and apologise to those whose contributions have been omitted altogether – we really have had a particularly good response this time.

In this issue, we welcome our new editor, **Olwyn Smith**, who is Communication and Special Projects Administrator with Xerox Pensions. Olwyn will be your contact for *XPA News* and her details appear on page 8.

Your views wanted

The most important thing is that we should reflect what you, our members, would like to see in *XPA News* – what interests you, what you find useful, what entertains you. As a result, a reader-survey will be sent out to 1,000 pensioners selected at random. If you receive one, please take time to complete and return it to Olwyn so that we can take account of your views in future issues. We will report the results in the next issue.



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Your pension security

Paul Hopkins writes:

One of the concerns voiced at the meeting I had with the Regional Co-ordinators was pension security. I can assure you that Xerox Pension Schemes are very much managed and funded according to best practice. Enclosed with this newsletter you will find a **Summary Funding Statement** that provides reassuring information about the funding of the Xerox Final Salary Pension Scheme.

Putting you in the picture

Against a backdrop of a number of companies going bankrupt and leaving behind under-funded pension schemes, the Government has recently passed legislation intended to overhaul the UK pensions system. The intention is to improve the security of members' pensions and to restore their confidence in pension schemes.

This has been done in a number of ways:

Better supervision of pension schemes

From April 2005, a more powerful, proactive and risk-focussed Pensions Regulator has been established, with responsibility for supervising the UK pensions system. He will monitor the running of pension schemes and has the power to intervene where he considers it in the interests of members to do so.

Better funding of pension schemes

From 1997 until recently, final salary pension schemes (like the Xerox Final Salary Scheme) had to ensure that their funding levels exceeded what was known as the Minimum Funding Requirement. This, however, was criticised for being inflexible and providing inadequate protection for scheme members and has been replaced with what is called the Statutory Funding Objective.

The Pensions Regulator has issued guidance on how he expects trustees to fund their pension schemes and has powers to intervene if he has concerns about their funding plans. Trustees are also required to provide scheme members with more information about the funding of their pension schemes

Insurance of pension schemes

For the first time in the UK, there is a national system of insurance that provides members of final salary pension schemes with basic insurance.

If a company goes bankrupt, leaving a pension scheme with insufficient money to pay its pensions, the Pension Protection Fund (PPF) steps in and takes on responsibility for paying the scheme's pensions (although there are upper limits on the amount of pension the PPF can provide). The cost of the insurance is met by the pension scheme – in 2005 the Xerox Scheme paid a 'premium' of just under £200,000 and in 2006 expects to pay more than £400,000.

Better run pension schemes

The Pensions Regulator is keen to ensure that all pension schemes are run to the highest possible standards and has published various Codes of Practice to help them achieve this. All trustees are required to undergo the necessary training to give them the knowledge and understanding to enable them to carry out their role effectively.

You can read in the newly designed Annual Report and Accounts about some of the improvements that the Xerox Trustees have made – copies are available from the website – www.xeroxpensions.co.uk – see *Publications* section.

All in all, these measures should lead to greater security for all pension scheme members.

Riverside idyll – Thames-side meander and cruise

Doug Nevell writes: In spite of a threatening weather forecast, 46 pensioners turned out for this Summer's river expedition. We met at Sonning, Bucks, then boarded the Salter's Thames cruiser service at Sonning Lock for a cruise to Henley via Shiplake and Wargrave, passing by a mixture of wooded seclusion and beautiful riverside homes.

After we disembarked at Henley Meadows, we enjoyed a splendid buffet lunch at *The Angel on the Bridge* restaurant, prior to taking the train back to Shiplake, then walking by the river back to Sonning to retrieve our cars. *A thoroughly enjoyable day!*



Pension dates 2006/7

Your Xerox pension will be paid into your account as follows:

Pension	Paid in
October	Friday 29th September
November	Wednesday 1st November
December	Friday 1st December
January	Friday 29 December
February	Thursday 1st February
March	Thursday 1st March

Christmas & New Year events

The Christmas and New Year meals offer XPA members all over the country the pleasurable chance to catch up with old friends and exchange their news. Do check the list below to see if there is a meeting that you can get to. A good time is had by all!

West Region

Mitcheldean Christmas Lunch

Thursday 7th December
Xerox Social Club* – arranged by
John Court but please contact
Margaret Brooks on **01494 615159**.

Hampshire/Dorset Area

Christmas Lunch

Wednesday 13th December
St Leonards Hotel, Ringwood Road,
St Leonards.
Contact **David Parkinson** on
01202 897394.

Norfolk Area Christmas Lunch

Date and venue – see enclosed sheet.

Contact **Noel Warner** on

01508 488088.

Midlands Region

New Year Buffet Supper

Tuesday 9th January
Venue – see enclosed sheet.

Contact **Bob Johnson** on

01889 583363.

South Region New Year Lunch

Date and venue – see enclosed sheet.

Contact **Margaret Brooks** on

01494 615159.

East Region

New Year Dinner

Thursday 18th January
Chesfield Downs, Graveley, Herts.
Contact **John Handscombe** on
01462 814009.

East Sussex/Kent New Year Lunch

Thursday 25th January
Barnsgate Manor Vineyard, Herons
Ghyll, Nr Maresfield, East Sussex.
Contact **Margaret Brooks** on
01494 615159.

* The Xerox Sports and Social Club at Mitcheldean is open daily to all Xerox pensioners, whether local or visiting.



Rank Xerox – 50 years on

Fellow Rank Xerox Veterans: one last hurrah!

Ed Prothero writes:

Fifty years ago this year, on a cold December day in London, the scene was set for a remarkable partnership between a determined and innovatory American company and an established British organisation with world-wide interests. Rank Xerox Limited was incorporated on December 19th 1956, launching a new adventure for thousands of men and women around the world over the next five decades.

To mark such a significant event, around 200 former Rank Xerox employees are getting together for a reunion lunch on 29th November 2006 in Henley – the site of Rank Xerox's last IHQ. Those attending represent all the different areas of Rank Xerox, although most have had some involvement with RX IHQ. A few still work for Xerox but most are now active in retirement. Over a tenth of the attendees will be coming from outside the UK, including Yotaro (Tony) Kobayashi, Chief Corporate Advisor (and former President and CEO) of Fuji Xerox, and others from Europe, Australia and the USA.

A key element of the event will be a 'Museum of Rank Xerox'. Attendees will be ransacking attics to bring unique memorabilia, amongst which is a film 'The invention nobody wanted' – bet no-one can guess what that is about – and a real example of the fabled 1P1 spare part. We are also setting up a website about the event (*details in the next issue of XPA News*).



Haggett Cup 2006

The XPA Golf Society entered four teams in the Annual National Xerox golf tournament, held at Staverton Park, Daventry on 13th August. Of the 13 teams of six which took part, XPAGS came in 1st and 2nd, and our Ladies' team came in 3rd. Full story and pictures in the next issue of XPA News.

Free tour of Clearwell Caves

Thursday 19th October

XPA member **Ray Wright** kindly offers a free guided tour around the ancient iron mines in the interesting village of Clearwell, near Coleford, Gloucestershire. The tour will start at 11am and last about 90 minutes – make your own way there. Further details and booking (before 12th October) from John Court – **01594 843651** – or www.clearwellcaves.com.

Remembering Gerry Rickards

Philip Currah, Rank Xerox 1958-1982, writes:

Many old Rank Xerox hands (and perhaps their muscles and waistlines too) will remember, with affection, Gerry Rickards, fitness instructor, who died last October.

Gerry was co-author with Graham Price of *Super-Fit for Business*, and when the book was in gestation in 1982, I was seconded to find them a publisher and write their biographies for the dust jacket. I still have my signed copy.

Gerry saw active service as a Royal Naval physical training instructor in the Atlantic, the Mediterranean and the Far East. He taught martial arts and swimming in public and prep schools. A qualified Remedial Gymnast with distinction in Body Mechanics and Exercise Therapy, he worked at hospitals and rehabilitation units on neurological disability and sports medicine. He was an extrovert – fond of a drink, a party and the occasional cigar, confessing to a dislike of fitness fanatics. He travelled widely and lectured on fitness, unarmed combat and judo.

Gerry joined Rank Xerox in 1974, setting up and co-ordinating fitness programmes internationally. If you were among Gerry's devoted pupils, I am sure you will recall some amusing anecdotes about this character, who wrote, 'Always remember that fitness is not an end in itself, but a way to enhance your enjoyment of life.'

Company News

Laying the foundations for success

From Derek Harton, UK Change Manager

This is an exciting time for Xerox. We are building the foundations that will safeguard the future of our business for many years to come. Our aim is to make Xerox in Europe a benchmark company – one using best possible practice; one against which other companies will measure themselves.

Our plan is first to consolidate the infrastructure across Europe – integrating databases and methods. We then concentrate on our workforce – preparing them for the new working conditions – making sure we have the right people with the right skills in the right place. Finally, we turn to our customers – the package of service and products that we offer in the marketplace.

This is encapsulated in our three-step strategy:

- 1. A2B – Average to Benchmark** – this is focussed on systems and processes and involves designing and implementing a common, Europe-wide infrastructure.
- 2. HPOE – High Performance Operating Environment** – this is focussed on employees and involves refreshing the behaviours and attitudes we need to improve the culture of our Company.
- 3. Service-lead Technology** – this is focussed on customers and involves selling the services we can offer surrounding our products.

All of the steps are well under way. Work on A2B began in September 2005, with a rollout in the UK, Office Division and Germany during 2007, spreading over the rest of Europe in 2008. HPOE training has been cascaded throughout the

Management team and is currently being taken to all of Xerox Europe staff. The intention is that, by improving both our infrastructure and our culture, we can focus on service-lead technology in order to grow the business.

What is A2B?

In this issue of *XPA News*, we are looking at the first part of the strategy – the A2B project. This encompasses around 300 processes and the plan is to build a platform of common benchmark processes and systems for all locations and businesses across Europe.

Currently, methods vary from place to place and from business to business; systems are different; knowledge is held piecemeal. The resulting delay and difficulty is frustrating both for our customers and our workforce. One database means that everyone has access to the same information; one technology is the basis of efficiency. The aim is to have everything available at the touch of a button and we see this as a huge step forward for our customers and employees alike.

Our three-step strategy will not only support and improve existing business but will build new business and we see it as underpinning our future success. This is not a one-off exercise – it is a continuing process of assessment and improvement for the future.

In the next issue of *XPA News*, we will look at High Performance Operating Environment.



Superbikes – Xerox and Bayliss lead the world

Superman Bayliss takes Ducati's 250th World Superbike win at Brands Hatch.



Armando Zagalo de Lima – Xerox Europe President – pictured here with Xerox Ducati riders Troy Bayliss (right) and Lorenzo Lanzi (left)

Troy Bayliss powered his 999F06 to his ninth victory of the season in Race 1 at Brands Hatch at the beginning of August. He came second – by a whisker – in Race 2 but he and Xerox are still at the top of the table.

With a season's total to date of 307, Troy has a 77-point lead over his nearest rival, Nori Haga on Yamaha. Ducati has a hefty 317 points – 50 points ahead of Honda in second place.



Company News

IPEX 2006

As a result of its participation in IPEX 2006, Xerox Corporation signed several million dollars in contracts for more than 65 digital printing presses, plus related software, systems and services, at the industry's largest gathering of international print professionals in Birmingham.

More than 35,000 visitors toured the Xerox booth, which was the most expansive exhibit of printing technology, software and services at the event, held from 4th to 11th April.

Among the 65 Xerox products ordered on the show floor were several Xerox iGen3, Digital Production Presses, Xerox Nuvera systems, DocuColor 240/250 Printer/Copiers, DocuColor 7000 and 8000 Digital Presses, and Xerox 4110 Digital Copier/Printers, as well as other Xerox services and workflow software solutions.

Said Quincy Allen, President, Xerox Production Systems Group, 'Savvy print providers understand that building and maintaining success in today's market is about more than buying a printing press – they're looking to Xerox as a partner and an ally in growing their businesses.'



Above: The Xerox stand at IPEX 2006

Left: A break-out session

Setting your sites

If you are interested in keeping up to date with the latest developments in the Company, why not visit the Xerox website on www.xerox.com. This will give you information about business projects, products and events.

You can also access the Company site via the link on the pensions website – www.xeroxpensions.co.uk. On the *Welcome* page, click on *Pensioner*, then on *Useful Contacts and Links* and then on *Xerox corporate website* in the menu on the left. You will then be through to the Xerox site.



www.xerox.com



www.xeroxpensions.co.uk

In the next issue ...

- **XGS – going from strength to strength**
John Hopwood reports on XGS successes in 2006
- **HPOE – Derek Harton and Matt Jackson detail another step in Xerox's three-step strategy**
- **Any other business? – Are there any Xerox topics you would like to hear about?**
Let us know and we'll try to reflect your interests.

Life after Xerox – The Old Turnips

Colin Tench writes from Sweden:

What do you want to do when you grow up? Retire! I made it to 50 and immediately asked my manager if I could be excused from any further work. He said, 'Yup, off you go then!'

My time in Xerox was mostly great fun. I worked for and with some great people – even the pay was good. During my last year at work, I discovered Sweden. Not likely to be my kind of place because I like Asia, Las Vegas,



mountains, deserts and jungles NOT flat, boring, expensive countries in Europe. We came to Sweden for four days and were stunned. Houses cost less than a new car at home and there is so much space. There is much wildlife and four seasons which are truly stunning. The people are friendly and honest and NOT boring!

In 2004, we found an unbelievable place in Avesta, 100 miles from Stockholm. It's a mansion house of almost 500 square metres living space on two acres of garden by a river with our own jetty. Cost? £150,000! And running costs are less than a normal house in England.



In September 2004, we drove here with 25% of our belongings. We paid for the house, moved in, bought a 1989 Saab 900, then drove all the way back and I returned to work for my last four days.

The theory goes something like... 'Why work till you're 65, then have a heart attack six months later?' Well... ten days after my retirement, I had a heart attack! It was a big one. This was a bit inconvenient due to us having a ready-to-go house and car in Sweden and another house in Hatfield full of boxes! I told the nurses that I had to get home: they said I had to stay and it could be for a long time. We were supposed to leave

for Sweden in two weeks! I got well SO fast and they let me out after six days.

With the help of friends and family, we headed out two weeks late. Two days later, we finally started retiring. Two weeks after that two feet of snow hit us. Talk about just in time!

Since we got here, we have been busier than when we were working. We went to school and learned a bit of Swedish and made loads of friends. That was invaluable as these people helped us strip and repaint the whole outside of the house – we did a £30,000 job for next to nothing.

Reading the newsletter, I see that many of you are busy doing things that couldn't be done while working. It's so good to do what you choose instead of arranging everything around work. Situation now is that we're very well and are relaxed into this foreign land. The average July temperature is higher than in London. (Not a lot of people know that.) We love the snow and get plenty of that perfect white, dry stuff. If any of you are a bit short of a bob or two, you can get a nice house here for £50,000 – info from us at lazysodz@yahoo.com.au and, of course, if any of you wanna say 'Hej Hej' please email away.

Retirement is a fine art

Colin Ward writes:

After retiring as Programme Manager in IHQ, Marlow in 1999, I decided to pursue a lifelong interest in art and took a two-year adult education course. Then, encouraged by the staff, I embarked on a five-year part-time degree course.

At first things progressed well but after a couple of years the assignments became a lot more rigorous and I was not at all sure where my work was going. I was encouraged to examine my own interests and experience to find ideas. One lecture I attended was about links between art and design. This connected with my early working life in engineering design and proved to be a breakthrough. I wrote my dissertation on the relationships between art and engineering/structural design, and my practical work became focussed on the same area.

With a lot of support from my wife, Maureen, and a bit of inspiration, I produced three large-scale pieces for my Degree Show. My main piece explored links between art and engineering; another explored the language of engineering drawing and measurement. Students today are also

assessed on the production of a professional portfolio and here my Xerox experience really helped! I can now waffle in 'art-speak' as well as 'business-speak' and 'IT-speak'. All this culminated in a B.A.(Honours) degree in Fine Art.

One of the clichés of *Life After Xerox* is how quickly time goes. That is certainly true of the last five years! Now the plan is to take a 'gap year'; after that, I might pursue postgraduate work – the bug seems to have got to me. In the meantime, if anybody knows of a good home for a number of large metal and concrete structures please let me know. No reasonable offer refused!



One of three pieces of work from Colin's the Degree Show

Letterbox

Derek Bundy comments on two items in XPA News 71:

Inventor of xerography, page 6

It is not generally known that prior to the 914, two previous machines also did well – the 1318 and the 1385. Both of these looked like large cameras and operated from tabletop. They were manual and could enlarge or reduce the size of the original. The 1385 was used by Walt Disney in 1938/41 in the making of Snow White and the Seven Dwarfs, Bambi and Dumbo. Disney had to employ an army of artists as every frame had to be drawn by hand, so he organised the main frame to be drawn, then had copies made on the 1385. The actual movement was then added by the artists, thus saving a lot of time and money. The same type of machine was used by Hallas Batchelor Cartoons in Kingsway, still using the Disney process in the mid-60s.

From Mike Baylis, photograph on page 6

Fourth from the right next to Mike is Grahame Downey. I also recognise the others but am unable to add names.

Colin Killick also comments on the Mike Baylis photo – he was centre-picture, wrongly named as ‘Clive’ – our apologies!:

The photo submitted by Mike Baylis was taken in 1979 not 1970. The five engineers named below all worked on the same team in West London and are, from left to right, unknown, Eric McRae, John Powell, Colin Killick, unknown, Mike Baylis and John Wild.

Mr E A Salmon writes from Stevenage to thank Xerox and XPA:

I was absolutely delighted when I received an 80th birthday card from XPA – I’ve always remembered Rank Xerox as one of the best jobs with some of the nicest people I’ve ever worked with. My 80th turned out to be a very memorable occasion, thanks to my eldest daughter and lots of friends, and I was extremely happy to receive a visit from the very pleasant Mr David Cowan (XPA Visitor) – we chatted away happily on many subjects.

There have been some very nice trips with XPA that I recall with much pleasure and I enjoy reading what other Rank Xerox people have done.

Finally, I would like to say how wonderful it is that I am still receiving a Xerox pension. Thank you to those clever people at Xerox who invest the funds to keep it all viable so that we are still able to receive our pensions when we hear how many have lost theirs!

Dave Towers says, ‘Beware!’

Please think very carefully before you decide to take out any form of Equity Release on your property. I speak as someone who has learnt the hard way and after two years I decided to pay it back – but with great penalties. So think twice and take a look at the Which? report – it makes chilling reading.

YOUR NEWS Let us know what you are up to these days. Send us your letters, photos and articles, and share the things that make your life interesting. We will include as many of your contributions as possible. Please send contributions to Olwyn Smith (*contact details on page 8*).

COMPETITION TIME

What on earth is that?

Here is close-up of another everyday article. Can you guess what it is? Answers on a postcard or sealed envelope to Olwyn Smith (*contact details on page 8*), no later than 29th December 2006. First correct answer out of the hat wins £25.



Congratulations to the lucky winner

What on earth was that? The answer was – a garden spade. The first correct answer out of the hat was from Derek Searle of Letchworth, Hertfordshire and he receives a cheque for £25.



Florida villa £350 a week

This unique 3 bedroom, 3 bathroom (2 en-suite) villa overlooks a picturesque lake on one of Kissimmee’s most sought-after estates. The villa is approximately 30 minutes drive from Orlando International Airport and 10 minutes from Disney Main Gate. Kennedy Space Centre and Bush Gardens are only an hour away. Golf courses, attractions, restaurants and shops are close by.

For more information and reservations, please call John Powell:
Tel + 44 (0) 118 978 3356. Email: jdss1161villa@hotmail.co.uk.

XPA – who's who

All Xerox pensioners are automatically members of the Xerox Pensioners' Association.

XPA Editor Olwyn Smith

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You can write to Olwyn, Margaret or Jean at
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Bucks HP13 5DR.

Regional Co-ordinators

West Region John Court

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*The West Region is based on Mitcheldean and covers:
Avon, Cornwall, Devon, Gloucestershire, Herefordshire,
Shropshire, Somerset and Wales.*

East Region John Handscombe

Town Farm House, 51 High Street, Henlow, Beds
SG16 6AA. Tel: 01462 814009

*The East Region is based on Welwyn and covers:
Bedfordshire, Cambridgeshire, Essex, Hertfordshire,
Lincolnshire, Norfolk and Suffolk.*

South Region Anne Cain

24 Maygoods Lane, Cowley, Uxbridge, Middlesex UB8 3TE
Tel: 01895 231420

*The South Region is based on Bridge House, Uxbridge and
covers: Berkshire, Buckinghamshire, Dorset, Hampshire,
Kent, London, Middlesex, Oxfordshire, Surrey, Sussex and
Wiltshire.*

North Region Sheila Webb

18 Kennerleigh Crescent, Leeds, West Yorkshire
LS15 8RS. Tel: 01132 646979

*The North Region covers: Cheshire, Cumbria, Derbyshire,
Durham, Lancashire, Leicestershire, Northamptonshire,
Northumberland, Nottinghamshire, Staffordshire,
Warwickshire, Worcestershire, Yorkshire, Scotland,
Northern Ireland and the Isle of Man.*

Visitors, please!

Our visitors perform a very important task providing a point of contact for pensioners and for finding those who have moved and lost touch. It need not demand too much of your time, so please consider taking on the role.

Visitors are needed in the following areas:

Peterborough area – please contact John Handscombe.

North Region – please contact Sheila Webb.

Forest of Dean – please contact John Court.

Absent Friends

Here is a list of our members who have died in the last few months, showing their ages. Our sincere sympathy goes to their families.

AYLESBURY		UK CO	
Nigel Percival	77	Barry Antram	59
Ian Shepherd	79	William Baines	89
BRIDGE HOUSE		Harvey Barr	73
Gerda Manser	63	John Booker	76
GINN & CO		Robert Crouch	84
Jeffrey Bevington	93	Dora Cunningham	96
HEMEL		Eddie Davies	69
Brenda Cobb	66	Jo Feasey	82
LONDON		William Howes	75
Jim Connolly	61	Josie Jacob	92
Peter Thrower	83	Roger Kendall	74
MARLOW		Clifford Linney	61
John Devlin	80	Edwin Martin	73
Donald Phillips	77	Gordon Martin	80
Thomas Whitehead	79	Anthony Munds	79
MITCHELDEAN		Stanley New	89
Arthur Brain	75	Bernie O'Donnell	70
Basil Douglas	86	John Paul	77
William Dowding	81	Basil Price-Stevens	82
Lionel Ellis	80	June Rivers	74
Elizabeth Ellway	72	UXBRIDGE	
Larry Gardiner	72	Pat Edmondson	65
Ken Grindle	79	WELWYN	
Len Hale	86	Jack Brown	79
John Hughes	73	Frank Cox	82
June Lewis	73	Edith De Padey	85
Winsome Lythaby	92	Roger Fensom	70
Royston Martin	82	Robert Jones	68
Norman Miles	77	Leonard Kelly	81
Robert Nicholls	85	Eric Kirsop	80
C A Nightingale	84	Sylvia Lewis	90
J Monica Penn	90	John Minster	72
John Robertson	80	Dora Smith	76
Clifford Spreadbury	85	Denis Yardley	86
Hubert Stephens	78	WOKING	
Jean Wicks	87	Brian Pirrie	72
Leslie Wilce	73	John Pratt	68
Geoffrey Wildin	83		
Colin Wyman	71		

Goodbye and thank you from Harry Robertson

Harry Robertson, XPA Visitor, writes from the Isle of Wight:

It is with great reluctance that, owing to the deterioration in my health, I have come to the decision to resign as Visitor for the Hampshire and Dorset Area. When I took over in Hampshire and Dorset in 1988, I organised the first Christmas function and, much to my delight, it went on to become an annual event. The continued support given by the members made it a most rewarding and joyful experience, so much so that I regard all of them as my dear friends.

I must thank Barbara (Keech) most sincerely for her enthusiastic support over the years. It was always a privilege and pleasure to work with her. And thanks, also, to Margaret Brooks for her valuable assistance.

Pension increases – your questions answered

For more than 30 years, pensions paid by the Xerox Final Salary Scheme have been fully increased in line with inflation every year except one – an extremely good record. Nonetheless, we still get many questions every year about pension increases – how they are worked out, how our own increases compare with those awarded by the State and by other companies, why we don't pay more and so on. It's a complicated area ... but here we try to answer some of the points which are raised most frequently.

How much will this year's increase be?

The increase payable from 1st April 2006 will be 2.2% for those who retired on or before 1st April 2005.

If you retired after this date, you'll receive a proportion of the full annual increase.

How does Xerox decide how much to increase pensions by each year?

Xerox pensions in payment are *guaranteed* to be increased on 1st April each year in line with the Retail Prices Index (RPI), up to a maximum of 5% a year. This means that, if the RPI rises by **up to 5%** in any year, Xerox pensions are guaranteed to increase by the **same** percentage.

If the RPI rises by **more than 5%** in any year, Xerox pensions will receive the maximum *guaranteed* increase of 5%. Thereafter, further *discretionary* increases may be awarded by the Trustees (after consulting with the Actuary, who monitors the financial position of the Scheme) up to the level required to match the rise in the RPI. However, such increases cannot be guaranteed.

How is inflation measured?

The Government introduced the Consumer Prices Index (CPI) in January 2004 as a new method of measuring inflation. However, the Xerox Final Salary Scheme's rules provide that Xerox pensions will be increased in line with the Retail Prices Index (RPI) and this continues to be the basis for increasing pensions each year.

There are, however, a number of versions of the RPI designed to meet different needs. The version used to calculate the increase in Xerox pensions each year – as specified in the Trust Deed & Rules of the Final Salary Scheme – is the "All Items" version of the RPI, measured from December to December prior to the April increase date. **You should be aware that this measure may produce a different inflation figure from other measures of the RPI which you may see quoted in the papers.**

How is my pension increase worked out?

If you are **below State Pension Age** (currently 60 for women and 65 for men), the annual Xerox pension increase applies to your **full** pension, including any Guaranteed Minimum Pension (GMP)* you are receiving.

However, if you are **above State Pension Age**, the increase applies only to that part of your pension **above the GMP***. In other words, you will find that **the pension increase announced by Xerox each year will not apply to the full amount of your Xerox pension.**

This doesn't mean that your GMP isn't increased beyond State Pension Age – it is. In fact the regulations require that it should be increased in line with inflation. However, only part of the GMP increase has to be paid by Xerox. It is the Government which is responsible for paying the balance of the GMP increase (*see next question*).

If you have internet access, check out the Xerox Pensions website which provides more details about how the calculations are done (www.xeroxpensions.co.uk – click on **Pensioner**, then on **Your questions answered**, then on **Your pension** and **How is my pension increased?**). Alternatively, if you have a copy of our **Final Salary Scheme – Nearing Retirement** booklet, you'll find more information there – you can also view and print out this booklet on the website.

So how exactly is the GMP part of my pension increased?

From State Pension Age, the GMP part of your Xerox pension is increased each year in line with the RPI. Under the regulations, responsibility for paying the GMP increase is shared by Xerox and the Government, as follows:

- The Final Salary Scheme is required to pay the first 3% of the annual increase on your GMP earned for Pensionable Service after April 1988. This amount is added to your Scheme pension. Xerox fully complies with this requirement.

* The GMP is the minimum amount of pension which the Final Salary Scheme undertakes to pay you for any Pensionable Service which you completed in the Scheme between April 1978 and April 1997. It's broadly equivalent to the pension you would have received from the State Earnings-Related Pension Scheme (SERPS) if the Final Salary Scheme had not been "contracted out" of SERPS.

- The Government is responsible for paying the balance of the annual GMP increase in line with the RPI (i.e. the full increase on GMP earned before April 1988 and any increase above the 3% paid by Xerox on GMP earned after April 1988). These increases are paid **directly** by the Government, along with the member's State Basic Pension.

*(Note: The Government is also responsible for paying increases on any **Protected Rights** relating to pre-April 1997 service which may have been transferred into the Final Salary Scheme.)*

One important thing to note about the GMP increase is that the Government uses a **different measure of the RPI** to calculate the GMP increase than Xerox does to calculate its own pension increases. Whereas Xerox uses the December to December measure of the All Items version of the RPI, the Government bases its increases on a September to September measure. This measure has produced a figure of **2.7%** for State pension increases from April 2006 which is more than this year's increase in Xerox pensions.

I gave up part of my pension when I retired for a tax-free cash sum – do I still get increases on that part of my pension?

Once again, the answer is not completely straightforward! It all depends on when you joined the Final Salary Scheme and on the particular set of Inland Revenue rules applying at the time. There are three different sets of rules:

1. The "old rules", which apply to members who joined a Xerox Pension Scheme **before 17th March 1987**.
2. The "87-89" rules which apply to those who joined **between 17th March 1987 and 31st May 1989**.
3. The "new rules" which apply to those who joined **on or after 1st June 1989**.

(Note: If you first joined a Xerox Pension Scheme before 1st June 1989, you may have elected, when you retired from Xerox, to switch to the "new rules" – i.e. as though you had first joined a Scheme on or after 1st June 1989.)

If you are subject to the **"old Inland Revenue rules"** or the **"87-89 rules"**, the annual Xerox pension increase will apply to the total amount of your Xerox pension, including any pension that you exchanged for a cash sum at retirement.

If you are subject to the **"new" Inland Revenue rules**, the increases awarded will apply to the actual amount of Xerox pension you are receiving, excluding any pension you exchanged for a cash sum.

Can increases be paid above the rise in the Retail Prices Index?

Under the Trust Deed & Rules of the Final Salary Scheme, the Trustee Directors are not permitted to award increases above the rise in the RPI. Any above-inflation increases require the approval of the Company, Xerox Ltd.

When the Actuary examines the Scheme's finances and recommends the rate at which the Company should contribute, he provides for pension increases in line with the normal policy of the Scheme. However, above-inflation increases are **not** planned for, so such increases would undermine the financial strength of the Scheme.

What's more, the Inland Revenue limits the maximum pension which can be provided – this is based on a pension which increases in line with the RPI.

Why do State pensions sometimes increase by more than my Xerox pension?

As we've already seen, State pension increases are calculated using a different RPI measure from the one we use to calculate the Xerox increases. Inevitably, this sometimes produces different pension increases. Moreover, the Chancellor sometimes decides to award above-inflation increases, as he has done in the past. At Xerox, we are bound to follow the policy for increasing pensions enshrined in the Scheme's Trust Deed & Rules. Sometimes this produces a lower increase than the State provides, as is the case this year.

Another company pension has given me a bigger increase this year – why?

As explained in the introduction, for more than 30 years Xerox has increased pensions in line with inflation in every year except one – even when we had double-digit inflation. This gives Xerox one of the best track records in the private sector. Other companies may be making up for what they didn't do in the past.

**If you have any questions about this Factsheet, please contact Jean Ball,
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