



Spring 2007

Hello and goodbye!



Paul Hopkins, Director of Pensions, writes:

Greeting the XPA Visitors

Last October, I welcomed eighteen XPA Visitors to their Annual Meeting, held to discuss any issues that they had and to let them know about the decisions taken by the XPA Co-ordinators the previous May. Happily, Barbara Keech was able to join us for the day.

I updated everyone on the recent actions taken at Xerox Pensions to strengthen the administration and finance teams and to enable them to cope with the challenge of the new pensions legislation. I also explained the changes that had been made to streamline the Trustee management structure and took the opportunity to praise the professionalism and commitment of the Pensioner Trustees, Kevin Horrobin and Chris Pinney.

There was a lively discussion about the role of the XPA Visitor, with Visitors recounting their own experiences. Most felt that they were visiting fewer pensioners than they used to, but found that their visits and telephone calls were very much appreciated by those pensioners who were contacted.

Ron Hitchins, the Scheme's Financial Controller, gave an excellent presentation on the performance of the Scheme's investments, while Saroj Patel, the Scheme's Finance Manager, gave everyone a copy of the latest Report and Accounts and took them through the financial highlights.

The XPA Co-ordinators' Annual Meeting was held on 28th February and you will find a short report on it on page 8.

Goodbye and thank you to Barbara

On 1st November last year, **Barbara Keech** celebrated her retirement from the XPA with lunch at her favourite restaurant, Guido's – an Italian restaurant she knows very well in Amersham, Buckinghamshire. She was joined by some of the friends and colleagues from Xerox Pensions and the XPA with whom she has worked over the many years she has been involved in running the XPA. Barbara received a number of tributes and kind words for all the hard work she had put in over the years in making the XPA such a success. The event was enjoyed by all who attended and Barbara thought it was the perfect way to celebrate. We all wish Barbara a very long and happy "second" retirement.



Nicholas Battagel – a century, not out!

Anne Cain, the Co-ordinator for the South Region, and I visited Mr Battagel on 5th October last year to wish him a happy 100th birthday. When we arrived, we were greeted by Mr Battagel and his daughter. They were anxiously awaiting Mr Battagel's telegram from the Queen and thought that we might be the postman. We were invited into the house and Anne and I presented him with a bottle of champagne and a birthday card from the XPA.

Mr Battagel started work with Rank Organisation in May 1936 and later transferred to Rank Xerox in its early days. He travelled throughout Europe installing accounting systems and retired from Rank Xerox on 25th February 1970.

continued on page 2

Enclosed with this issue ...

Survey results

– your feedback on the newsletter and service provided

Pensioner Trustee Election leaflet

– see also 'A view from Kevin Horrobin, Pensioner Trustee' on page 5

Pension increase leaflet

50th Anniversary lunch

Ed Prothero writes:

On 29th November last year, over 200 of us from all over the world gathered in Henley for what became a truly memorable day, celebrating 50 years since a remarkable company, built by remarkable people, started out. The sun shone brightly on us all, and an astonishing amount of material was brought for our 'One-day Museum' – with most of it taken away again



at the end! There were many personal reunions, excellent speeches from Hamish Orr-Ewing (*photo left*), Dave

Springett, Tony Kobayashi and John Fyfe, and a challenging quiz about Rank Xerox run by Paul Donegan and Brian Waring. Mostly, though, it was all about personal chat, catching up on what others were doing and sharing memories. Everybody had a wonderful time.

To find out more, you can visit our website at:

<http://rankxerox.event2006.net/content/pages/reunions.shtml> – password *fifty*.

More photographs can be found under the *Recent RX Reunions* tab.



Haggett Trophy 2006 and 2007



Last year, 80 golfers competed in 15 teams, made up of retirees, current employees, and some contract staff who had worked at Xerox in the past, coming from as far afield as the USA and Australia! The picture shows Lyndon Haddon sampling the fruits of victory for the *Zimmers Team* with team members Harry Taylor, Malcolm Wells, Paul Donegan, Keith Rhodes and Simon Atkinson. If you have played in this before, you will know that it is a fun competition; if not, you are sure to enjoy yourself if you choose to take part.

The dates and venue for this year's competition appear on page 3. If you want details of prices, or wish to enter a team or just be part of a team, then send an email to john-talbot@btconnect.com.

Clearwell Caves Visit

Ron Boakes, Barnwood, Gloucester, writes:

Last October, Eileen and I joined the XPA visit to Clearwell. Ray Wright (*photo right*), who worked with me in the Mitcheldean Design Office, kindly gave us a conducted tour of the old iron mine that he operates with his son, Jonathon, as a tourist attraction – a venture he undertook when he retired. We and the other XPA pensioners greatly enjoyed experiencing the extensive working of the old mine. Our party included Brian Milton who had potholed the caves in earlier years.



Nicholas Battagel – continued from page 1

Having worked on computers for much of his life, he still occasionally does computer programming, now mostly in relation to the family finances.

He is a very sprightly 100 year old (not that I've met many) and put his longevity down to moderation in all things and keeping active – he still walks (without a stick) but now finds the hills a little difficult. His name comes from the small village of Batagelji in Slovenia, from where an ancestor departed some 500 years ago. He had hoped to visit this village on his 100th birthday, but this was not possible.

He had a low-key birthday celebration on the day but plans to have a bigger event this Summer, when he hopes that friends and family will be able to travel to join him – including one from New Zealand. Although we normally only send birthday cards on 80th, 90th and 100th birthdays, Anne and I promised that we would go back with a card for his 101st.

Christmas & New Year celebrations

Once again, many XPA members enjoyed the annual seasonal get-togethers with old colleagues and friends. Here are a few pictures of the happy scenes. If you want to join in, look out for dates and venues in the next issue of *XPA News*.



Things to do

Spring Walks

Chiltern Tramp – Thursday 26th April 2007

A fairly strenuous walk is planned by Doug Nevell for this year's Chiltern Tramp – approximately eight miles, with not inconsiderable contour. The walk will start and finish in the Princes Risborough area, with a good pub lunch stop. No deposit is required – pay as you go on the day.



Thames Walk – Thursday 12th July 2007

This will be a gentle Thames-side stroll with boat trip. Doug Nevell proposes to renew acquaintance with the stretch upstream from Hurley, leaving Hurley on the 2.15 pm Salters river cruiser and walking back from Hambleden Lock – a little under four miles. Collective lunch arrangements can be made as agreed with participants. Send the boat fare – only £6 – with your application. A limit of 40 is likely.

*To book or for more details about either of these two walks, phone Doug on **01582 762120**.*

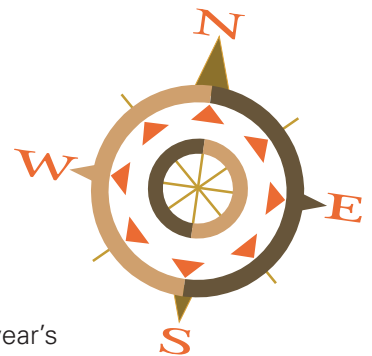
Sailing Days

Tuesday 26th / Wednesday 27th June

Tuesday 10th / Wednesday 11th July

Thursday 23rd/ Friday 24th August

These are the dates for this year's sailing days with the Xerox Sailing Association. More dates can be added, especially if a family or group of about six people want to sail together. You will be trained and supervised by experienced sailors and you will be well looked after. If you are interested, please return the completed form to **Jean Ball** (contact details on page 8).



Intrepid Travellers welcome!

The Intrepid Travellers' Club is still going strong, currently under the aegis of John Handscombe. Two trips are planned for this year – to the Amalfi coast in May and a Warner mid-week break to Bodelwyddan Castle, North Wales, in June. A further trip is being considered for later in the year – suggestions are welcomed, as are new members. All it takes is a letter or phone call to **John Handscombe** (details on page 8) and £5 to put you on the mailing list.

XPA Golfing Society – matches for 2007

Hazlemere Golf Club, High Wycombe	Thursday 24th May
Blue Mountain, Binfield	Thursday 28th June
Sunbury, Shepperton	Monday 9th July
Haggett Trophy Staverton Park, Daventry	Friday 7th & Saturday 8th September
Trent Park Golf Club, Enfield	Monday 17th September

*Any golfer who wants more information should contact Paul Donegan on **01727 862004** or e-mail **padonegan@tiscali.co.uk**.*

Pension dates 2007

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

Pension	Paid in
April	Fri 30th March
May	Tue 1st May
June	Fri 1st June
July	Fri 29th June
August	Wed 1st August
September	Fri 31st August

Company News

XGS – going from strength to strength

Xerox Global Services (XGS) is one of three main business units within Xerox and offers a broad portfolio of services, including outsourcing and consulting.

John Hopwood heads up XGS UK and here he reports on last year's successes.

XGS delivered another strong set of results in 2006 resulting in a significant revenue growth of 14%. New business amounted to £361m, which represents a massive 102% growth on 2005! I am happy to report that this was by far the strongest performance by any business group outside North America.

Amongst our biggest new and additional business wins of the year were HSBC (\$69m), Morrison's (\$40m), South Yorkshire Medical Consortium (\$25 – 50m), QinetiQ (\$19m) and Shell Aberdeen (\$13m). Other gains worth noting were Carillion (\$9m), Westland (\$7m), Toyota (\$6m) and Hitachi (\$5m).

To set ourselves in the European context, during the year, XGS UK contributed over 50% of the total new business signed in XGS Europe. We now have over 1,700 employees in XGS UK and anticipate welcoming many more during 2007.

Looking forward, our main business challenges for 2007 are to achieve a target of 13% revenue growth and to grow our gross margin and gross profit.



High Performance Operating Environment

*In the last issue, we introduced the **Three pillar strategy**, focussed on changing the systems, practices and attitudes of Xerox across Europe, and looked in particular at A2B. Following an interview with **Nichola Nair**, HR and Strategy Programmes Manager, Xerox Europe, we report on High Performance Operating Environment (HPOE).*

All three pillars of the strategy are inter-dependent and ongoing. A2B deals with rationalising the infrastructure, systems and processes. To make the most of improvements in this area, people need to look at their own attitudes and behaviours and this is where HPOE comes in.

We have approached the culture change under six headings:

External focus –

understanding our competitors, market and technology trends, industry sectors and customers' needs; staying up to date and establishing best practice; incorporating new ideas from outside.

Knowledge – identifying gaps in our knowledge, then learning, developing and sharing knowledge to enable the company to become a market leader and to enable individual as well as company growth; ensuring management has a detailed understanding of its businesses.

Sense of reality – critically and honestly evaluating performance; conducting effective analysis of gaps in knowledge or process and root causes of problems to help us to determine the appropriate solutions; planning for disciplined execution.

Speed – responding and resolving issues rapidly and making decisions in a timely manner; removing barriers and keeping things simple.

Team orientation – putting the customer's and company's interests ahead of one's own personal, team or unit interests; working across geographic and



business boundaries and assessing the impact of one's own actions on others.

High expectation – setting stretching personal targets to improve and perform to the best of one's ability within the team and individually; having ambition, commitment, self-motivation and dedication and always trying to exceed expectations.

The initiative is sponsored by Armando Zagalo de Lima, President of Xerox Europe.

One-day workshops have been run for all managers, designed to allow them to explore what we mean by HPOE, why we need to do it and what it means for us as individuals – what we, personally, need to do differently.

In 2007, the focus will be on what we need to do as a team and what actions we need to take to bring HPOE into our own communities.

Next time – Service-led technology ...

Company News

Ducati Xerox triumphs again!

Troy Bayliss won the World Superbike Championship for the Ducati Xerox Team in Imola, Italy on 1st October 2006.

Xerox is extending its title sponsorship of the Ducati Corse World Superbike Team for a further two years. *'Through the sponsorship, Xerox has benefited enormously from a direct association with one of the world's most stylish and iconic brands'*, said **David Millican**, Head of Communications, Xerox UK, *'and in 2007, the Ducati Xerox Team can proudly display No 1 on its bike again.'*



Xerox 1385 machine **Paul Lerch (1967-1980) writes:**

Referring to Derek Bundy's comment in *XPA News* (Autumn 2006), we were actually refurbishing 1385s at the Elstree Plant as late as 1978. They were being sold for use in Xeromammography – an X-ray process where the image of the breast was formed on a 1385 plate. The plate was developed using a special toner which made the picture light blue. The key difference from a conventional X-ray picture was the fine detail, which made it much easier to detect any anomalies.

I guess what killed off the process was the development of better X-ray films and technology, and the length of time it took to develop a 1385 plate image – each plate had to be done by hand. It was a very skilled job, taking many minutes, and not suitable for mass screening!

Your finances

Tax codes 2007/08

If you have received a new tax code for the 2007/08 tax year, please note that it comes into effect against your May pension payment.

A bank account not in your name

Your pension will normally be paid into your personal bank account or a joint account bearing your name and another's. If you wish your pension to be paid into a bank account in someone else's name, this can only be done with a Power of Attorney or Court Order. If you wish to discuss this, please contact **Jean Ball** (contact details on page 8).



A view from Kevin Horrobin, Pensioner Trustee

The role of Pensioner Trustee is significantly different these days – and more demanding – from the one I took on five years ago. A sizeable amount of new legislation over the past couple of years has changed the structure by which we manage the Scheme beyond all recognition. It has also changed the role of the Trustee from being 'semi-passive' to 'ultra-active'. Keeping abreast of these changes has

been a considerable challenge, requiring a major commitment of time to achieve the necessary knowledge and understanding as laid down by the Pensions Regulator. In addition, the combination of a maturing Scheme membership, volatile financial markets and people living longer has required nimble investment management to stay ahead of the game.

It's certainly been a journey of learning and great challenge but a fulfilling and enjoyable one too. The challenges of change are set to continue but, having invested so much effort in getting this far, I would like to see the journey through – at least for another five years.

COMPETITION TIME



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Find the hidden word

The builders have been in and left their tools in a mess! Take the first letter of each tool and arrange them in this grid to spell the mystery word. (*Clue: with the builders around, you may feel inclined to be this!*) Answers on a postcard or sealed envelope to Olwyn Smith (contact details on page 8), no later than 29th June 2007. First correct answer out of the hat wins £25.

Congratulations to the lucky winner

The winner of last time's Competition was **Ron Boakes** of Barnwood, Gloucestershire, who received the customary cheque for £25. He guessed correctly that it was a Swiss Army Knife.



Letterbox

Keep it in the family

Don Bastow writes:

I was delighted to see the picture from IPEX 2006 in the last issue of XPA News.

As an ex-Branch Sales Manager, I fully appreciate the need for having an exhibition stand which not only effectively projects your products and brand messages in the market place, but also one that stands 'head and shoulders' above your competitors. This was certainly the case in my working days, and it was good to see the tradition is still being carried on.

It was even more pleasing this year, as my youngest son, Ian, is the Project Manager for MICE International, the experiential marketing services company responsible for creating and building the Exhibition Stand for IPEX 2006. What more proof do you need that both he and his company succeeded in providing Xerox with a highly successful platform to project their products and brand forward in 2006 than that MICE International went on to win a gold award for the design of the stand.

Raising money for charity

Peter Dyas, who wrote to us last year, worked for the Company for 25 years, winning many awards in the International Par and Honours Club.

Peter has had a number of serious operations and has nothing but praise for the care he received. Sadly, he lost his wife to cancer in 2004. He wanted to give something back both for his own treatment and in memory of his wife, and chose to raise money for the Daisy Appeal. 'I have done many things for the appeal, including a sponsored swim, and have raised almost £7,500,' he says.

The Daisy Appeal is a fundraising campaign for the new Hull and East Yorkshire Medical Research and Teaching Centre. If you are interested in raising money or making a donation to the Appeal, the address is: The Daisy Appeal Office, c/o Mrs Jane Kitson, Hertford Building, Room 202, The University of Hull, Cottingham Road, Hull HU6 7RX.

Still treading the boards

Edward Chetcuti writes:

Dear Friends, I remember the good old days when I worked as an electrician, then as a technician at Xerox, Mitcheldean, eventually as an N.C. and C.N.C. for 17 years (on maintenance). At the time, we had a group of artists through the works, from singers to magicians. We did a lot of work for charities, and in my spare time I was doing a fair bit of stage work.

Now, in my retirement, I do a lot of solo concerts, singing, a bit of cabaret and entertain them in day centres and retirement homes. I don't ask for payment – only a cheque for their named charities.



Ian Bastow, Project Manager, and Sean Buckley, Account Director, receive the award at the Grosvenor House, Park Lane, on behalf of MICE International, for Most effective live event in IT/Telecoms.

Say it in verse

Tommy (G N R) Tucker, Ticehurst, East Sussex writes:

I thought you might be interested in a poem I wrote in the 1970s called "Standard letter".

*A customer's letter in the morning mail
Asked had we photocopiers for sale.
Now our ordinary replies seemed so terse
We thought, for a change, we'd reply in verse.*

*Though in fact it was never sent
This is roughly how it went:
Photocopying's something of which we've seldom
heard,
Xerography, with all respects, is, we think, the word.*

*As for sale, our machines are lent,
With, of course, some charge for rent;
As to speed, there is no limit;
Up to 60 sheets a minute†.*

*Now, not so very long ago
Delivery was rather slow,
But currently there're few delays,
We can quote you merely days.*

*Now if your machine should go wrong,
Our service force, 200 strong†,
(Be your copier small or large),
Will put it right and make no charge.*

*And take it from one who knows,
We have some lovely C.R.O.s*;
You've only just to ring and ask;
They'll train your staff in any task.*

*If there's any more advice you seek,
Ask our salesman – he'll call next week.
For your letter, thank you once again,
Sincerely yours, we remain.*

* Customer Relations Officers

† Current situation

Vic Norman, National Operations Manager, has given us the figures for 2007:

- Full colour: 135 pages per min. Mono: 288
- 900 service and support staff

Life after Xerox

A Greek Islands sailing holiday

John Woore retired from Welwyn in February 2001 after 26 years in Engineering Testing, Computer Operations and Finance. He sent us a diary of a 'flotilla' holiday (several boats sailing together) amongst the Greek islands. Here is a brief taster:

Starting out

The initial briefing was indeed brief: Do not drink the tank water! Do NOT put anything into the loo that you have not eaten first! Do not use VHF channel 70 or the military will get upset! No bad language on Channel 9 please, as the Med is listening in!

We made our way out of Preveza down the buoyed channel and turned south to the Lefkas channel across open water. Arriving at Vathi, we tied up bow on, line at the stern. (It took several days for us to work out a routine for coming in, including the careful arrangement of untangled mooring warps attached at the correct points ready for each particular docking.) Next morning we had our first practice anchor off the deserted village of Port Leone with Pat (my partner) at the electric controls on the bow. With a nasty thump the chain jumped off the bow roller but we DID NOT PANIC! Then we sailed to Kalamos to do it for real in front of the local taverna audience. Watching foreigners in yachts making fools of themselves is the only form of entertainment for some villages.



Second week

Friday we sailed past busy Corfu Town with its huge ferries. We had to turn away sharply to give a 'Fast Ferry' plenty of room as it boomed a short signal (which is code for 'I am turning right whether you like it or not'), and motored gently in the buoyed channel towards the quay in Gouvia. One of the other boats had a side-wind blow at the last moment as they reversed in and they were blown side-on into the quay, denting their pride but not the boat. We too had fun (not!) reversing in with wind and rain.

We sailed in light breezes and, whilst tacking, saw porpoises jumping out of the water. We kept to the Greek side of the channel as the other side belonged to Albania and there were rumours of gunboats and mines!



Chess master Barry

Barry Sandercock writes:

I retired in 1990 after 25 years with Rank Xerox, having started at Denham in the Accounts Department with I.H.Q. I then moved on to Westbourne Grove with E.E.O., then back to I.H.Q. at Xerox House and then the last three years at Marlow. Since retirement I have carried on with my main hobby, playing in chess tournaments all over the UK including Jersey, Guernsey and the Isle of Man. I have also recently played in Gibraltar.

I have reasonable successes every now and again – my most lucrative Congress so far was in the Isle of Man in 2004 when I picked up a prize of £750 and three trophies! One was for winning the Section with six and a half points out of seven, one was the Veteran prize and one was the English Chess Federation Centenary Grading Prize. Also, last year I picked up the Grand Prix Senior prize and trophy which covers England, Scotland and Wales. These sort of things make up for all the times when chess games go wrong – players will know what I mean!

My wife, Ann, comes with me when the weather is good and she likes the place, particularly if it's at a seaside resort – not Hastings in January, where, a few years ago, players and organisers were slipping up on the ice on the way to the venue!

Doreen Carroll – 80 years on

Our congratulations go to Doreen who celebrated her 80th birthday on 16th October last year. This photo shows Doreen and her husband, Harry, at their Diamond Wedding party in 2005.



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).

XPA – who's who

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

XPA Editor Olwyn Smith

Communication and Special Projects Administrator
Tel: 01494 615153 Email: olwyn.smith@xerox.com

XPA Administrator – see 'Margaret retires' below

Payroll Team Leader Jean Ball

Tel: 01494 615160
Email: jean.ball@xerox.com

You can write to Olwyn or Jean at
Xerox Pensions Ltd, 20-24 Temple End,
High Wycombe, Bucks HP13 5DR.

Regional Co-ordinators

West Region John Court

Stockwell Farm, Aylburton, Lydney, Glos GL15 6DN
Tel: 01594 843651
Email: john@courtjb.freemove.co.uk

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.

Margaret retires



Margaret Brooks has decided to take early retirement from the end of March. We thank her for all her hard work over more than seven years as XPA Administrator, and wish her a long and happy retirement. She will be greatly missed! Details of the new Administrator will appear in the next newsletter and on the Xerox Pensions

Website – www.xeroxpensions.co.uk. In the meantime, Jean Ball will be dealing with general administration.

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			
Ken Collyer	73	S John Earl	81
		Tommy Hammond	81
BRISTOL			
John Playford	59	Arthur Hardy	81
		Barrie Havers	56
DFM MARCONI			
Anne Manning	64	Robert Hicks	80
		William Hobbs	85
MARLOW			
Graham Bell	66	Harold Jones	73
Henry Gilroy	80	Hazel Jones	83
Rodney Lee	79	Ivor Jordan	72
Syd Roake	94	Alex Kinnear	87
Michael Ryan	58	Bertrum Knight	87
William Stone	85	Robert Lawrence	60
		Jeff McCoy	73
MITCHELDEAN			
Jack Baldwin	88	Hedley Morgan	78
Mary Bayman	94	Jean Overbury	61
Peter Beard	58	Harold Reed	86
Bernard Bennett	73	Daniel Simmonds	83
Leslie Bent	83	Royston Skinner	82
A Harold Burford	85	Gordon Turley	80
Margaret Caddel	81	Arthur Williams	83
Brenda Cripwell	85	Thomas Worgan	84
Teresa Davidson	74	UK CO	
Bruce Davies	58	Joseph Braville	81
Gordon Davies	73	Charles Brown	76
Stanley Davies	74	Roger Buffrey	65
Geoffrey Duggan	64	Raymond Collins	83
WELWYN			
		Roy Backes	85
		Charles Davies	73
		Bryon Fish	68
		Donald Hannabuss	77
		Harry Parker	86
		Ray Roberts	85
		Leonard Sear	90
		Allan Unsworth	87
		John Vesey	74
		Thomas Welch	71
		William Wheeler	71
WELWYN HALL			
		John Hargroves	85

Co-ordinators' AGM

Paul Hopkins reports:

The AGM held on 28th February this year provided a useful opportunity for the Co-ordinators and their deputies to discuss XPA business and to be brought up to date on the management of the Pension Scheme.

We looked at Pension Scheme concerns from two perspectives. Brian Thompson, a Trustee for over five years, gave an insight into what being a trustee involved and talked about some of the challenges that he and his fellow Trustees had experienced over the last year or so. I talked about running a pension scheme from my perspective as Director of Pensions.

Everyone was sorry to learn that Margaret (Brooks) was retiring. They expressed their thanks for the help that she had given them over the years and wished her well in her retirement.

We discussed the popularity of different social events and it was agreed that the Christmas and New Year lunches were generally a success once again. In fact, John Court and John Handscombe both reported a significant increase in the numbers of people attending. We at Xerox Pensions will offer continued support to building on the success and popularity of these events.

Pension increases – your questions answered

For more than 30 years, pensions paid by the Xerox Final Salary Pension 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 2007 will be 4.4% for those who retired on or before 1st April 2006.

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

This increase matches the rise in prices over the same period, as measured by the indicator used by the Xerox Final Salary Pension Scheme (*see page 2 for more information about the measure used*).

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

Xerox pensions in payment are increased each year to help offset increases in the cost of living, as follows:

- Pensions earned for Pensionable Service **after 31st March 2006** are guaranteed to be increased each year in line with the rise in the Retail Prices Index (RPI), up to a maximum of 2.5% a year.
- Pensions earned for Pensionable Service **before 31st March 2006** are guaranteed to be increased each year in line with the rise in the RPI, up to a maximum of 5% a year.

If the RPI rises in any year by more than the figure which Xerox guarantees to match, the Trustee Directors have discretion (after consulting with the Actuary, who monitors the financial position of the Scheme) to increase Xerox pensions up to the level required to match the rise in the RPI. This year, for instance, the increase of 4.4% – which applies both to pensions earned before 31st March 2006 **and** to pensions earned after that date – is above the guaranteed maximum increase of 2.5% which applies to pensions earned after 31st March 2006. However, any such increases in the future above the relevant guaranteed maximum would be awarded entirely at the discretion of the Trustees and cannot be guaranteed.

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

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.

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.

* The GMP is the minimum amount of pension which the Xerox Final Salary Pension 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 Scheme had not been "contracted out" of SERPS.

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 Xerox Final Salary Pension 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 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.

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

Why are Xerox pension increases sometimes different from State pension increases?

There are 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 Xerox Final Salary Pension 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.**

Moreover, it may also produce a different figure from that used by the Government to calculate State pension increases (including the GMP increases referred to in the previous question). While 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.

In some previous years, the two different RPI measures have resulted in State pension increases which were greater than the increase in Xerox pensions. This year, however, the rise in State pensions from April 2007 will be **3.6%**, which is less 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?

For pensioners retiring **after April 2006**, the increases awarded by the Xerox Final Salary Pension Scheme will apply to the actual amount of Xerox pension they receive, excluding any pension exchanged for a cash sum.

However, if you retired **before April 2006**, it all depends on which set of tax rules you are covered by. There were three different sets of rules applied by what was then the Inland Revenue (now re-named HM Revenue & Customs). Which set of rules you are covered by would normally depend on when you joined the Scheme:

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***.

If you retired **before April 2006** and 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 retired **before April 2006** and 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.

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