

Questions and Answers

1. Why has the change in administration for Final Salary benefits been delayed?

The Scheme is still planning to transfer administration responsibilities to Phoenix Life Limited, (now trading as **Standard Life**) and after this takes place members will become insurance customers of this company. The transfer of administration responsibilities is now expected to take place shortly. Aon will continue to make your regular pension payments until the transfer process has been completed.

As noted in previous updates, Standard Life have recently concluded a review of their administration provision in order to ensure members receive a high-quality service. This involves technology developments to give members options to get up-to-date information on their benefits via the internet, as well as by direct contact with the administration team.

To minimise disruption for members, we agreed with Standard Life that it was better to wait for their new service to be built and ready, before transferring administration.

2. Does this reflect any concerns over the insurance that you have secured with Standard Life?

Not at all, we have no concerns with Standard Life's financial strength or their ability to service their insurance commitments.

Standard Life are developing this area – providing insurance solutions for company pension schemes – to be a core business line, and they want to provide the best service they can.

3. Why did the Trustees choose to place the annuity with Standard Life, are annuities now a core business for the group?

Yes, the Phoenix Group has made significant changes over 2019-2023 to focus heavily on UK annuities as a significant area of growth for its open business. This includes a high level of recruitment of experienced professionals and other investment teams. There is also a new relationship with the administrator Equiniti, specifically to provide services for the Group's bulk annuities, rather than using existing administrators contracted to the Group. The Group has quickly become one of the five main writers of new annuities for company pension schemes like this one and has accumulated annuity funds of around £40 billion, comparable with most rival annuity writers.

4. I used to have Defined Contribution (DC) benefits in the Scheme, why have these already been transferred?

Your Final Salary (FS) and Defined Contribution (DC) benefits are separate from each other, even though both might have been earned within the same scheme.

Most DC funds moved to the Standard Life Master Trust, in April 2021. The remainder of the DC funds were transferred in August 2023.

The forthcoming changes to administration services do not impact these funds.

5. *Past communications suggested that some small benefits may be completely cashed in. How do I know if I am eligible for this?*

This option relates mainly to smaller benefits in payment that were earned some time ago: typically pensions that might be eligible would be very small, and there are other conditions which also need to be met. Typically, this option was available to deferred members with pensions at their date of leaving under £500 per annum and some pensioners with pensions in payment under £1,000 per annum. Unfortunately, there are strict legal criteria that prevent us from offering this option more widely and most members will not be eligible.

If you are eligible for this option, you will have received a letter from us recently outlining the cash sum that you could receive. This option expired on 25 June 2023 and the relevant payments have been made.

6. *My benefits are not yet in payment, can I still transfer out of the Scheme?*

Yes - the transfer of administration to Standard Life does not affect members' options. Benefits that are not yet in payment can be transferred, subject to the usual requirements (including financial advice in most cases).

7. *My benefits are not yet in payment, can I still use the at-retirement service? Can I still get free financial advice?*

No, this service ceased for new enquiries on 31 May 2023.

8. *I was granted special rights to retire on unreduced benefits from age 50 on being made redundant. Will these remain?*

Where applicable, these rights will continue to be protected on transfer to Standard Life, so you continue to have access to unreduced benefits from the same age as before.

If you were to transfer your benefits to a different arrangement, you may lose the right to retire from a younger age – normally retirement would then only be possible from the Government's standard minimum retirement age, which is currently 55.

9. *Will the terms for taking transfers or retirement benefits from the Final Salary section be affected by the annuity purchase with Standard Life?*

No changes are expected.

The terms used for calculating transfer values, for exchanging pension for retirement cash and adjusting pensions for late or early retirement, are already set by Standard Life.

They do change regularly as market conditions change, but within the 'Treating Customers Fairly' requirements, which govern insurance companies.

10. Why could you not just keep the Scheme running as it is?

There are no longer any new benefits being earned under the Scheme – the employer is using other arrangements to provide new benefits. The Scheme is, therefore, maturing, continuing to run risks and incurring expenses.

The annuity with Standard Life provides a more secure way of providing Final Salary benefits and this is a more viable long-term arrangement, with benefits being met as part of a larger overall annuity fund. Similarly, the Standard Life Master Trust provides a more future-proof home for members' DC funds.

11. Should I continue to notify Aon of changes in my circumstances?

Yes, please use the contact details below until you receive your new policy documentation from Standard Life.

12. What steps has the Trustee taken to address the equalisation of members' Guaranteed Minimum Pension (GMP) benefits?

Benefits provided to members who had contracted out of the upper tier of the State Pension Scheme (SERPS) through their pension scheme between May 1990 and April 1997 must be recalculated to reflect the equalisation of state pension ages between men and women.

The impact on most members is likely to be quite small - typically no more than 0.5% of benefit value in most cases.

The Trustee has decided on an equalisation approach which is expected to avoid any negative impacts. This approach has been arranged in conjunction with Standard Life and fits with the timing of transfer of administration services to them. If you are affected, you will receive an adjustment to your pension and, if applicable, a one-off back payment. You will receive separate communications from the Scheme to explain the adjustment made.

13. I have some queries on the Benefit Statement that I received recently. How should I raise these with the Trustee?

If you have any queries about your statement, or if there is something in them that you think may be incorrect, please contact the Scheme Administrator using the contact details on the Statement.

November 2023

Contact details

If you need any information about the Scheme and your benefits you can use the following:

- **Call:** 0330 678 0412 or +44 330 678 0412 from overseas (Monday to Friday, 9am to 5pm)
- **Email:** pgladmin@aon.com
- **Write to:** PGL Pension Scheme, c/o Aon, PO Box 196, Huddersfield, HD8 1EG
- **Website:** <https://pensioninformation.aon.com/pgl> where you can find copies of the information the Trustee has sent previously and other general Scheme information such as the latest Summary Funding Statement, Trustee's Report & Accounts, Statement of Investment Principles and Privacy Notice.