



THE EE  
PENSION  
SCHEME  
UNFOLDED

**INSIDE**

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## From the Annual Report and Financial Statements

This section contains information from the Annual Report and Financial Statements for the period ended 31 December 2022.

	2022 £'000	2021 £'000
<b>Contributions and benefits</b>		
Employer contributions	20,000	40,000
<b>Total contributions</b>	<b>20,000</b>	<b>40,000</b>
Benefits	(9,154)	(8,683)
Payments to and on account of leavers	(5,667)	(5,926)
Administration expenses	(28)	(26)
<b>Total</b>	<b>(14,849)</b>	<b>(14,635)</b>
<b>Net additions from dealings with members</b>	<b>5,151</b>	<b>25,365</b>
<b>Return on investments</b>		
Investment income	11,592	12,745
Change in market value of investments	(369,652)	66,873
Investment management expenses	(3,734)	(3,831)
<b>Net returns on investments</b>	<b>(361,794)</b>	<b>75,787</b>
<b>Net change in the fund during the year</b>	<b>(356,643)</b>	<b>101,152</b>
<b>Net assets at the start of the year</b>	<b>1,090,824</b>	<b>989,672</b>
<b>Net assets at the end of the year</b>	<b>734,181</b>	<b>1,090,824</b>

### Membership

The table below shows how the Scheme's membership changed over the year to 31 December 2022.

	31 December 2022	31 December 2021
Deferred members	7,276	7,381
Pensioners	1,181	1,121
<b>Total</b>	<b>8,457</b>	<b>8,502</b>

### Further reading

If you would like more details about the Scheme's development, there is extra information, which can be read or downloaded, in our document library at <https://pensioninformation.aon.com/ee/documents.aspx>. These include:

- The full Annual Report and Financial Statements.
- The Statement of Investment Principles, which explains the investment strategy we have in place for the Scheme's assets.
- The Task Force on Climate-related Financial Disclosure Report, which explains how the Scheme meets climate governance requirements under new UK regulations.

# Summary Funding Statement

**Each year the Trustee is required by law to provide you with a Summary Funding Statement, which describes the level of funding that supports your pension. The Trustee works closely with the Company to ensure your benefits are adequately funded, secured and governed.**

The Scheme Actuary carries out a formal actuarial valuation of the Scheme at least once every three years. This is an in-depth look at the Scheme's finances where the value of all members' benefits built up under the Scheme (liabilities) is compared to the value of the funds (assets). In addition, the Scheme Actuary provides the Trustee with interim valuations – which are annual updates of the

Scheme's financial position. Interim valuations are not as detailed as the formal actuarial valuation but give a reasonable assessment of the latest position.

The information in the Summary Funding Statement relates solely to the Defined Benefit Section of the Scheme.

## Scheme funding update

### 31 December 2022 interim valuation

The most recent interim valuation, at 31 December 2022, has been completed and showed a funding position of 100%. This means that the Scheme's assets covered 100% of its liabilities.

The table below shows how the funding position has developed since 31 December 2021 (the date of the previous formal valuation).

	2022 interim valuation	2021 previous formal valuation
Assets* (£ million)	725.0	1,080.4
Liabilities (£ million)	721.9	1,297.9
Shortfall (£ million)	3.1	(217.5)
<b>Funding level</b>	<b>100%</b>	<b>83%</b>

As the table shows, the funding position has improved significantly since 31 December 2021.

The decrease in the liabilities is mainly due to the significant rise in long-term interest rates over 2022.

The assets have also decreased but to a lesser extent, as they are less sensitive to long-term interest rates than the liabilities. This is the main reason that the funding level has increased significantly. In addition, contributions from the Company have helped to improve the funding position.

\*The asset values exclude AVC investments

## Summary Funding Statement continued

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### What has been done to address the shortfall?

As part of the 2021 valuation, the Trustee agreed with the Company a recovery plan to address the shortfall disclosed by that valuation.

The key features of the recovery plan are deficit contributions from the Company as follows:

- £40 million per annum, paid monthly from 1 January 2022 to 31 July 2022.
- £20 million per annum, paid monthly from 1 August 2022 to 31 July 2025.
- A one-off contribution of up to £80 million paid by 31 March 2026, if required to meet any shortfall disclosed in the next formal valuation (as at 31 December 2024).

The Trustee expected these contributions, together with the expected investment returns, to be sufficient to clear the shortfall as at the 2021 formal valuation by 31 March 2026.

As part of this statement, we must tell you if there have been any payments to the Company out of the Scheme since the last Summary Funding Statement. There have not.

In certain circumstances, the Pensions Regulator has powers to intervene in a scheme's funding plan. It can do this by changing the future accrual of benefits, setting the level of the funding target, setting the terms of the recovery plan and/or imposing a schedule of contributions. The Pensions Regulator has not used any of these powers in relation to the Scheme.

### What protection is there for members?

The Trustee is required to provide you with an indication of what the funding position would be if the Scheme had terminated and been wound up as at the date of the last valuation. The information is purely for legislative purposes – the Company has no plans to wind up the Scheme.

If the Scheme had wound up on 31 December 2021 (the date of the last formal valuation), its assets of £1,080.4 million would have covered around 55% of the estimated cost of securing the Scheme's benefits with an insurance company. In the unlikely event of the Scheme winding up, the Company would be legally required to finance the shortfall and pay enough into the Scheme to enable benefits to be completely secured by an insurance company.

In the even more unlikely event that the Company becomes insolvent, the Pension Protection Fund (PPF) may be able to take over responsibility for payments if the benefits that could be provided by the Scheme fall below PPF levels of compensation (which are lower than the standard benefits payable from the Scheme).

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Visit the PPF website for further details at <https://www.ppf.co.uk/>

## In the news

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### Pensions Dashboards: update

The Department for Work and Pensions is introducing an online Pensions Dashboards framework to help individuals get information on all their UK pension savings in one place. Under the current timetables, all pension schemes will need to connect to the Pensions Dashboards by 31 October 2026. We will keep you up to date with developments.

To learn about the project, go to <http://www.pensionsdashboardsprogramme.org.uk>

Remember you can now see information about your Scheme benefits at any time on your new online pension portal – see page 7.

### How to protect yourself from pension scams

You may remember from a previous newsletter that new regulations had been introduced that aim to provide more protection to you as members against fraudulent practices, giving you more confidence when making big decisions about your pension.

Being able to spot warning signs also helps protect you from fraudsters. There are common signs to look for. These include receiving unsolicited contact about your pension or a push to make a quick decision. To learn more, including ways to protect your benefits and the steps to take if you think you have been targeted by scammers, we recommend a read of the following section on the MoneyHelper website. Go to [www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam](http://www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam)

Remember, it is always advisable to seek professional advice before making any significant financial decisions.

### State Pension Age

The Government has completed its second periodic review of the State Pension Age and confirmed that it will continue to rise in line with the current legislative timetable.

- The age your State Pension can start will go up from 66 to 67 between 2026 and 2028.
- The State Pension Age is then scheduled to go up to 68 between 2044 and 2046.

The Government also set out plans for a further review of the increase to age 68 within two years of the next Parliament. It also confirmed that it is committed to the principle of giving people 10 years' notice of changes to the State Pension Age.

For more information, including how much your State Pension could be and when you can start to receive it, go to the Government website at <https://www.gov.uk/new-state-pension>

## In the news continued

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### Spring Budget 2023: pension tax allowances

The Chancellor's Spring Budget included some sweeping changes to the pension tax allowances with effect from 6 April 2023.

- The Lifetime Allowance has effectively been abolished. No tax charges apply for exceeding the Lifetime Allowance during the 2023/24 tax year.
- The Annual Allowance increased from £40,000 to £60,000.
- The tapered Annual Allowance now starts to apply to those earning £260,000 per year (up from £240,000 per year), while the minimum tapered Annual Allowance has increased from £4,000 to £10,000.
- The Money Purchase Annual Allowance has also increased from £4,000 to £10,000.

If you're uncertain about how these changes may affect your retirement plans, consider taking impartial financial advice.

The Lifetime Allowance is a limit on the total amount of pension benefits you can build up over your lifetime (excluding the State Pension) without triggering an extra tax charge.

The Annual Allowance is a limit on the amount of pension benefits you can build up in a tax year without triggering a tax charge. A tapered Annual Allowance applies for high earners.

The Money Purchase Annual Allowance works in a similar way to the standard Annual Allowance but only applies if you access 'Defined Contribution' pension savings and continue to build up pension benefits.

## Running the Scheme

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The EE Pension Scheme assets are held in one common trust and are completely separate from the assets of EE. The trust is operated by EE Pension Trustee Ltd.

### Your current Trustee directors are:

Company appointed Directors:  
**Jonathan Clarke** (independent chairman)  
**Roger Waymouth**  
**Rachel Willis**

Member Nominated Directors:  
**Antony Gara**  
**Joseph Ward**  
**Christopher Gray** (appointed 15 December 2022)

## Helping you to manage your Scheme benefits

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### We're excited to announce the launch of your new online pension portal!

The new platform places all the information you need at your fingertips. You can manage your EE pension quickly and easily at a time and place that's convenient to you.

Visit <https://portal.hartlinkonline.co.uk/ee> to register your details today to gain access to all sorts of information about your pension, including a summary of your pension benefits. You'll also be able to update your personal and beneficiary details quickly.

All you need to do is set up a username and password and provide some personal details - including your date of birth, email address and National Insurance number - which will allow us to verify that you are a Scheme member. Please have this information at hand when you register.

If you cannot find the information you need online, or if you have a question about your benefits, please contact the Scheme administrator.

Write to: **Capita**  
**PO BOX 555**  
**Stead House**  
**Darlington**  
**DL1 9YT**

Telephone: **0800 169 2085**

Email: **ee.helpline@capita.co.uk**

We are keen to communicate with members as effectively as possible and recognise that some members may prefer to receive information by email. We have therefore set up a form at <https://forms.office.com/r/R9T5JkZMP> so that you can provide your email address for future communications.

Remember that our document library contains extra information about the Scheme. This includes general Scheme documents (such as those listed on page 2) and previous newsletters.

Go to <https://pensioninformation.aon.com/ee/documents.aspx>

## Other information

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**The Trustee directors work hard to make sure your benefits are managed and administered as efficiently as possible. Occasionally, though, things don't go as smoothly as planned. If you experience any issues, please contact the Scheme administrator and we will endeavour to resolve them as quickly as possible.**

You also have the option to contact the Pensions Ombudsman's Early Resolution Team:

- Go to: <https://www.pensions-ombudsman.org.uk/making-complaint>
- Phone: **0800 917 4487** and select the option to discuss a potential complaint

**For more general information on pensions and saving for retirement, the following websites are useful resources.**

<https://www.moneyhelper.org.uk/>

MoneyHelper is a Government-backed service that provides free, impartial guidance on any aspect of your finances – including pensions.

<http://www.retirementlivingstandards.org.uk>

The retirement living standards show you what life in retirement looks like at three different levels, and what a range of common goods and services would cost for each level

[www.yourpension.gov.uk](http://www.yourpension.gov.uk)

The site has a tool that can quickly generate you a retirement checklist to help you assess where you are with your planning. It also has useful links to a pension calculator, a State Pension calculator and more.

**If you would like advice about your retirement plans, we recommend you speak with an independent financial adviser.**

You can find an adviser in your area by searching the MoneyHelper directory at

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser>

Before you appoint anyone, you should check that the adviser is suitably qualified and authorised.

You can do this online at <https://register.fca.org.uk/s/> or by phoning the Financial Conduct Authority helpline, **0800 111 6768**.

If you need a large print version of this update, please call the administrators (Capita) on **0800 169 2085**

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