



Private and confidential

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June 2020

Dear <Title> <Surname>

SECURING YOUR SCHEME BENEFITS: UPDATE SUMMER 2020

We wrote to you last August about your benefits in the Final Salary (or Defined Benefit) Section of the Scheme and actions that the Trustee is taking in relation to these. This letter provides an update, but you do not need to take any action at the present time.

You will remember that the Trustee has started the process of securing your benefits, which are currently provided through the PGL Pension Scheme, with an insurance company, Phoenix Life Limited (PLL). The process is expected to conclude with the administration of members’ benefits transferred to the insurer and with each entitlement in the Final Salary Section provided under an individual policy from PLL. At this stage the timing of these later changes is not known but is unlikely to occur within the next 12 months.

How are Scheme benefits being administered at present?

At present, Scheme administration services continue to be provided by Aon Hewitt.

The Trustee has been closely monitoring the developments of COVID-19, the illness caused by the new coronavirus. The Trustee is satisfied that Aon’s key Pensions Administration services - including the pension payroll function, day-to-day administration and the Call Centre - remain fully operational, and the service being provided to you will not be impacted.

If you have any questions about your benefits in the Scheme, you should continue to contact the Scheme administrators at the address given overleaf. However, we would like to ask for your understanding and your patience at this time. If you contact the administration team you may find that more routine enquiries take longer than normal, as the administrators prioritise the more urgent enquiries.

What progress has been made recently?

Since the Trustee last contacted you, there has been progress in a number of key areas in the process of securing your benefits.

- **Scheme factors.** This means the terms on which your pension entitlement is converting into a new benefit payment, principally, in calculating cash on retirement and calculating transfer values. Quotations issued by the administration team are now all calculated using factors provided by PLL. This will ensure consistency of treatment when the administration service is transferred to PLL. Terms available are dependent on market conditions, which as you will be aware are particularly changeable at present.

Continued overleaf

- **Member records.** Before the administration is transferred to the insurer, the Trustee has asked Aon to ensure that the data held on members' records are as complete and accurate as possible. You can help with this exercise by keeping in touch with the Scheme and letting us know if there have been any changes to your own or your spouse's personal data, especially your address. Contact details for the Scheme are given at the end of this letter.
- **Equalisation of Guaranteed Minimum Pensions (GMPs).** You may be aware that in October 2018 the High Court determined that benefits provided to members who had 'contracted out' under their pension scheme must be reviewed to reflect the equalisation of State Pension Ages between men and women. However there has been some uncertainty over how adjustments for this equalisation impact tax, and guidance from the HM Revenue & Customs so far has only partially addressed these questions. The Trustee is seeking to establish an appropriate solution for the Scheme. This is one of the actions to resolve before the administration transfer can occur.

What happens next?

If you are about to reach your normal retirement age you will be contacted by the administration team to provide you with options for your retirement benefits.

Members retain the right to take early retirement and draw your benefits if they wish, once they are old enough to do so (the minimum age varies by member, but is typically age 55, with no minimum age applying where ill-health is the reason for retirement). However please note that the benefits may be lower than they would have been at your normal retirement date.

Members of any age can request a quotation for a transfer value to take their benefits from the Scheme to another pension arrangement, but please be aware that scammers are currently seeking to take advantage of people at their most vulnerable. The Pensions Regulator has said that if you are thinking of taking a transfer you should – in all cases – exercise extreme caution and visit the Scamsmart website (www.fca.org.uk/scamsmart) which has specific guidance relating to COVID-19. If you are concerned, please let us know or contact The Pension Advisory Service (0800 011 3797). Supportive independent financial advice is also required before a transfer payment can be made.

Please contact the team if you wish to explore either of these options.

The Trustee will contact you again towards the end of this year with a further update. Please contact the team using the details below if you have any queries in the meantime.

Yours sincerely



Keith Jones, Chairman of the Trustee

On behalf of the Trustee of the PGL Pension Scheme

CONTACT POINTS

- Call:** 0330 678 0412 or
+44 330 678 0412 from overseas
(lines are open Monday to Friday, 9am to 5pm)
- Email:** pgladmin@aon.com
- Write to:** PGL Pension Scheme
c/o Aon Scanning department
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- Website:** www.mypensionline.com/pglfinalsalary