

Senior plc Pension Plan

Pensions update –November 2024

Dear Member,

Welcome to this update on the Senior plc Pension Plan (“the Plan”). I hope this update will help you understand how the Plan is performing and how your pension benefits are being managed. Please take the time to read this update. There is one action we need you to take, if you have not previously done so, and this is explained on page 5.

I am pleased to say that since our last update, sent to you in November 2023, the financial position of the Plan has improved and there continues to be a healthy surplus of assets. This is despite challenging market conditions and a challenging economic climate over the past year. For more information please see the Summary Funding Statement on page 3.

We continue to invest the Plan’s assets in low-risk investments in order to protect the Plan’s funding position, and ensure we meet our key priority: paying pensions and other benefits to the Plan’s members. In recent years this has proved to be a successful strategy, as evidenced by there continuing to be a healthy surplus of assets. We provide more information on the Plan’s investments on page 2.

I hope you find this update interesting and helpful. If you have any feedback or suggestions on information you would like included in future updates, then please let us know by contacting us via the Plan’s administrator. The administrator’s contact details are on the last page of this update. If you have any other queries on the Plan or on your Plan benefits then please also contact the Plan’s administrator.

David Best
Chair of the Trustee of the Senior plc Pension Plan

Your trustee board

The Trustee acts separately from the Plan's sponsoring employers, Senior plc and Senior UK Limited, and holds the assets of the Plan for the benefit of its members. The Trustee is responsible for ensuring the Plan is run in accordance with the Plan's governing documentation and in accordance with the law. The Trustee has a duty to act in the best interests of the Plan's membership as a whole.

There have been no changes to the Trustee board over the past year and the current Trustee Directors continue to be:

- David Best (Chairman)
- David Beavan (member-nominated Trustee Director)
- Andrew Bodenham
- Huy Co (member-nominated Trustee Director)
- Rob Hancock
- Roswitha Norton
- Tim Wright (member-nominated Trustee Director)

Investment strategy

One of the most important and interesting responsibilities the Trustee has is to decide how to invest the Plan's assets. The performance of the Plan's investments plays an important role in ensuring there is enough money in the Plan to pay your benefits – both now and in the future.

Whilst we have continued to closely monitor the investment strategy, we have not made any changes to the strategy since our last update. The Plan's assets continue to be solely invested in lower-risk assets such as gilts, liability driven investments and corporate bonds (further explanation of these terms is given below). We have continued to invest in this low-risk way in order to protect the Plan's funding position.

Investing all the assets in lower-risk assets means that the value of the assets is expected to move broadly in line with the value of the pensions to be paid, leading to a more stable funding position. This has proved very helpful. Despite the volatility in financial markets caused by, for example, the continuing conflict in Ukraine, high inflation and a challenging economic climate, the Plan continues to have a surplus of assets.

We continue to keep the investment strategy under review in conjunction with our advisers.

Further details of the investment strategy are set out in the Plan's Statement of Investment Principles which can be found here:

https://www.seniorplc.com/~media/Files/S/Senior-PLC/documents/senior_plc_pension_plan_statement_investment_principles_2022.pdf

What do these terms mean?

Gilts – A gilt is a loan to the UK Government on which the UK Government pays interest. Gilts are a low-risk investment as they are backed by the UK Government. As gilts are low risk, they tend to pay lower rates of return than other investments. Gilts help a pension scheme's asset value move more closely in line with a pension scheme's liabilities.

Liability driven investment – An investment which helps a pension scheme’s asset value move more closely in line with the value of the scheme’s liabilities (ie members’ benefits). This is achieved by investing in assets which match the expected pension payments, such as gilts and investment instruments called derivatives (for example interest rate swaps) which move in a similar way. The value of liability driven investments should rise and fall in a very similar way to a pension scheme’s liabilities.

Corporate bonds – A corporate bond is an “I owe you” issued by a company. They are riskier than gilts because the company can only pay interest on the bond and pay it back if it makes enough profit. Because of this, they tend to pay higher interest rates than gilts to compensate for the increased risk that the bond issuer may default.

Summary Funding Statement

On a regular basis we produce a Summary Funding Statement to give you an update on the financial position of the Plan. We use independent advisers to help us to monitor the Plan’s finances and the latest Summary Funding Statement is set out below – this provides a snapshot of the Plan’s financial position prepared by our advisers as at 5 April 2024.

A snapshot of the Plan on 5 April 2024

At 5 April 2024 the value of the assets in the Plan was £27.4m above the target level of assets we aim to hold and so there was a surplus of assets of £27.4m.

The target level of assets is the amount that is expected to be enough to continue to pay out all the pensions that members have already built up in the Plan, based on assumptions about the future. For example, how long people will live; what inflation will be; and what returns will be earned on the Plan’s investments, amongst other factors. Nobody knows exactly how much money will be needed to pay everybody’s pensions. This will depend on how actual experience compares with the assumptions made.

In our previous Summary Funding Statement, which was included in last year’s update, we reported that there was a surplus of £18.1m on 5 April 2023. The Plan’s financial position therefore improved by £9.3m over the year to 5 April 2024 and we are delighted there continues to be a very healthy surplus.

The improvement was mainly due to overall favourable experience in financial markets over the year. This reduced the target level of assets we aim to hold, due to the increase in interest rates, with this being partially offset by a decrease in the value of the Plan’s assets.

We expect the snapshot to change from year to year because the Plan’s finances depend on changes in global financial markets although our low-risk investment approach does limit the impact of changes in market conditions.

The next full actuarial valuation is due as at 5 April 2025 and our next Summary Funding Statement will set out the results of the valuation. We expect the next Summary Funding Statement will be sent to you late next year.

What if the Plan has to wind-up?

We monitor the impact on the Plan should Senior no longer be able to support the Plan. In this event, a wind-up of the Plan is likely to begin and the responsibility for paying members’ pension benefits would be transferred to an insurance company.

The Trustee monitors the cost of securing all members' benefits with an insurance company.

The most recent estimate provided by our independent advisers looked at the position on 5 April 2022. This estimate showed that, at that date, the Plan was estimated to have surplus assets of about £23.0m against the cost of securing all members' benefits with an insurance company. Therefore, if Senior were unable to support the Plan, as at 5 April 2022 we estimate that there would have been more than enough assets to continue to provide members' benefits in full by securing them with an insurance company. Our advisers have indicated this continues to be the case at the current time. This shows that the Plan continues to be in a very strong position and that your benefits are currently very secure.

Is my pension protected?

If the sponsoring employer of a defined benefit pension scheme, such as the Plan, became insolvent and there was not enough money to secure benefits in full with an insurance company, members may not receive their full pension benefits. However, as explained above, the Plan currently has more than enough money to secure members' full benefits with an insurance company and so members would currently be expected to receive their full pension benefits if Senior were to become insolvent.

Although this is not currently relevant to the Plan, in cases where there is not enough money to secure benefits in full with an insurance company, the Pension Protection Fund is available to help protect members' benefits although the amount members receive from the Pension Protection Fund may be less than their full pension benefits.

The Pension Protection Fund rules are complex - the amount it will pay depends on the rules of the pension scheme, whether a pension is already being paid, a member's age and the type of pension benefit.

More information and guidance about the Pension Protection Fund is available at www.ppf.co.uk or by emailing them at information@ppf.co.uk or calling them on 0330 123 2222.

Is there anything else I need to know?

Regulations require us to confirm that since the last Summary Funding Statement Senior plc has not taken any money out of the Plan and the Pensions Regulator has not intervened in the running of the Plan. We are happy to confirm this.

GMP equalisation

We explained in our November 2022 update that we need to recalculate part of some members' pensions so that their value is the same whether they are male or female. This is because some members have a Guaranteed Minimum Pension ("GMP"), which has historically been different for men and women as it mirrored the State pension arrangements at that time when men and women built up State pension entitlements at different rates. GMP is part of Plan pensions earned by most members before April 1997. This process is called "GMP equalisation".

Not all members with GMP will be impacted and, if you are, it is likely that any changes to your pension will be relatively small.

We have been progressing the recalculation work - the calculations are complex because we need to collate data from over 30 years ago and then update our administration systems. If your benefits are affected by GMP equalisation, we will write to you when the calculation work has been completed to outline any changes to your benefits. We currently expect to write to impacted members during 2025.

An update about the Plan's administrator

You should be aware that earlier this year Aptia UK Limited ("Aptia") acquired Mercer's UK pension administration business – the Plan's administrator. As a result of this change, your pension benefits are now being administered by Aptia, rather than by Mercer, but it's the same team behind the scenes. You may have already received communications from Aptia, so keep a look out for any communications from them. We want to reassure you that the new name of the Plan's administrator doesn't change anything about your Plan benefits. You can find the contact details for Aptia on the final page of this update if you need to get in touch with them.

Member email addresses

To enable us to communicate more quickly and efficiently with you, it would be helpful if you could provide your email address to the Plan's administrator, Aptia, if you have not already done so.

We therefore ask, if you have not already done so, that you provide your email address to Aptia via the Contact Aptia Pensions website which can be accessed at this address <https://pensionuk.aptia-group.com/>. To provide your email address you should click on the box on the right hand side of the page titled "submit request without a reference".

Whilst there is no obligation for you to provide your email address, and not providing it will not affect the payment of your benefits, providing your email address will mean that we will be able to communicate with you more quickly and efficiently. We would therefore encourage you to provide your email address if at all possible.

Are you considering making any changes to your pension arrangements?

If you are considering making any changes to your pension arrangements, including taking a transfer value, you should consult a professional financial adviser before taking any action. The law prevents us from providing you with financial advice. Financial advisers local to your home or workplace can be found at: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser>. The Financial Conduct Authority has also provided some questions you should consider asking any adviser you might appoint – these can be found at <https://www.fca.org.uk/consumers/what-ask-adviser>. You should also be alert to the possibility of pension scams – please see below.

Pension scams

Please be aware that scammers target pension scheme members. They are known to increase their activity at times of financial stress. The Pensions Regulator has said you should exercise extreme caution and visit the www.fca.org.uk/scamsmart website which has specific guidance relating to pension scams.

In particular, if you are called out of the blue by an individual or company promising to move your savings to a 'safe haven', please hang up. Cold-calling in this way is illegal. Pension scams can be hard to spot. Scammers can be articulate with credible websites, testimonials and materials that are hard to distinguish from the real thing.

If you have any pensions scam concerns please contact the Plan's administrator, their contact details are on the final page of this update, or go to <https://www.moneyhelper.org.uk/en>.

Get to know your pension: hints and tools from the DWP

As part of its ongoing campaign to get people more engaged with their retirement savings, the Department for Work and Pensions ("DWP") has published a website <https://www.yourpension.gov.uk/> to help people plan for their retirement. It brings together various tools to trace lost pensions, find out what your likely State pension will be, and work out how much money you may need to enjoy the retirement you want.

Reminders and general information

Change of address?

It is very important that you tell us about any changes to your address so that you can be contacted about your Plan benefits. If your address or any other personal information has changed, please inform the Plan's administrator (contact details below).

Nomination/Expression of Wishes Form

It is also important to complete a Nomination Form (also known as an Expression of Wishes Form) and keep it up to date if your personal circumstances change. This will ensure the Trustee is aware of whom you wish to receive any benefits due from the Plan following your death where the Trustee has discretion over the recipient. If you would like to update your nominations, please contact the Plan's administrator (contact details below) who will provide you with a form for completion.

Where can I get further information?

If you have any questions or would like more information on your Plan benefits, or if you would like to see a copy of the Plan's financial accounts, rules, investment policy or other documents, please contact the Plan's administrator, Aptia. Please ensure that you quote your full name and National Insurance number as well as the name of the Plan. Aptia's contact details are:

The Trustee of the Senior plc Pension Plan
c/o Aptia UK Limited
Maclaren House
Talbot Road
Stretford
Manchester
M32 0FP
Pension member helpline: 0344 209 0420
Please ask for a member of the Senior plc Pension Plan team
Contact Aptia Pensions website: <https://pensionuk.aptia-group.com/>

If you have any feedback or suggestions on information you would like included in future updates, then please contact the Trustee via the Plan's administrator, using the above contact details .