



# TM PENSION PLAN

## YOUR SUMMARY FUNDING STATEMENT

# 2023

### MESSAGE FROM THE CHAIR

Dear Plan member,

I trust this finds you safe and well.

This is your 2023 Summary Funding Statement from the Trustee of TM Pension Plan (“the Plan”), who monitors and manages the Plan’s finances. All members receive this statement every year to keep you up to date on the Plan’s financial status. A copy of the full latest Plan valuation is available on request from the Plan Administrator.

This report covers the Plan’s financials and the latest updates. Our Plan funding level has held up well through the market volatility over the past year, despite higher inflation and interest rates and the ongoing impact of the invasion of Ukraine by Russia. Despite this uncertainty, the investment strategy for the Plan has remained on track.

Overall, as a Trustee Board we have been pleased with the way we have worked with our advisors to protect the Plan through the challenges the last year has faced. As you will see on page 4, we have said farewell to three trustees and we finalised a transition to sole trusteeship. I continue in my role as chair, as part of Independent Trustee Services Limited (ITS) which is now the sole trustee for the Plan having been involved since 2019.

Please let us know if you have any feedback about this statement or ideas for improvement to help you better understand the information presented. Please do keep an eye out for updates on the Plan website where you can also access your personal pension information:

<https://tmpensions.co.uk>

Warm regards,

Rachel Croft, Trustee Director, ITS, Chair of the Trustee

# KNOW THE FINANCES

Pages 2 and 3 are applicable to the defined benefit section of the Plan only.

## HOW IS THE PLAN DOING?

The Trustee has appointed an Actuary who carries out a full actuarial valuation every three years, with annual checks in between. Here is a summary of the position at the last update and how this compares with the previous annual updates. The latest full actuarial valuation was completed at 31 March 2022 and the next full valuation is due at 31 March 2025. Below is a summary of the 2022 formal valuation results. We have also included the 31 March 2021 position for comparison.

### ASSETS

The value of the Plan's investments.

Value as at **31 March 2021**

£50.2m

Value as at **31 March 2022**

£50.2m

### LIABILITIES

The estimated cost of providing members' promised benefits.

Value as at **31 March 2021**

£54.6m

Value as at **31 March 2022**

£56.1m

### SHORTFALL

The difference between the assets and the liabilities.

Value as at **31 March 2021**

£4.4m

Value as at **31 March 2022**

£5.9m

## FUNDING LEVEL

The assets as a percentage of the liabilities. These figures allow for rounding.

As at 31 March 2021

92%

As at 31 March 2022

89%

The Plan's funding level shows how its liabilities (the money it expects to pay out now, and in the future) compare with its assets. These assets build up over time through contributions from the sponsor and investment income. If the assets are worth less than the liabilities, then the Plan has a 'shortfall', but if the assets are worth more than the liabilities, then the Plan has a 'surplus'. As there was a shortfall in the Plan at the 31 March 2022 formal valuation, the sponsor is currently paying contributions to the Plan to rectify this shortfall. The funding level as at 31 March 2023 will be disclosed in next years' annual newsletter, coming to you in Summer 2024.

## WHAT DOES THIS MEAN FOR MY BENEFITS?

These valuations are only a snapshot in time, and as market conditions change, it is perfectly normal for the funding level to fluctuate over time. The Trustee has agreed a recovery plan with the Plan sponsor which includes a commitment to pay additional contributions to remove the shortfall. A copy of the recovery plan is available upon request from the Plan Administrator.

## IS MY PENSION SECURE?

The Trustee aims to have enough money in the Plan to pay pensions and other benefits to members. So long as the Plan sponsor continues to support the Plan, your benefits will be paid in full when they become due.

The Actuary also works out how much money the Plan would need if the Plan sponsor could no longer support it, the Plan was wound up and the Trustee secured members' benefits by buying an insurance policy.

Securing benefits in this way is expensive because the insurance company pays members' benefits in full in exchange for a one-off payment. For example, when the last full valuation was carried out, it would have cost £62.7m to secure members' benefits if the Plan had wound up as at 31 March 2022, compared to the assets of £50.2m at the same date.

If there was not enough money in the Plan to buy out all the benefits with an insurance policy, the Plan sponsor would have to make up the shortfall. For cases where a company goes out of business and doesn't have the money to pay the benefits promised the Government has set up the Pension Protection Fund (PPF) which can pay compensation to members. The PPF would only pay compensation up to a limit and this may not cover the full amount of the benefits. You can find out more about the PPF on its website: [www.ppf.co.uk](http://www.ppf.co.uk)

Including this information doesn't mean that there are plans to wind up the Plan, it's simply required to form part of our report.

**The Trustee decides who should receive any benefits on your death. Please let the Trustee know who you would like to be considered for payment, by completing a nomination form. This can be requested from the Plan Administrator.**

## AND FINALLY,

Legally, we have to confirm that the Plan sponsor has not taken any surplus payments out of the Plan in the last 12 months. We can also confirm that The Pension Regulator has not intervened to change the way that benefits build up, the way valuations are calculated, or the way the funding shortfall is met.

Details of the Trustee's investment strategy is published in our Statement of Investment Principles. Copies of all the Plan's documents are on the plan website ([www.tmpensions.co.uk](http://www.tmpensions.co.uk)) and available upon request from the Plan Administrator.

**The Plan Administrator is Hymans Robertson LLP, One London Wall, London EC2Y 5EA**

**YOUR DATA:** If you would like to find out more about how we use your personal data please follow the link to the Hymans Robertson Trust Centre: [www.hymans.co.uk/information/trust-centre/](http://www.hymans.co.uk/information/trust-centre/)

## TRUSTEE FAREWELL AND THANK YOU

Over the last year we said a fond goodbye to Rosie Radford, Roy Blackwell and Tej Randhawa who stepped down from their roles as Trustee Directors. We'd like to take this opportunity to thank them for their hard work and dedication throughout their term. Their exceptional efforts contributed to the success of the 'Scheme rescue' in 2022 which helped to safeguard your benefits despite the company's insolvency. We extend our recognition for their contribution and we wish them all the best in their future endeavours. More detail on the Scheme Rescue can be found on the plan website, [www.tmpensions.co.uk](http://www.tmpensions.co.uk).

## SOLE TRUSTEESHIP

We're excited to share a recent development that's set to positively impact your pension plan. On 14 June 2023, we finalised a transition to sole trusteeship and ITS (which is part of the Independent Governance Group ('IGG')) now stands as the sole trustee for the Plan. For your interests we would like to introduce the new trustee team now working in IGG: Rachel Croft (your continuing Trustee Chair), David Brickman, Ian Wilson and Harry Birch. IGG will bring a wealth of professional trustee experience, ensuring that your interests and benefits are in highly capable hands. For more information about IGG please visit [www.weareigg.com/about-us](http://www.weareigg.com/about-us).

## FUNDING PROGRESSION AND LONG TERM STRATEGY

We're pleased to let you know that the Plan has experienced an encouraging improvement in its progress towards our long term funding goal. To ensure the long-term stability of the Plan, over the coming years we will be exploring the options in the market to transfer the Plan's liabilities to an insurer. This strategic move would not affect your benefits but could provide an additional layer of security for your pension. We'll actively keep you informed of any developments through our annual newsletter and communications on the plan website.

## REGISTER FOR NEW AND IMPROVED ONLINE MEMBER SERVICES

Did you know you can manage your pension online using our secure platform, 'PRISM'? You can register for these services by visiting [www.tmpensions.co.uk](http://www.tmpensions.co.uk). Registering for PRISM will allow you to:

- Model your retirement benefits in different scenarios (by flexing your cash lump sum and retirement age);
- Produce a retirement statement (without the need to contact the administrator);
- View your latest pension valuation;
- Submit requests and enquiries to the Plan administrator;
- Update your personal details, including your named beneficiaries; plus many more developments to come!

## PROTECT YOUR PENSION SAVINGS FROM SCAMMERS

Organised criminals are taking advantage of the concerns and anxieties pension savers have about the security of their benefits. The FCA has said that protecting consumers against serious and organised crime is a top priority because on average, a scammed pension saver loses 22 years of pension savings – around 3x their annual earnings. You should ignore all unsolicited emails, texts, social media posts and messages about moving your pension. Further information can be found here: [www.fca.org.uk/scamsmart/how-avoid-pension-scams](http://www.fca.org.uk/scamsmart/how-avoid-pension-scams). We encourage you to also refer to the following websites: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

**If you are thinking of leaving the Plan or making any changes to your pension arrangements, we recommend you get professional financial advice first. You can contact Pension Wise at [www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise](http://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise). MoneyHelper is a government-supported service that can help make your money and pension choices clearer. It provides free and impartial government guidance to individuals on workplace pensions.**