

Strictly Private and Confidential

18 November 2024

Dear

An important update about your Defined Benefit ('DB') Plan pension – part of the Baptist Pension Scheme ('the Scheme')

Securing members' benefits with the insurance company Just Retirement Limited ('Just')

This letter is being sent to you as a beneficiary of the DB Plan from the Trustee of the Scheme. We wrote to you in August 2023 and again in both March and April 2024 providing an update on the steps we are taking to secure members' DB Plan pension benefits with the insurance company Just Retirement Limited ("Just"). Each of those letters was intended to let you know what to expect going forward. As we have explained, this process will result in Just paying your pension.

This letter is to confirm that the handover to Just will be completed this month.

As a result, Just will make their first pension payment directly to members who are receiving their pension on 29 November 2024.

If you have not yet retired, Just will take responsibility for the future administration of your DB Plan pension. This will take effect from 28 November 2024.

If you are also a member of the Scheme's Defined Contribution ('DC') Plan, please note that Broadstone will continue to administer the DC Plan on behalf of the Trustee.

Contact information for both Just and Broadstone is enclosed.

This letter is for information purposes only and you do not need to take any action.

As a reminder, we have previously let you know that:

- We entered into an agreement with Just to insure your DB Plan pension benefits (which means that Just will be responsible for paying your DB pension benefits in the future, rather than the Trustee of the Scheme).
- The DB Plan will be closed (known as being 'wound up') and we commenced the winding-up process with effect from 31 March 2024.
- We have been transferring the relevant data to Just to give them the information they need to make the right pension payments to you and the other Scheme members.
- Just will take over the administration of your DB Plan benefits from Broadstone (our current administrators) and will issue you and all other DB Plan members with an individual policy setting out your entitlements.
- When the process to transfer responsibility for your DB Plan benefits to Just is complete, your DB benefits will no longer be part of the Scheme.
- Instead, Just will take over payment of current pensions and be responsible to pay your pension when it is due.

Just are now taking over that responsibility and this letter gives you the information you need about that change.

Your DB Plan pension benefits

Just will shortly be solely responsible for the administration and payment of your DB Plan pension benefits going forwards. As a result, from that point we will no longer have any further responsibility in relation to your DB benefits and any DB benefits for your beneficiaries.

Just will issue you with a policy covering those benefits in the next few weeks. There is one minor technical point regarding the wording of the policy that you should be aware of. When you receive your individual policy, you will note that it has been issued to the Trustee of the Baptist Pension Scheme. The policy then goes on to say that if the Trustee assigns the policy to you, then Just will be responsible for paying the benefits set out in the policy to you, and not to the Trustee. By the time you have received your policy from Just, we will have assigned it to you.

Just are now legally responsible for paying your DB Plan benefits and the Trustee is discharged from any further responsibility in relation to your DB benefits and DB benefits for your beneficiaries.

The policy issued to you will secure your pension benefits due from the DB Plan in full. The total sum available to discharge the liability of the Trustee to you in relation to your DB benefits was the amount needed to secure your benefits in full without reduction from Just.

If you are in the process of retiring and you have received a retirement quote, or if you are in the middle of a query about your benefits, this information and the related paperwork will be passed over to Just. Please contact Just about your retirement quote or to follow up your query using the contact details enclosed.

You will see from the enclosed contact details for Just, that the contact address for the Just administration team is the same as the Broadstone administration team. This is because the administration services in relation to your Just policy are provided by a separate Broadstone administration team on behalf of Just.

If you have any immediate questions regarding the insurance policy that has been purchased for you or regarding your DB Plan pension benefits, please contact the Baptist Pension Team using the contact details provided at the end of this letter.

An additional increase to pensions in payment

At the completion of the wind-up the Trustee's advisers estimate that the DB Plan will have around £7m of surplus assets. It was agreed between BUGB and the Scheme's Trustee that up to 50% of the surplus assets would be used to enhance members' benefits and the remainder would be transferred to the Scheme's Defined Contribution ('DC') Plan.

The proportion of surplus assets to enhance members' benefits will be used to provide an additional increase to pensions that were in payment on 1 January 2023. We have chosen to do so as those pensions received an increase on 1 January 2023 that was lower than the high levels of inflation seen in the UK at the time. To go some way to address this, we will provide an additional increase to the relevant pensions estimated to be around 2.7% and this increase will be paid by Just in December 2024. The increase will not be backdated to January 2023 but it will be subject to future annual increases as appropriate in the usual way. More details will be provided in the policy document you will receive from Just.

What happens next for the DB Plan?

Following the handover to Just, the process to formally complete the wind up of the DB Plan will take a number of months. We currently expect the wind-up of the DB Plan to formally complete in the first half of 2025.

Your Defined Contribution ('DC') benefits in the Scheme

Although your DB Plan pension benefits are moving to Just, the DC Plan will continue to be run as part of the Baptist Pension Scheme. **If you're currently paying into the DC Plan, this will continue as before. None of your DC Plan pension savings will be moved to Just. Your DC Plan savings will continue to be administered by Broadstone and looked after by the Trustee of the Scheme.**

If you have not yet retired, there is currently an option to combine both your DB and DC pension benefits at retirement. This can be helpful if you wish to take part of your pension benefits as a tax-free cash lump sum. We have an agreement in place with Just to continue to offer this option.

If you have any questions regarding your DC Plan benefits you should continue to contact the DC Plan administrators at Broadstone using the contact details enclosed.

Next steps

You do not need to take any action. You will shortly receive a policy document and welcome pack from Just who will pay your DB Plan pension benefits in the future.

Following the transfer to Just, the Trustee will be working to complete the final tasks to wind-up the DB Plan. Please note that, once all the DB Plan benefits have been secured with Just and the winding up of the DB Plan has been completed, there will be no further assets remaining in the DB Plan and the DB Plan will cease to exist.

Who to contact if you have any questions

If you have any questions relating to this move to Just please contact the Baptist Pension Team using the contact details below:

Email: pensionshared@baptist.org.uk

Address: Baptist Pension Trust Limited
Baptist House
PO Box 44
Broadway
Didcot
Oxon OX11 8RT

With this letter you'll find the contact details for Just and Broadstone (who will continue to administer the DC Plan).

If you have any questions relating to your DB benefits with Just you should contact Just. If you have pension savings in the DC Plan you should direct any questions relating to them to the Broadstone team using the details provided.

As a Trustee Board we will continue to monitor the operation of the Scheme, aiming to look after the interests of all beneficiaries.

Yours sincerely



Chris Maggs
Moderator of the Scheme's Trustee Board