



THE EE  
PENSION  
SCHEME  
UNFOLDED

**INSIDE**

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## From the Annual Report and Financial Statements

This section contains information from the latest Annual Report and Financial Statements.

	Year ending 31 December	
	2023 £'000	2022 £'000
<b>Contributions and benefits</b>		
Employer contributions	28,333	20,000
Benefits paid	(11,599)	(9,154)
Payments to and on account of leavers	(619)	(5,667)
Administration expenses	(51)	(28)
<b>Net contributions and benefits</b>	<b>16,064</b>	<b>5,151</b>
<b>Return on investments</b>		
Investment income	21,089	11,592
Change in market value of investments	16,706	(369,652)
Investment management expenses	(935)	(3,734)
<b>Net returns on investments</b>	<b>36,860</b>	<b>(361,794)</b>
<b>Net change in the fund during the year</b>	<b>52,924</b>	<b>(356,643)</b>
Interfund transfer	(10)	0
<b>Net assets at the start of the year</b>	<b>734,181</b>	<b>1,090,824</b>
<b>Net assets at the end of the year</b>	<b>787,095</b>	<b>734,181</b>

### Membership

The table below shows how the Scheme's membership changed over the year to 31 December 2023.

	31 December 2023	31 December 2022
Deferred members	7,140	7,276
Pensioners	1,310	1,181
<b>Total</b>	<b>8,450</b>	<b>8,457</b>

### Further reading

If you would like more details about the Scheme's development, there is extra information 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

If you require a hard copy of any of these documents, please contact the Scheme administrator – see page 7.

## 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 Scheme.

### Scheme funding update

#### 31 December 2023 interim valuation

The most recent interim valuation, at 31 December 2023, has been completed and showed a funding position of 108%. This means that the Scheme's assets covered 108% of its liabilities.

The table below shows how the funding position has developed since 31 December 2022 (the date of the previous interim valuation).

	2023 interim valuation	2022 interim valuation
Assets* (£ million)	774.5	725.0
Liabilities (£ million)	716.6	721.9
Surplus/(Shortfall)	57.9	3.1
<b>Funding level</b>	<b>108%</b>	<b>100%</b>

\*The asset values exclude AVC investments

As the table shows, the funding position has improved since 31 December 2022.

The liabilities have decreased slightly over the year to 31 December 2023. This was mainly due to gilt yields remaining relatively stable and a

slight decrease in expected future inflation. The Scheme's assets are less sensitive to changes in market conditions than the liabilities, which along with contributions from the Company has led to an increase in the assets.

## Summary Funding Statement continued

### 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).

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

### Task Force on Climate-related Financial Disclosures (TCFD)

New regulations require UK pension schemes to meet climate governance requirements and produce an annual TCFD-aligned report about their climate-related risks.

You can find a copy of the Scheme's TCFD report, which can be read online or downloaded, at <https://pensioninformation.aon.com/ee/documents.aspx>

If you require a hard copy of the TCFD report, please contact the Scheme administrator – see page 7.

## In the news

### Your pension tax allowances for 2024/25

There have been several changes to the tax allowances that apply to pension benefits, which are set out below. There are more details on pension tax in general on the Government's website at: <https://www.gov.uk/tax-on-pension/tax-free>.

If you are unsure of your tax position, please speak to an independent financial adviser (see page 8).

#### STAYING: Annual Allowance

This is a limit on the amount of pension benefits you can build up in a tax year without triggering a tax charge.

Most people will have an Annual Allowance of £60,000. Higher earners will have a lower allowance.

You may have a lower Money Purchase Annual Allowance if you have savings in a Defined Contribution pension scheme and have used these to provide certain benefits. Examples include taking some of your savings as cash or moving them into a drawdown arrangement and using them to provide you with an income. The Money Purchase Annual Allowance is £10,000.

#### ABOLISHED: Lifetime Allowance and Lifetime Allowance charge

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

The Lifetime Allowance was also used to limit certain lump sum benefits and its removal means that new allowances have been brought in to maintain those limits.

#### NEW: Lump Sum Allowance

This is the maximum amount of tax-free cash you can take when you retire. The standard allowance is £268,275. (This is 25% of the final standard Lifetime Allowance amount of £1,073,100.)

The Lump Sum Allowance is a cumulative limit, applying to the total tax-free lump sum you can take if you access your benefits on a series of separate occasions. Tax-free lump sums are also usually limited to 25% of the total value of benefits coming into payment.

#### NEW: Lump Sum and Death Benefit Allowance

This covers the maximum amount of tax-free cash you can receive when you retire and your beneficiaries can receive following your death. It also covers any serious ill-health lump sums paid. This allowance is £1,073,100 (the same as the final standard Lifetime Allowance amount).

The Government hasn't announced whether either of the above allowances may change over time, but if you had any Lifetime Allowance 'protection' in place, your new lump sum allowances will be higher.

#### NEW: excess lump sums

Also in effect from 6 April 2024 is the new Pension Commencement Excess Lump Sum (PCELS). This allows for payment of an additional lump sum at retirement in certain circumstances. Any such lump sum taken is subject to tax at the person's marginal rate. You can only take a PCELS once you have used up all your Lump Sum Allowance.

#### Minimum retirement age to increase

The youngest age most people can start to receive their pension benefits will go up in April 2028 – from age 55 to age 57. The aim of this change is to keep the minimum retirement age at around 10 years below the State Pension Age, which is due to rise gradually from 66 to 67 between 2026 and 2028.

## In the news continued

### Retirement Living Standards

Do you know roughly how much money you will have in retirement? Does it align with the standard of living you are expecting?

New research shows that if you want a moderate standard of living when you retire, you will need to be able to spend around £31,000 a year if you are single. If you have a partner, that spend rises to around £43,000 a year combined. If you live in London, those figures are even higher.

These are some of the takeaways from the latest research by the Pensions and Lifetime Savings Association who created the Retirement Living Standards. These show the kind of lifestyle you could have in retirement and roughly how much money you might need to spend to support that lifestyle.

The standards reflect the current cost of living and an up-to-date mix of goods, services and other retirement expenses. The latest figures were published in January 2024.

Retirement Living Standard	How much you might need to spend	
	Single person	Couples
<b>Minimum:</b> covers all your needs, with some left over for fun.	£14,400	£22,400
<b>Moderate:</b> more financial security and flexibility.	£31,300	£43,100
<b>Comfortable:</b> more financial freedom and some luxuries.	£43,100	£59,000

The standards are based on independent research by Loughborough University and are reviewed and updated on a regular basis. A diverse cross-section of the public covering a broad range of income levels, backgrounds and circumstances help to inform the standards to ensure they are balanced. Learn more online at: [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk).

**Note:** the figures show what you might need to **spend** in retirement rather than the income you might need. Your retirement income will be subject to tax as earned income, so it is important to factor this in when reviewing your own situation.

### Protect yourself from pension scams

Sadly, the current economic environment with pressure on budgets, provides a situation where scammers can thrive, whether trying to take advantage of the vulnerable, or attempting to get hold of savers' personal and financial information.

There are common signs to look out for to protect yourself. These include unsolicited contact about your pension, undue pressure to commit to an offer, promises of guaranteed investment returns, and offering early access to your pension savings.

To learn more, visit the MoneyHelper website at: [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).

The Financial Conduct Authority (FCA) also provides guidance on how to spot potential scams. Visit the ScamSmart area of their website: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart).

The National Cyber Security Centre has a Cyber Aware website that contains up-to-date advice on how to stay secure online. For more information, including a free personalised action plan to improve your cyber security, visit their website at: [www.ncsc.gov.uk/cyberaware](http://www.ncsc.gov.uk/cyberaware).

## Running the Scheme

**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**  
**Mitesh Kholia** (appointed 1 February 2024)

Member Nominated Directors:  
**Antony Gara**  
**Joseph Ward**  
**Christopher Gray**

## Helping you to manage your Scheme benefits

### Using the online pension portal!

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 NI number - which will allow us to verify that you are a Scheme member. Please have this information at hand when you register.



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>



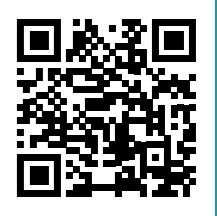
**If you cannot find the information you need online, or if you have a question about your benefits, please contact the Scheme administrator.**

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

Telephone: **0800 169 2085**

Email: [ee.help@capita.co.uk](mailto:ee.help@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.



## 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 do not go as smoothly as planned.

If you have a complaint concerning your workplace pension arrangements, you should first make a formal complaint to us. You can access our full complaints procedure by contacting the Scheme administrator. If we are unable to resolve the complaint with you, then you can refer your complaint to The Pensions Ombudsman.

The Pensions Ombudsman can be contacted at:

- Tel: **0800 917 4487**
- Email: **Enquiries@pensions-ombudsman.org.uk**
- Website: **www.pensions-ombudsman.org.uk**

### 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.

[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,

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