

# The Groupama UK Pension Scheme

Your Pension Update: What  
you need to know.

**2026 Newsletter**

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# Welcome to your latest Scheme Newsletter

The UK's economic growth remains slow by historical standards. The Bank of England held the UK's interest rate at the end of the summer, while relatively high inflation on the cost of food continues to put pressure on household budgets. At times like this, when some people's finances are stretched, it's more important than ever that we manage all members' Scheme retirement benefits with the utmost care. You can be sure that we take our role as Trustee Directors seriously and as a privilege – managing the Scheme's finances in the interests of all our members.

## Funding update

Inside, we report on the Scheme's latest financial position in our Summary Funding Statement. This is based on the Scheme's position as at 31 December 2024. We also update you on the Scheme's annual accounts, membership numbers, and investments.

## GMP Equalisation

Your Guaranteed Minimum Pension (GMP) is part of your pension from the Scheme and replaces part of the State Pension. GMP was earned between 1978 and 5 April 1997 and is the minimum pension that UK defined benefit schemes had to provide to employees who were contracted out of the State Earning-Related Pension Scheme during this time. Since 1990, pension schemes have been legally obliged to work out benefits in the same way for men and women. However, by law GMPs remained different for men and women. Following a High Court ruling in 2018, pension schemes must 'equalise' members' GMP pensions to correct this inequality where necessary. Like most pension schemes, there will be little impact to members - noting pensions will not reduce, however we are working with our advisers to understand how to take this project forward.

## Other news

In our round-up of general pensions news, we look at research on financial security in retirement, the latest news on Pensions Dashboards, and how to stay safe from pension fraud.

## Chair of the Trustee – retirement

After many years of devoted service to the Scheme, Paul Picknett has retired as Chair of the Trustee Board from 1 January 2026. My fellow Trustee Directors and I would like to thank Paul for his dedication to the role and wish him all the very best for his retirement.

I am pleased to confirm that I have been appointed to succeed Paul as Chair of the Trustee and will continue to work with my fellow Trustee Directors, Trustee advisers and the Company to support the ongoing requirements of the pension scheme.

If you have a general query about the Scheme or your benefits which are not covered on the website (see link below), please contact the team. Their details are on page 6.

<https://pensioninformation.aon.com/groupama/>

David Simpson

Chair of the Trustee, on behalf of the Groupama UK Pension Scheme

# Your Scheme in numbers

## Headlines from the Scheme's Annual Report

At 31 December 2024 there were 2,115 members in the Scheme compared with 2,145 members at the same date last year. This does not include members who are paid by an annuity.

Deferred Members	Pensioner Members
<p><b>1,106</b></p> <p>No longer building up benefits but have benefits in the Scheme for when they retire.</p>	<p><b>1,009</b></p> <p>Receiving benefits from the Scheme (and including the dependants of members who have died).</p>

### Funding Position

**93%**

As at 31 December 2024

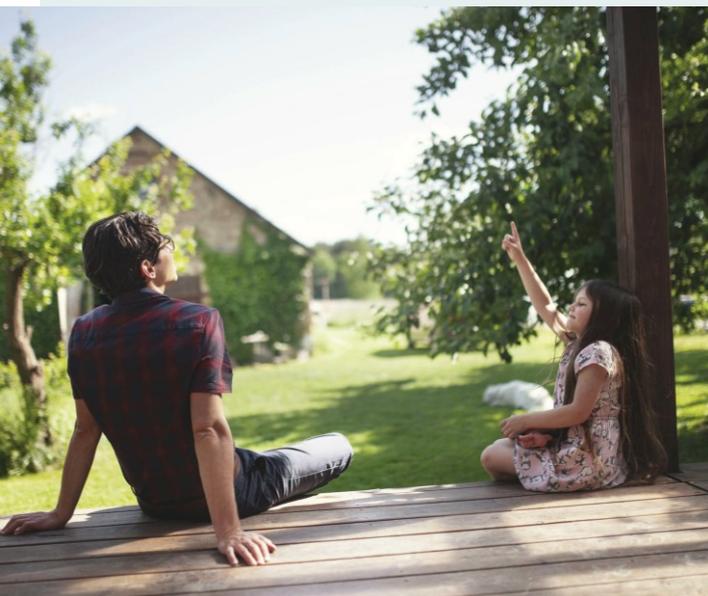
The funding position of the Scheme on a Technical Provisions basis – more information can be found on page 7.



Here we show the headline figures from the Scheme's Annual Report & Accounts for the year ended 2024 . If you would like more detail, please request a copy of the full report using the contact details on page 6.

The value of assets shown here includes AVCs but excludes insurance policies.

# Investment Update



## A snapshot of year

As Trustees, it is our responsibility to agree on the overall investment strategy, and to make changes as and when appropriate. We work closely with our investment advisers, and we keep a close eye on how the funds are performing.

For further details on our investment approach, read our Statement of Investment Principles (SIP) at

<https://pensioninformation.aon.com/groupama/>

You can also read our engagement policy Implementation Statement showing how our policy on engagement activities and voting has been followed during the year.

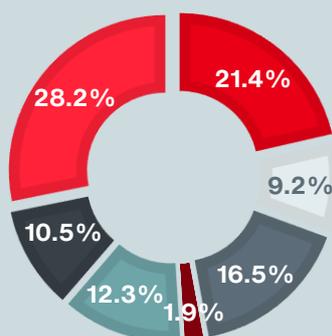
### Pension scheme assets

# £195M

31 December 2024

vs £208.2M at 31 December 2023.

The value of assets shown here excludes AVCs, insurance policies, bank balance and current assets.



### Asset Allocation

- Equities 21.4%
- Credit 9.2%
- Multi-strategy 1.9%
- Cash and Equivalents 16.5%
- Macro Oriented 12.3%
- Private Markets 10.5%
- Liability Hedging 28.2%

## Performance

The table below shows how the Scheme's investments have performed compared with their agreed benchmarks. Each benchmark is an indicator of how the fund is expected to perform bearing in mind economic and market expectations.

	12 months to 31 December 2024		Performance since inception (% per year)	
	Performance	Benchmark	Performance	Benchmark
Cardano	-2.6%	-6.1%	-4.2%	-3.9%

The Scheme's assets outperformed its benchmark over 2024, with the Scheme's funding level improving overall. In 2024, the Trustee expanded the investment toolkit to include private market assets (private equity, private credit and private property). This strategic introduction aims to enhance portfolio diversification and improve return potential.

Since 31 December 2024, the Scheme's assets have outperformed its benchmark, the strong performance was mainly driven by equities. 2025 was a volatile year for markets, caused by geopolitical and policy uncertainty. Despite this, the Scheme's diversified portfolio approach helped navigate the market uncertainty.

# In the News

## Is your financial future on track?

Recent research highlights the issue of financial security in retirement:

- Over half of people are not optimistic about being prepared for retirement (Source: State Street Global Advisers)
- Almost 10% of retired people over 55 are back in work or looking for work due to financial pressures, a lack of pension provision, or a desire for social connection. (Source: Standard Life)

The Retirement Living Standards help you to picture what type of lifestyle you might have in retirement based on what you might need to spend. Example: for a two-person household, you might need to spend **£43,900 a year** to achieve a **moderate** living standard in retirement.

- Minimum – covers all your needs, with some left over for fun
- Moderate – more financial security and flexibility
- Comfortable – more financial freedom and some luxuries

The underlying research is regularly updated to ensure that standards reflect changing spending habits. The latest updates are a rise in the cost of the moderate and comfortable standards largely due to inflation across many spending categories, and a reduction in the minimum standard mainly because of lower energy costs.

For more information, visit

[www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)



## Budget 2025 Announcement

At the end of November, the Chancellor published her second Budget, which included an important change to pensions salary sacrifice arrangements, and other tax and legislative changes that will impact the pensions and savings systems.

The most significant announcement is the proposal to limit National Insurance relief on pension contributions made through salary sacrifice arrangements (£2,000 cap). The Government's figures suggest that tax relief obtained through salary sacrifice was set to increase significantly, this change aims to limit that impact and protect lower earners.

In addition, the basic and new State Pension will increase by 4.8% from April 2026, in line with earnings and growth and the Government's "triple lock" commitment. The scheme works closely with its advisers to understand the impact of any change in legislation and will keep you updated on any further developments as necessary.



## Action!

To check which living standard you might be on track for, review all your pension savings, including your State Pension, and factor in any other sources of future retirement income. Remember to consider what tax band you will be in as the living standards consider your spending and not your income.

# In the News

## Pensions Dashboards

Pensions Dashboards is the online framework that will enable savers to keep track of all their pensions online in one place, including the State Pension. If you remember, all UK pension schemes must connect to the system by 31 October 2026.

- Since April 2025, over 40 million pension records have been connected including the Groupama UK Pension Scheme and around 30 of the largest Defined Benefit schemes.
- The date for going live to the public is yet to be confirmed but there will be at least six months' notice. You can expect to see lots of media coverage during this time.
- MoneyHelper's dashboard will be the first to be publicly available. In time, we expect a range of organisations to provide access, from pension providers to banks.

In the meantime, you can get the latest news at:

[www.pensionsdashboardsprogramme.org.uk](http://www.pensionsdashboardsprogramme.org.uk)



## Scheme Retirement Process

When thinking about retirement we want your experience to be as smooth as possible. Here is a summary of what you can expect to happen.

1) You will receive a retirement pack from the administrators about six months before your normal retirement age. You can request one retirement quotation in any twelve-month period from age 55 (57 from April 2028).

2a) If you decide to take a Scheme pension, you will need to fill out the relevant forms and return them to the administrators before the expiry date of your pack.

or

2b) If you are interested in transferring out (for example, to access greater flexibility), you will need to talk to an independent financial adviser and pay their costs. This process can easily take three to six months therefore; you should bear this in mind if you are considering transferring out your benefits.

3) If you take financial advice and your adviser recommends you transfer out, you will need to fill in the relevant forms and return them to the administrators. Your adviser will help you with this and with setting up your chosen retirement option.

## Stay alert – Beware of Fraud

Criminals are constantly trying to develop new ways to tempt you into giving or providing access to your personal information. As far as pension savings are concerned, you are at most risk if you're aged 50 to 69

In 2024, over £17.5 million was lost to pension fraud while the average loss per person was more than £33,000. (Source: Action Fraud)

One current scam tactic is to impersonate a trusted organisation such as a bank or leading retailer. Never disclose any personal information or financial details from any unexpected contact – be it over the phone or by email.

It's equally important that you use strong passwords for all your personal accounts. And never click on a link in an unexpected email, text message or social media post. Read more about the warning signs and how you can protect yourself:

[www.thepensionsregulator.gov.uk/en/pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams)

If you suspect fraud, report it to Action Fraud: [www.actionfraud.police.uk/](http://www.actionfraud.police.uk/)

January 2025



United action against pension scams

### Steps to stay scam safe

Scammers appear professional and it's becoming increasingly harder to spot the difference between something that's credible and something that's fraudulent. The Pension Scams Action Group has put together a checklist to go through if you're ever approached about your pension.

Your pension is your future – keep it safe



# More Information

## Scheme Website

To find out more about the Scheme, go to:  
<https://pensioninformation.aon.com/groupama/> or scan the QR code with your tablet or smartphone.



### Contact point

Please use any of the methods below to get in touch with the Administration team.  
Email: [groupama@aconconsulting.co.uk](mailto:groupama@aconconsulting.co.uk)  
Phone: 0330 123 2312  
(lines are open Monday to Friday, 9am to 5pm)  
Write to: Aon, The Fountain Precinct, Balm Green, Sheffield, S1 2JA

## Remember

If you would like more information about the Scheme, you can request a copy of the Trustees' Annual Report & Accounts. Contact the administration team (details above).

## Taking advice

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 MoneyHelper's online directory.

Go to [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) and choose Pensions and retirement > Taking your pension > Find a retirement adviser.

## Trustees and their Advisers

As Trustees, we maintain up-to-date knowledge of pensions, investments and finance. We also attend training courses as and when necessary, for example, when pensions legislation changes. We meet regularly throughout the year to discuss how the Scheme is progressing.

The Board is made up of Company-appointed Trustees and member-nominated Trustees.

<b>D.L Simpson (Chair)</b>	Company-appointed
<b>K. Curran</b>	Company-appointed
<b>M. Laino</b>	Company-appointed
<b>G.D. Shepherd</b>	Member-nominated
<b>A. Young</b>	Member-nominated

As a reminder we also appoint professionals to support us on areas of particular expertise.

<b>Administrator</b>	Aon Solutions UK Limited
<b>Actuary</b>	J. Coulthard, FIA, Aon Solutions UK Limited
<b>Auditor</b>	Cocke, Vellacott & Hill
<b>Investment Adviser</b>	Cardano Risk Management Limited
<b>Legal Adviser</b>	ARC Pension Law

## Reminder to keep us up to date

Please let us know if you change your name or address so we can continue to contact you about the Scheme and your benefits.

If you are a deferred member or have retired from the Scheme within the last 5 years, please also update your Expression of Wishes form if you need to. This tells us who you would like to receive any benefits that become payable in the event of your death. As the Trustees, we have the final say over who receives the benefits. We will consider your Expression of Wishes form, so if you have never filled one in, or you have not done so recently, particularly if your circumstances have changed, please complete a form and send it to us.

# Summary Funding Statement

## How healthy is your Scheme?

This section summarises the results of the valuation at 31 December 2024. It also looks at the most recent previous results. These financial health checks are vital for monitoring the Scheme's progress. We hope the information helps you to understand how the Scheme is developing.

The funding level is an indication of the amount of money that is needed to pay all benefits in full for the duration of the Scheme. A funding level of 100% or more indicates that, on the assumptions used, it is expected that there are currently sufficient assets to be able to do that without more money being paid into the Scheme.

It is important to remember that it is normal for pension scheme funding levels to fluctuate over time. Even when funding is temporarily below target, the Scheme will continue to pay benefits in full as long as it continues.

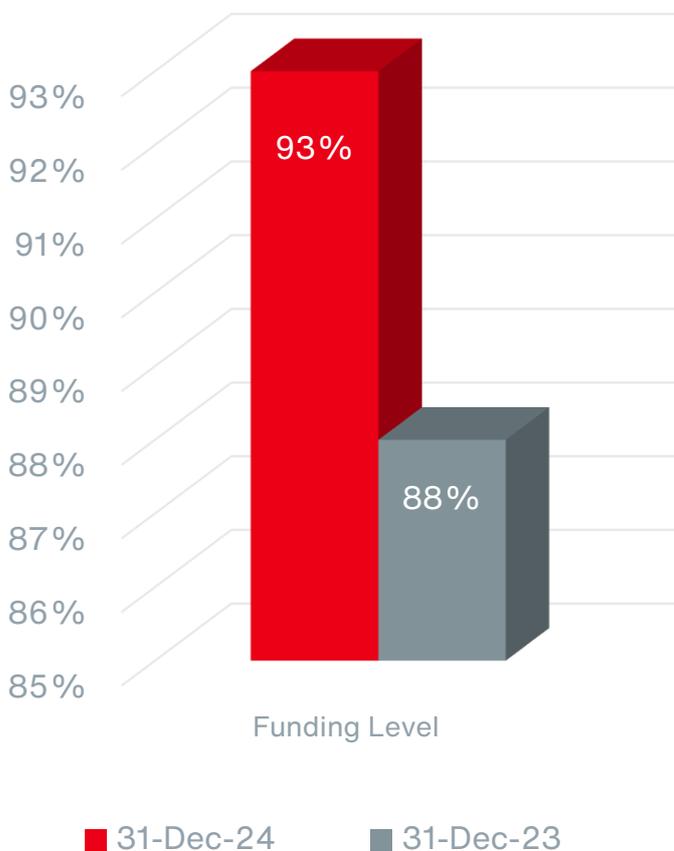
### The latest position

The charts below shows how the funding position has changed between the last funding update at 31 December 2023 and the valuation at 31 December 2024.

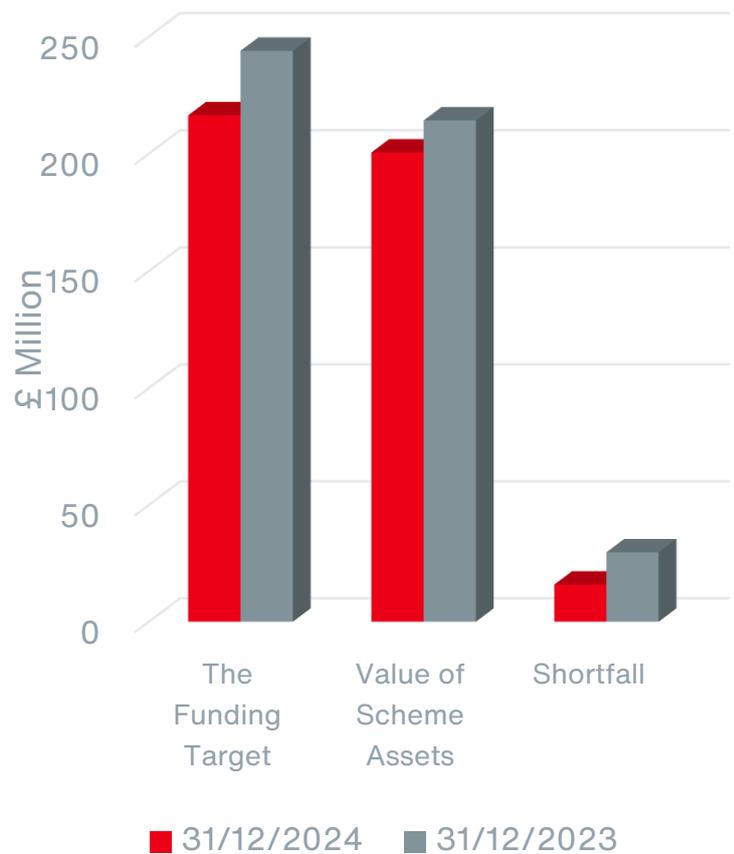
The chart shows that the assets of the Scheme (excluding AVCs but including insurance policies) fell from £214.2M at 31 December 2023 to £200.5M at 31 December 2024. The liabilities fell from £243.9M to £216.4M over the period with the deficit reducing from £29.7M to £15.9M.

The next financial check will be based on the Scheme's position at 31 December 2025. We will report on the results once they are complete.

Funding Level at each valuation date



Funding Position at each valuation date



### Reason for the change

The improvement in the funding position over the period is mainly a result of the Company contributions to the Scheme and positive investment performance.



# Summary Funding Statement

## Removing the shortfall

As part of the valuation at 31 December 2024, we agreed with the Company to bring the Scheme to a fully funded position. This is known as a 'recovery plan'.

The Company agreed to pay:

- £5 million per year from 31 December 2024 to 31 December 2028.

These contributions are expected to remove the shortfall by 31 December 2028.

In addition, the Company continues to contribute towards the Scheme's administration costs, running expenses and the annual levy to the Pension Protection Fund

([www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk)).

The next formal valuation will look at the Scheme's position at 31 December 2027. This will include working out if the recovery plan is on track or if changes need to be agreed.

## If the Scheme came to an end

The Scheme's funding level is worked out in two ways.

- The 'ongoing' basis (shown on the previous page), which assumes that the Scheme will continue into the future.
- The 'full solvency' basis, which shows the funding position if the Scheme started to 'wind up' at the date of the valuation. If this happened, all members' benefits would have to be secured without delay by buying insurance policies. This would be more expensive than paying benefits gradually over time, so the full solvency position is generally lower than the ongoing position, even for fully funded pension schemes.

At 31 December 2024, the Scheme full solvency funding level was 81.6% with a shortfall of £45.2 million.

Please note that we are legally required to report the full solvency position as part of this funding statement. The Company has no current plans to end the Scheme.

We must also tell you if there have been any payments to the Company out of Scheme funds in the last 12 months. There have not been.

## The Pensions Regulator

The Pensions Regulator is the UK watchdog of workplace pension schemes. It has the authority to change the way occupational pension schemes are run though it has not needed to use its powers in this way for our Scheme.

You can find out more about the Regulator online at

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