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https://www.superiorpensionfund.org

Trustees of the Superior Pension Fund
c/o Capita Employee Solutions
PO BOX 555
Stead House
Darlington
DL1 9YT

March 2022

Dear Member

SUPERIOR PENSION FUND
SUMMARY FUNDING STATEMENT AS AT 1 JULY 2021

As required under the Pensions Act 2004, this summary funding statement is being issued to give you, as a person entitled to benefits from the Superior Pension Fund (the "Scheme") an update of the Scheme's funding position. The Trustees of the Scheme are responsible for its overall management and the Trustees issue a statement like this to all members each time they receive a formal update on the funding position of the Scheme. The most recent Scheme Funding Assessment was carried out as at 1 July 2021.

Actuarial Review and Recovery Plan

Every three years the actuarial team provides a Scheme Funding Assessment which reviews the Scheme's liabilities, the current assets and their growth potential. For several years we have seen greater deficits which have led to increased parental company support. The latest review at 1 July 2021 showed that the funding deficit has improved. The Trustees and the Employer have agreed to continue to pay the monthly contributions in order to eliminate the funding deficit.

All UK pension schemes are required to provide members with an annual summary funding statement. Its purpose is to let members know about the financial security of their Scheme.

This statement will provide you with a snapshot of the funding position of the Scheme using information from the latest Scheme Funding Assessment.

Contributions are collected from the Employer and held separately from the assets of the Employer. The money collected is held in a common fund, not in separate funds for each individual. This fund is invested to produce a return and is used to pay members' benefits.

To check the Scheme's financial security, the Scheme Actuary, a qualified, independent professional, carries out a Scheme Funding Assessment at least every three years. This compares the value of the Scheme's liabilities (the amount needed to provide benefits) to its assets on both an ongoing and a solvency basis.

An ongoing basis assumes that contributions will continue to be made and the Scheme continues. A solvency basis estimates the amount needed to fully secure all benefits with an insurance company if the Trustees decided to wind up the Scheme.

If the Scheme has fewer assets than liabilities, it is said to have a "shortfall". If the assets are more than the liabilities there is said to be a "surplus".

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Scheme Funding Assessment and Annual Updates

The following table shows the funding position on an ongoing basis at the Scheme Funding Assessment date as at 1 July 2018 and 1 July 2021 and the Annual Updates as at 1 July 2019 and 1 July 2020.

	1 July 2018	1 July 2019	1 July 2020	1 July 2021
The Scheme's assets were valued at:	£11.2m	£14.2m	£14.1m	£14.4m
The value of the Scheme's liabilities was:	£16.0m	£16.8m	£18.8m	£16.0m
This means there was a shortfall of:	£4.8m	£2.6m	£4.7m	£1.6m
Funding level	70%	84%	75%	90%

A Scheme Funding Assessment was carried out at 1 July 2021 shows that over the year the funding position has improved significant mainly as a result of higher long term interest rates and the Employer contributions paid into the Scheme. The next funding update will be carried out as at 1 July 2022.

Following the valuation, the Actuary advises us of the level of contributions that should be paid into the Scheme so that we can expect to be able to continue to pay all the pensions due from the fund in future. We then agree a rate of contribution for the Scheme with the Employer and also put in place a new recovery plan to deal with any shortfall.

The estimated shortfall on a solvency basis as at 1 July 2021 was £7.6m. This is the estimated cost if the Scheme was to wind up and the benefits bought out with an insurance company. We are legally obliged to advise you of the solvency position but it does not mean that the Trustees are thinking of winding up the Scheme. It is just another piece of information we hope will help you understand the financial security of your benefits.

Recovery Plan

A Recovery Plan to eliminate the deficit has been agreed between the Trustees and the Employer. The agreed Recovery Plan Contributions are £41,500 per month from 1 July 2021 to 31 August 2024.

In addition, a Guarantee is in place between Greenery BV and the Trustees to ensure the UK Company can make these contributions.

Scheme Investments

As at 1 July 2021 the distribution of the Scheme's investments by asset class was as follows:

Asset Class	Proportion of Fund (%)
Equities	29
Bonds	40
Insured assets	21
Cash and hedge funds	10
Total	**100**

Is my pension guaranteed?

The fact that there was a shortfall at the last valuation has not affected the pensions paid from the Scheme; all members who have retired have still received the full amount of their pension.

However, if the Scheme winds up, you might not get the full amount of pension you have built up even if the Scheme is fully funded on an ongoing basis. This is because the cost of securing your benefits with an insurance company in the event of the Scheme winding up is likely to exceed the amount the Trustees require to provide your benefits from the Scheme on an ongoing basis.

Although such a situation is not anticipated, if the Company does not have sufficient resources at that time to meet this difference, the benefits secured with the insurer may need to be cut back. However, whilst the Scheme remains in existence, even though funding may temporarily be below target, benefits will continue to be paid in full.

If the Company became insolvent, the Pension Protection Fund (PPF) might be able to take over the Scheme and pay some compensation to members. Further details on the PPF are set out below.

Transfer Values

With effect from 1 November 2019, the Scheme is paying full transfer values (i.e. 100% of the transfer value) to members who request them. If you would like a quotation of your current transfer value please contact EdinburghPensions2@capita.com or write to them at the address above.

Pension Protection Fund

The Government has set up the Pension Protection Fund (PPF) to pay benefits to members if the Scheme were wound-up, and the Scheme, together with the insolvent Employer, does not have enough money to cover the cost of buying at least the PPF level of benefits with an insurance company.

The pension you would receive from the PPF may be less than the benefit you had built up in the Scheme.

Further information and guidance is available on the PPF website at: -
www.pensionprotectionfund.org.uk

Or you can write to the Pensions Protection Fund at:
Renaissance
12 Dingwall Road
Croydon
Surrey, CR0 2NA

Other information

We must tell you if the Employer has taken any money out of the Scheme in the last 12 months; we are happy to confirm that this has not occurred.

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Additional formal documents available on request

- *(a)* The *Statement of Funding Principles.* This sets out the Scheme's funding plan.
- *(b)* The *Recovery Plan.* This explains how the funding shortfall is being made up.
- *(c)* The *Statement of Investment Principles*. This explains how the Trustees invest the money paid into the Scheme.
- *(d)* The *Schedule of Contributions*. This shows how much money is being paid into the Scheme.
- *(e)* The latest *Annual Report and Accounts* of the Scheme, which shows the income and expenditure in each year.
- *(f)* The full report on the *Scheme funding assessment* as at 1 July 2021
- *(g)* The *Actuarial Report* as at 1 July 2019
- *(h)* The *Actuarial Report* as at 1 July 2020
- *(i)* The *Member's Booklet* (you should have been given a copy when you joined the Scheme, but we can let you have another copy.)
- *(j)* An *Annual Benefit Statement* – If you are not getting a pension from the Scheme (and have not received a benefit statement in the previous 12 months) you can ask for a statement that provides an illustration of your likely pension.
- *(k)* The *Trust Deed and Rules* of the Scheme, which is the governing documentation of the Scheme. The Trustees reserve the right to make a charge to provide a copy of this document.

Please contact EdinburghPensions2@capita.com to confirm receipt of this statement and if you would prefer to receive this by email in future please let us know. Please note that we are currently reviewing the best way to keep the membership updated and our intention is to move online unless specified otherwise by the member.

Important: If you are thinking of transferring your benefits out of the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action. Pension Scams are a significant risk to members who wish to transfer their benefits from the Scheme and you should ensure that you are taking all steps to minimise this risk. To identify measures that should be taken please refer to www.pensionwise.gov.uk. The Pensions Advisory Service www.pensionsadvisoryservice.org.uk can also provide free impartial guidance on the risks of scams. The Trustees have pledged to do what they can to protect scheme members and follow the principles of the Pension Scams Industry Group (PSIG) Code of Good Practice.

Issued for and on behalf of the Trustees of the Superior Pension Fund