

We are making changes to the Eaton UK Pension Plan (the Plan)

It has not always been compulsory to calculate pension benefits equally for males and females. In fact, it has only been since 17 May 1990, following a European Court of Justice ruling, that UK pension plans must provide equal benefits for males and females built up from this date.

At the time, there was uncertainty over whether this law covered that part of the Plan's benefits known as Guaranteed Minimum Pension (GMP), the calculation of which is set out in legislation and is different for males and females. In 2018 this changed when the UK High Court ruled that plans like ours must take action to address any sex-based inequality arising from any GMP earned between 17 May 1990 and 5 April 1997 (when GMP ended). The process we need to follow to address this inequality is known as GMP equalisation. As a result of going through this process, we have the opportunity to simplify benefits in the Plan.

Please take time to read the following information to find out what we are proposing and how you may be affected.

What we are going to do

First, we will look at our records to see if you built up any GMP in the Plan between 1990 and 1997. If so, we will work out how your benefits in the Plan would have been calculated if you were the opposite sex for this period. If it works out that you would have built up a different amount of benefits, we will need to make some changes to your pension to address this.

As part of this process, we are proposing to take the opportunity to simplify the benefits in the Plan by undergoing a process called GMP conversion. This will make managing the Plan simpler in the future, which we expect to help with managing costs.

If you have already retired, once we have completed the proposed steps above, we will send you a personalised statement showing you how you have been affected. This will include details of any changes to the amount of pension you currently receive, how your pension will increase in the future compared to how it increases now, and information about any one-off payment you may receive to correct for past underpayments to your pension. If you have not yet retired, we are proposing to calculate any changes to the amount (or breakdown) of your pension at the point you access your benefits from the Plan when you retire. You will be provided with confirmation of the impact to you at that time.

How you could be affected

You will not be made worse off as a result of the proposed actions. GMP equalisation can only improve your benefits or keep them unchanged. By law, GMP conversion preserves the value of your entitlement to benefits within the Plan.

If you have already retired, you could see an increase to your pension income and you might also receive a one-time payment to make up for past pension payments, if we have calculated that these should have been higher.

In the future, the rate at which your pension increases each year could be slightly different. This would be reflected in any future quotes or statements you receive.

We will not know exactly how you are affected until we have completed the review of our data and run the required calculations, which will take some time.

You can find more information about the proposed changes in the Consultation Guide included with this letter.

We will contact you in the future to let you know if you are affected and how.

Have your say

Before we proceed with GMP conversion, we must consult with all potentially affected members about our proposals, which includes you. This consultation period is expected to run until 7 June 2024.

You do not have to give feedback on our plans, and you will not need to take any action if the planned changes go ahead.

You can share your feedback with us using the details at the end of this letter.

Lifetime Allowance (LTA)

From 6 April 2024 the LTA has been abolished. As a result, we do not expect any tax implications related to the LTA to arise as a result of GMP conversion, but if this changes in the future we will get in touch with you. There is further information on the former LTA protections online at gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance

Learn more

Please note that the information provided in this letter is a summary and your benefits are governed by the Plan's legal documents and the law relating to GMPs and these will take precedence should there be any conflict with this document.

Read the Consultation Guide included with this letter to learn more about GMP equalisation and conversion.

We also have more information about these changes in our Frequently Asked Questions which you can find on the Plan website at:

www.eatonukpensionplan.co.uk/documents/eaton-gmp-cv9-conversion-faqs.pdf

Any questions?

If you have a question about your Plan benefits, please contact us by phone, or email. Please make sure you have your National Insurance number to hand for security identification purposes.

@ eatonpensions@wtwco.com

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For and on behalf of the Trustees of the Eaton UK Pension Plan