

The Motor Industry Pension Plan

Your Pension Update: What you need to know.

2025/2026

Inside this issue

2. Welcome and Overview
3. Plan overview
- 4-5. Investment Update
6. Retirement Planning
- 7-8. In the News
9. More information



Welcome to your latest Plan Newsletter

The Motor Industry Pension Plan (the “Plan”) is a pension plan for employees and former employees of a number of different employers in the motor industry.

Your benefits from the Plan are provided on a 'defined benefit' basis which means that you are entitled to a pension that is calculated by reference to your length of service and your salary whilst you were a member of the Plan. This is an important factor to bear in mind whilst reading this newsletter and when considering your retirement options.

We also include the usual summary of the year’s accounts and an update on the Plan’s investments.

To note, the figures shown in this newsletter are in relation to the Plan year ended 5 April 2025, so please be aware that market conditions have changed since then.

Wider pensions news

Our round-up of general pensions news starts on page 6. We report on changes to the pension tax allowances and include reminders on forthcoming changes to the minimum retirement age, and how to stay safe from pension scams.

If you have any questions about the Plan or your benefits, or you have a topic you want to see covered in our next issue, please do get in contact. The relevant details are on page 9.

Ross Trustees Services Limited,
part of the Independent Governance Group

Trustee to the Motor Industry Pension Plan

April 2026

Your Plan in numbers

Headlines from the Plan's Annual Report

The membership

At 5 April 2025 there were 2,003 members in the Plan compared with 2,070 members as at 5 April 2024. This does not include members who are paid by an annuity.

Active Members

8



Working for the Employers and paying regular contributions to build up further benefits in the Plan.

Deferred Members

1,058



No longer building up benefits but have benefits in the Plan for when they retire.

Pensioner Members

937



Receiving benefits from the Plan (and including the dependants of members who have died).

The accounts

Here we show headline figures from the Plan's Annual Report and Accounts for the year ended 5 April 2025. If you would like more detail, please request a copy of the full report using the contact details on page 9.



The value of the assets supporting the Plan at 5 April 2025

54.3M



The decrease in the value of the assets over the reporting year

-£2.8M



The total value of Employer and member contributions paid in to the Plan during the year

£1.7M



The total value of benefits paid to members* and expenses during the year

-£6.5M

*Benefits paid to members include monthly pension payments, retirement lump sums, lump sum death benefits and transfers to other pension schemes.

Investment Update

A snapshot of 2025

As Trustee, it is our responsibility to decide 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.

At 5 April 2025, the Plan held assets of £54.3m compared with £61.9m at the same date in 2024.

Whilst the level of assets has decreased over the year, we expect the Plan sections' funding positions to have remained relatively stable as a portion of the assets are invested to move in line with the liabilities and thereby reduce the volatility of the Plan sections' funding levels.

The assets of the Plan's 'active' sections are managed by Aon Investments Limited. These funds provide reduced risk and improved diversification by spreading the Plan's investments across a wide range of asset classes. A small proportion of the Plan assets remain invested with Legal & General Asset Management (Holdings) Limited (referred to as "LGIM"). This is split between two portfolios, one of the portfolios is a mix of equities and bonds, whilst the other portfolio is invested in gilts funds.

You can read our Engagement Policy Implementation Statement ("EPIS") showing how our policy on engagement activities and voting has been followed during the year at www.pensioninformation.aon.com/mipp.

Performance

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

Fund	Over one year (%)		Over three years (% per year)	
	Performance	Benchmark	Performance	Benchmark
Adept SF9 (Growth only)	7.3	5.1	4.3*	4.1*
Adept SF20 (Fixed + 2%)	-5.4	-6.5	-14.1	-13.2
Adept SF21 (Real + 2%)	-7.4	-8.5	-14.4	-13.4
Adept SF22 (Fixed + 1%)	-6.0	-6.5	-13.8	-13.4
Adept SF23 (Real + 1%)	-7.9	-8.5	-14.2	-13.9
LGIM (80% equities/20% bonds)	3.8	4.1	3.1	3.0
LGIM (50% fixed gilts/50% index-linked gilts)	-9.3	-9.3	-15.8	-15.7

Performance shown is for the 1-year period and 3-year period to 31 March 2025.

Adept fund performance is net of fees, whilst LGIM fund performance is gross of fees.

Adept SF9 performance figures are illustrative as the fund was not invested for the full reporting period.

Investment Update

Investment market update

This market update relates to the period of 5 April 2024 to 5 April 2025, which is in line with the timeframe covered by the last Trustee Report and Accounts.

Global equity markets rose over the period. Inflation remained broadly stable across developed nations, with the global economy proving to be more resilient than previously anticipated. However, the likelihood of a global growth slowdown has recently increased amid rising trade tensions between the US and its trading partners.

UK equities were the best-performing market in sterling terms over the year, rising by 12.0%. The Financial sector, the largest sector in the MSCI UK Index (23.4% of the index weight), outperformed with a return of 41.4%. Consumer Staples and Industrials rose by 13.5% and 12.9% respectively. Real Estate and Materials sectors were the worst performers, declining by 17.7% and 16.8% respectively.

US equities were the second best-performing market in local currency (8.2%) terms and delivered positive returns in sterling terms (5.9%) over the period, the Utilities sector outperformed and delivered 24.0% returns, and the Information Technology sector returned 6.1%. Among other heavyweight sectors, the Financials sector rose by 19.6%.

Emerging markets (EM) delivered the best returns in local currency (11.7%) and the second-best in sterling terms (6.3%) over the period. Chinese equities rose the most at 40.2% while Korean equities were the worst performer, falling by 13.1%. Taiwanese and Indian equities rose by 8.9% and 5.4% respectively. Brazilian equities fell by 0.8%.

Over the period, UK fixed gilt yields rose, as the Bank of England ('BoE') reduced its policy interest rate three times by 25bps each to 4.50%, with rate cuts coming in July 2024, November 2024 and February 2025. In the latest Financial Stability Report ('FSR'), released in Q4 2024, the BoE identified several key risks to the UK economy: global geopolitical uncertainty, high levels of government debt in major economies, and vulnerabilities in market-based finance.



Retirement Planning

Minimum retirement age to increase

The youngest age most people can start to receive their pension benefits (known as the Normal Minimum Pension Age, or “NMPA”) will increase from age 55 to age 57 in April 2028. If you think this change may affect your retirement plans, the Trustee recommends you seek financial advice to understand your options.

This change is intended to keep the minimum retirement age around 10 years below the State Pension Age, which itself is due to rise from 66 to 67 between 2026 and 2028.

Plan Retirement Process

For those of you still to start receiving your retirement benefits, we want you to experience a smooth retirement process when the time comes. 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. Or you can request one at any time from age 55 (57 from April 2028).

2a) If you decide to take a Plan 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.

You will need to start this process soon to give yourself enough time to go through the advice process and make your decision before the expiry date of your transfer value. This process can easily take three to six months, depending on how you wish to take 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.

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



Newsbites



Pension Plans Bill 2025

One key change is that trustees of Defined Benefit pension plans like ours may soon be able to return surplus funds to employers in a wider range of circumstances, subject to strict conditions and promotions. Importantly, this would only happen where funding exceeds a prescribed level, and the trustees agree to such a payment.

2025 UK Budget

The Budget confirmed that the State Pension is expected to rise by 4.8% from April 2026 under the 'triple lock', and the Government is looking at how to avoid pensioners with only State Pension income having to pay small amounts of tax.

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

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

If you suspect fraud, report it to Action Fraud:
www.actionfraud.police.uk/



Pensions Dashboards

Pensions Dashboards is an online framework that will enable savers to keep track of all their pensions, including the State Pension, in one place. Please note that any figures shown on the Pensions Dashboard will be for illustration purposes only.

We touched on it last time, but work continues and there have been some recent updates. 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.
- 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



January 2025



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



Pensions and inheritance tax

In last year's Autumn Budget, the Government announced plans to bring some pension-related payments into a person's estate for inheritance tax purposes **from 6 April 2027**.

Most unused pension funds and death benefits will be brought into scope of inheritance tax from 6 April 2027 if the legislation is passed unchanged.

However, certain pension-related payments are expected to remain excluded:

- Lump sums only payable if a member dies in service,
- Pension benefits paid to a dependent as a regular scheme pension, and
- Payments to a surviving spouse, civil partner or registered charity.

More Information

Plan Website

To find out more about the Plan, go to:
www.pensioninformation.aon.com/mipp/default.aspx

You can find the following information on the site:

- Previous Newsletters
- Investment Engagement Policy Implementation Statement
- Frequently Asked Questions

Contact point

Please use any of the methods below to get in touch with the Administration team.

Email: mippensions@aon.com

Phone: 0333 207 9429
(lines are open Monday to Friday, 9am to 5pm)

Write to: Motor Industry Pension Plan,
Aon, PO Box 196
Huddersfield
HD8 1EG

Remember

If you would like more information about the Plan, 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 guidance on choosing a financial adviser through the MoneyHelper's online directory. Go to www.moneyhelper.org.uk.

Digital communication

We are pleased to announce that Aon are enhancing their digital interactions with members and their representatives. You do not need to take any action at this point, however when contacting the Aon in future, you may be asked if you would like to receive future communications securely online. We can assure you this is not a scam and importantly, it will be an additional means of communicating with Aon alongside the existing communication channels.

Please note that you will not receive any documentation relating to the Plan digitally unless you specifically request it.

Trustee and their Advisers

As Trustee, 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 Plan is progressing.

We also appoint professionals to support us on areas of particular expertise.

Administrator	Aon Solutions UK Limited
	N Coates, FIA, Aon Solutions UK Limited
Actuaries	M Johnson, FIA, Aon Solutions UK Limited
Auditor	Cooper Parry Group Limited
Investment Adviser	Aon Investments Limited
Legal Adviser	CMS Cameron McKenna Nabarro Olswang LLP

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 Plan and your benefits.

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 Trustee, 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.

Please use the contact details on the left to request a blank form or alternatively you can access a copy from the Plan website shown above.