

December 2021

Dear Member,

## Raleigh Pension Scheme ('the Scheme')

This is a letter from the Trustees of the Scheme and contains important information about your benefits in the Scheme. **No action is required from you following receipt of this letter. However, we do recommend that you take the time to read it carefully.**

### Scheme update

The Trustees have worked closely with Raleigh UK Limited ('the Company') over several years to ensure that members of the Scheme receive the full benefits that they are entitled to. The Company has paid substantial amounts of money into the Scheme to ensure the security of the benefits for all Scheme members.

In more recent years the Trustees and the Company have had a joint objective to secure the benefits of the Scheme with an insurance company to further improve the security of your benefits over the long term. This is a typical option explored by final salary pension schemes like this one.

During this time, the funding position of the Scheme has continued to improve, primarily due to the steps taken by the Trustees and the Company to protect the Scheme investments against any adverse movements in the financial markets.

The improvement in the funding position has allowed the Trustees and Company to explore the option of securing Scheme benefits with an insurance company. During 2021 the Trustees and Company approached all major insurance companies in the market with a view to securing Scheme benefits. Following a detailed selection process, **the Trustees entered into an agreement with Legal and General Assurance Society Limited ('L&G') to insure all substantial benefits of the Scheme with effect from 1 October 2021.** A small portion of benefits cannot be secured at this stage due to a recent court case that affects Guaranteed Minimum Pensions ('GMP'). Further detail of this are set out in the 'what happens next' section of this letter.

The Trustees believe this is a really positive step for Scheme members and one which will increase the security of your benefits over the long term.

### What does this mean for my Scheme benefits?

The insurance policy agreed with L&G is currently in the form of one single policy owned by the Scheme. This policy covers all substantial benefits for all members who are entitled to receive future benefits from the Scheme.

If you are already in receipt of pension payments, you will continue to receive these payments in the usual way each month. **XPS will continue to be the payroll provider for the Scheme.**

If you have not yet started to receive pension payments from the Scheme, when you come to consider your retirement, you will have the same options as you did prior to the

agreement of the policy with L&G. Where the benefits provided by L&G differ from that provided in the Trust Deed and Rules, the L&G terms will be used as these provide better value than the current terms.

**The Scheme will continue to be administered by the Trustees and XPS and any Scheme related queries should continue to be sent to XPS using the contact details below:**

XPS Pensions Group  
PO Box 205  
Huddersfield  
HD8 1ET

RaleighPensions@XPSGroup.com  
0113 244 0200

### **Why have my benefits been secured with L&G?**

As already noted, the Trustees and the Company carried out a detailed selection process before choosing to secure your benefits with L&G. As part of this selection process the Trustees approached all the major insurance companies operating in this market and considered several different factors, including an assessment of the financial strength of the insurance companies.

L&G are a worldwide financial service group who specialise in savings, investment management and retirement income solutions. Legal and General Group plc is listed on the London Stock Exchange and is a constituent of the FTSE100 index. L&G are one of the UK's strongest insurance companies, that is evidenced by strong independent ratings. Please see [www.legalandgeneral.com](http://www.legalandgeneral.com) for further information.

In the UK, L&G is the longest standing provider of retirement income benefits for individual members and currently make annual retirement payments of more than £2bn to over 1m retirement customers. L&G have secured pension benefits for over 3,000 pension schemes, including several household names, and have a wealth of experience in completing this type of transaction.

Like all other insurers in the UK, L&G is authorised to do business and is closely regulated by the Financial Conduct Authority to ensure consumers get a fair deal and the Prudential Regulation Authority (PRA) to ensure they can meet the obligations of the policies they issue, now and in the future. The PRA are part of The Bank of England.

**The Trustees believe that L&G are ideally suited to provide you with the security needed to pay your benefits in the future.**

### **What happens next?**

The Trustees and XPS are working closely with L&G to finalise the new arrangements now in place as well as verifying benefits for all members in the Scheme.

The Trustees are also required to adjust benefits for some members who accrued GMP between 17 May 1990 and 5 April 1997. This follows on from a High Court ruling in 2018 on a case for the Lloyds Banking Group Pension Scheme, where it was found trustees of defined benefit pension schemes are expected to rectify historic inequalities between males and females with GMP benefits. The Trustees are working closely with XPS to determine which members are owed additional benefits in respect of these historic inequalities. The outstanding additional benefits have not yet been secured with L&G.

Please note that if you are affected by this exercise it can only lead to an increase in your benefits. **No members' benefits will be reduced as a result of this exercise.**

If you have any questions about this letter, then you can get in touch with XPS using the details above.

A copy of this letter will be made available on the Scheme's website, which can be found at [www.raleighpension.co.uk](http://www.raleighpension.co.uk)

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Yours sincerely

Mervyn Jones

For and on behalf of the Trustees of the Raleigh Pension Scheme