PLAN AHEAD

September 2025

Powering Business Worldwide

UK Pension Plan

Welcome | Looking after your loved ones | Plan funding | The Plan's investments | Pension payments | Our online journey | Pensions in the news | Help with your pension | Get started

Chair's welcome

This year has certainly been eventful, to say the least. In this edition of Plan Ahead, I'm looking forward to sharing the new features you can access on the member website, ePA. We also build on last year's good news about the Plan's financial position, and some recent changes to the Trustee Board.

Importantly, you'll find information inside on what your pension could be worth and how to make sure it reaches your loved ones as quickly as possible if you were to pass away.

Plan funding

The Trustees' main job is to ensure that members' pensions are paid from the Plan. Making sure the Plan has sufficient assets to cover the benefits promised to members helps to do this. We recently completed our latest interim check of the Plan's financial position, as at 31 December 2024. This showed that the Plan's funding level had increased to 105% at that date.
Find out more on **page 6**.

Our digital journey

The Trustees are committed to considering environmental and social impacts when running the Plan and choosing investments. Communicating with you online, instead of by post, is one way we are making this a reality.

Since I last wrote to you, we've introduced a number of online features on the member website, ePA, including the ability to view monthly pension payslips for retired members, and to change home address details. We are currently working on a feature that will allow certain members to request a quote for the value of their Plan pension – for example, when they are looking to do financial or retirement planning.

We also communicate digitally with any member whose email address we have, unless they've opted to receive our communications by post instead. Aside from the environmental impact, it also means we can share important information with you in a timely way. Digital is quicker, more secure and more reliable than post. If you haven't already, please let us know your personal email address through the member website, ePA. We will not pass it on to any organisation not otherwise associated with running the Plan. See **page 14** for how to give us your email address.

Looking after your loved ones

We've noticed that our members could benefit from being more proactive about recording who they'd like their benefits to be paid to after they pass away. The Plan pension is designed not only to secure your retirement income, but to protect your loved ones in certain circumstances, and the Trustees have a responsibility to ensure that your benefits are distributed appropriately. However, to make this process as smooth as possible, it's important to let the Trustees know who your loved ones are. **Page 4** explains the benefits your family could receive and how to provide us with their details. Remember, this is not a one-time decision; your circumstances might change throughout your life (you might be getting married, divorced, or have children) and it's crucial to regularly review and update your nominations.

Guaranteed Minimum Pensions

We have made good progress on the complex exercise to review – and where necessary, correct – historical benefits for members who built up Guaranteed Minimum Pensions. Most affected members whose benefits are already in payment will have received a personalised statement earlier this year. We are currently working through the remaining cases where members' benefits are especially complicated.

Rachel Brougham, Chair of the Board of Trustees

Market performance and the Plan

There has been considerable volatility in investment markets around the world since the beginning of the year. Like many pension plans, the Plan's assets are invested in these financial markets, however, they're spread across a range of investments to protect the Plan from market shocks such as these. At the time of writing, the Plan's financial position remains strong. The Trustees regularly monitor the funding level of the Plan, and have support from Eaton to keep the Plan stable during times of uncertainty. See **page 9** for more information about how the Plan is supported by its investment strategy and by Eaton.

This is your newsletter too, so if there are any topics you would like to see us cover in future editions, please let us know by contacting the Plan Administrator (details on **page 17**).

Welcome to our new Trustees

Towards the end of last year, we ran an exercise to select two new Trustee Directors following the sad loss of Tony Kilshaw and the end of Russell Thorneycroft's term of office. I am very pleased to welcome to the Board our new Trustee Directors, David Newmarch and Tyler Sitch.

We are also delighted that Russell will continue as a Trustee Director. Eaton has appointed him to fill an existing vacancy for an Employer-Nominated Trustee Director. Get to know David, Tyler and Russell, as well as the rest of the Trustees, by checking out the **Your Trustees page** on the member website.

David Newmarch

Tyler Sitch

Looking after your loved ones

Do you know how the Plan can care for your family if the worst should happen?

What death benefits does the Plan provide?

The benefits your family will receive depend on which of the following situations applies to you.

It's best to tell the Trustees who you'd like this paid to – see the **next page** for details of how to do this

If you're still working at Eaton	If you've left Eaton, but your pension is not in payment	If your pension is in payment
• A tax-free* cash sum of three times your Pensionable Salary • A pension (monthly payments) to your Spouse – or civil partner • The value of your Additional Voluntary Contributions (AVC) account, if you have one. So, if you earn £35,000 a year, your family could receive a tax-free* cash sum of £105,000 alongside a Spouse or civil partner's pension.	• Your Spouse (or civil partner, depending on when you were an active member of the Plan) could receive a pension from the Plan • The value of your Additional Voluntary Contributions (AVC) account, if you have one.	Your Spouse (or civil partner, depending on when you were an active member of the Plan) will receive a pension from the Plan. In addition a lump sum* will be paid if you die within five years of starting to receive your pension.

The full details of the Plan's death benefits, including specific circumstances which determine the benefit (e.g. the year you built up a pension at Eaton), can be found in the **Plan booklet** on the member website.

Who is a dependant or Spouse?

A Spouse is the person who at the date of a member's death was his or her legal wife or husband, or your civil partner, depending on when you were an active member of the Plan. A dependant is someone who is financially dependent on a member, who is not their Spouse.

*The Government may include lump sum death benefits in individual estates starting April 2027, which would mean these benefits could be subject to Inheritance Tax. We'll update you on the details once the Government publishes the legislation.

Where does this money go?

If you die before taking your pension – or within the first five years after starting to receive your pension – the Trustees will always try to find out as much as they can about your circumstances before paying benefits. Where a lump sum is payable, the first thing they will do is check your nomination form.

When the Trustees find that either a member hasn't completed a nomination form or it's out of date, it can cause delays in your family receiving the benefits to which they may be entitled. While the Trustees will most likely be able to trace your family eventually and provide them with the benefits they are owed, these delays can cause unnecessary stress, especially during a time that is already difficult for your family.

For members who are no longer working at Eaton or have started receiving their Eaton pension in the last five years, around a third have not submitted a nomination form. To help your family once you're no longer around, fill out your nomination form today.

Please note that the final decision as to where any lump sum benefit might be paid remains with the Trustees. Under current Inheritance Tax rules, they can't be bound by your nomination, but a completed nomination form is extremely helpful to them in reaching their decision.

Will your loved ones be cared for?

Take a moment to consider who you'd like your benefits paid to should the worst happen. And then make sure your nomination form is up to date.

Be sure to review it every couple of years, especially if there are important changes in your life such as getting married or divorced, or having children or grandchildren.

Go to the member website and log into **ePA** and then select My Beneficiaries. If you need a paper copy, please request this from the Plan administrator using the details on **page 17**.

Plan funding – an update from Isabel Kernthaler, our new Plan Actuary

One of the Trustees' most important jobs is to ensure that the Plan has the assets necessary to meet the benefits promised to members.

To help the Trustees monitor the Plan's financial health, we run full valuations of the Plan every three years and interim funding checks are completed each year between full valuations.

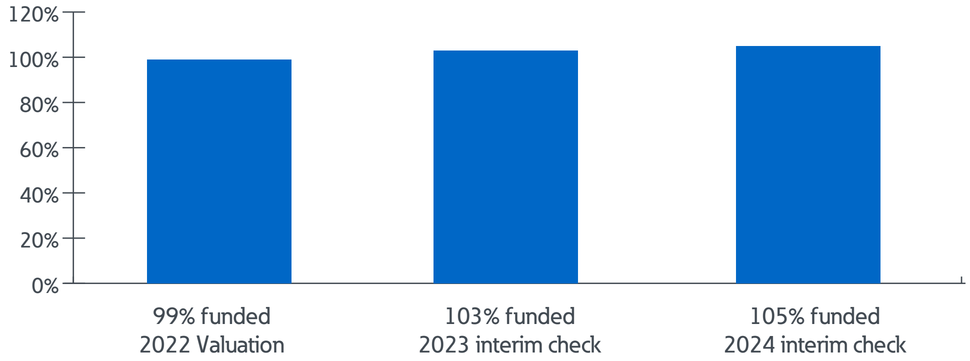
In our full valuations, we look at the Plan's assets (how much money it has) and its expected liabilities (the estimated cost of paying members' pensions in future). This gives us the Plan's funding level. In the years between those full valuations, we carry out interim checks to review changes in asset values, the benefits paid from the Plan, and activity in financial markets. This helps us keep an eye on the funding level on a regular basis.

How's the Plan funding doing?

The graph shows the Plan's funding journey since the last full valuation as at 31 December 2022. This includes the interim funding updates as at 31 December 2023 and 31 December 2024. These show how the funding position has improved over the period, and that the Plan is now in surplus on its main funding measure as at 31 December 2024.

Further details on the Plan's funding level can be found on the **member website**.

Here's the Plan's funding journey since the 31 December 2022 valuation:



Why has the funding position improved?

During 2023, the funding level improved due to the contributions paid by Eaton to the Plan, and due to the Plan's investment returns being higher than expected. The main factors contributing to the further improvement in the funding level during 2024 were the changes in market conditions that year. While this led to a reduction in the value of the Plan assets, it also led to a greater reduction in the value placed on the Plan's liabilities.

How much money does Eaton pay into the Plan?

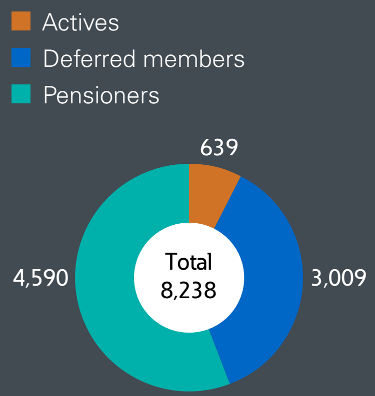
Eaton and the Trustees have agreed that Eaton should now pay regular contributions of 20% of members' Pensionable Salary – this is to cover the cost of benefits being earned by Plan members in pensionable service (i.e. those still working for Eaton). Eaton currently does not pay deficit contributions as the Plan is now broadly fully funded. This, of course, could change at future valuations, at which point the Trustees will discuss funding requirements with the Company. There is no change to the rates being paid by members.

The Plan in figures as at 31 December 2024

Plan accounts

Plan assets as at 31 December 2023	**£699m**
+	
Total contributions	£11.3m
Total outgoings	(£38.4m)
+	
Change in value of investments	(£31.3m)
=	
Plan assets as at 31 December 2024	**£640m**

Plan membership



You can request a copy of the Plan's full Report and Accounts from the Plan Administrator (details on **page 17**).

Farewell Richard, welcome Isabel

You may have noticed on the prior page that we have a new Plan Actuary. After more than 25 years working with the Trustees on this Plan and its predecessors, Richard Akroyd has stepped down and the Trustees have appointed Isabel Kernthaler to take on this important role.

Richard will continue to support Isabel behind the scenes and also plans to spend more of his time mentoring colleagues who are on the path to becoming scheme actuaries.

Isabel is an experienced scheme actuary and has been working with the Trustees for the last three years. This is a natural progression, and the Trustees are looking forward to partnering with Isabel in the years to come. We wish Richard all the best and are very grateful for the work he's done over the years.

> "I have really enjoyed working with so many current and former Eaton employees both on the Trustee Board and at Eaton in the UK, Europe and the US; what I have always found is that everyone has cared about the success of the Plan and has worked together to ensure it will continue to provide retirement security for thousands of current and former Eaton employees."

The Plan's investments – an update from the Trustees' investment adviser, LCP

We've been working to implement the new investment strategy which began in 2024. In April this year, an investment management company called **Insight** was appointed to manage 30% of the Plan's assets. The assets invested with Insight are split, roughly evenly, between two types of credit:

- A 'matching' element, investing in corporate bonds to protect the Plan's holdings against interest rate changes, and
- A 'growth' element, investing in emerging market debt, asset-backed securities, and higher-yielding credit for extra returns (please refer to the box to the right for a definition of these asset classes).

Asset-backed security (ABS)

An ABS is a security, issued by a financial institution, whose value is derived from, and backed by, a loan pool of underlying assets (for example, mortgages, credit cards, or loans to purchase cars).

High-yield debt

High yield debt assets are bonds issued by companies with sub-investment grade credit ratings (below BBB rating) which offer higher interest payments to investors.

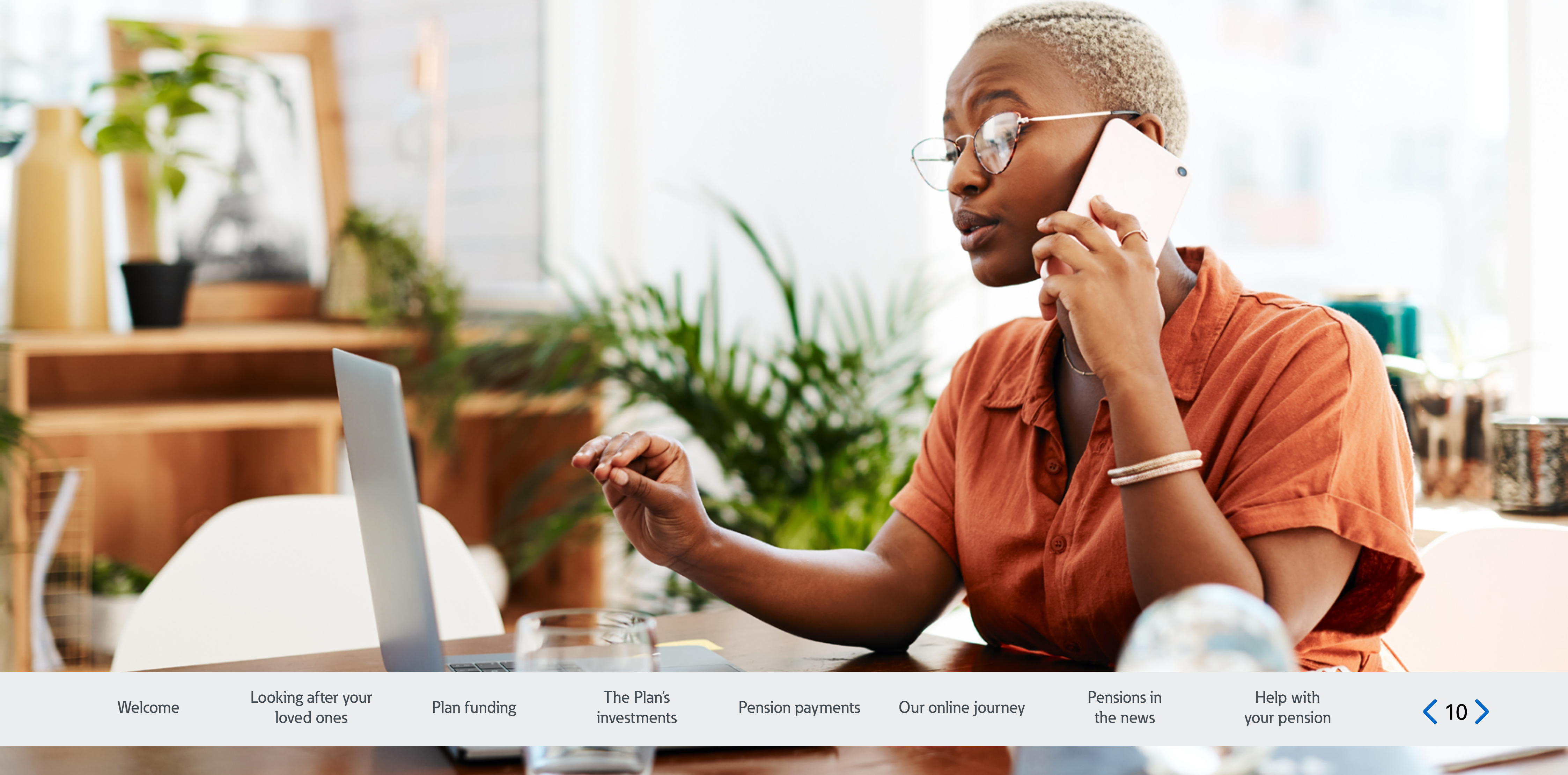
Emerging market debt

Emerging market debt includes debt securities issued by companies based in, or governments from, countries classified as an emerging market. Emerging market countries are characterised by higher growth rates than developing countries but with less developed political, legal and financial systems.

To be able to fund the new mandate, LCP advised the Trustees, and the Trustees agreed, to:

- Reduce the Plan's investments in stocks and infrastructure, and
- Sell the previous corporate bond portfolio managed by another investment firm, BlackRock.

These changes to the Plan's investment strategy have lowered the investment risk which helps protect the Plan's strong funding position. The increased allocation to credit is expected to provide the Plan with more income to help pay members' benefits.



Weathering the storm

We've shared the Plan's funding update to 31 December 2024, but lots has happened in the world since then. Here's what our Plan Actuary and Investment Advisers think about it all, and what it means for the Plan and for your benefits.

On 2 April 2025 – the day he dubbed 'liberation day' – President Trump unveiled significant and sweeping new tariffs (charges) on US imports. Since then, we've seen the President make several changes to his initial announcement. This has had an impact on investment markets each time – sometimes it's driven the market up, and sometimes down. So far, the Plan's investment strategy has proved robust in these volatile markets, and at the time of writing (August 2025) the funding level is little changed from the position at the end of 2024.

The way the Plan's assets are invested is designed to protect the Plan from these short-term changes in the market. The assets are spread amongst a wide range of carefully selected investment options with an aim that positive and poor performance across these investments balance out, helping to keep the Plan steady, and ideally growing, in value. For example:

- Around half of the Plan's overseas developed market equities and infrastructure investments are protected against currency changes, which has provided protection from the weakening in the US Dollar in recent months. The credit portfolio in the defined benefit (DB) portion of the Plan that Insight is responsible for is also 100% hedged against foreign currency exposure.
- A proportion of the Plan's assets are invested in liability-driven investments (LDI) which are designed to move in line with the Plan's liabilities when interest rates and inflation rates change and help to provide protection during times of shock.
- The Plan holds investments in infrastructure, an investment type which has steady income streams and is less volatile than stock markets. Infrastructure's value is reviewed less frequently, so while the full extent of any impact of short-term market movements isn't available quickly, we don't expect short-term market movements to have a significant impact on the value of the Plan's investments into infrastructure.

This approach of spreading investments has meant the Plan has weathered other market shocks in the past, such as economic recessions, market changes during COVID-19 and the impact of the 2022 Autumn Budget announced by Liz Truss.

Successfully managing the Plan's investment and funding strategies is key to securing the payment of members' future pensions. The third important strand is Eaton's support – called the employer covenant. In past years when the Plan's assets have not covered its liabilities (the expected cost of paying members' benefits in the future), Eaton and the Trustees have agreed a schedule of additional contributions to cover this shortfall. While such contributions are not currently required, Eaton remains open to discussing additional support that may be required in future. Rest assured, the Plan is in good hands.

Other investment updates – net zero and investing responsibly

In last year's Plan Ahead, the Trustees shared their ambitions for the Plan's assets to achieve net zero greenhouse gas emissions by 2050. It reflects the Trustees' belief that climate risk is financially significant for the Plan and its members, and that this risk should be managed as much as the Trustees are reasonably able to. The Trustees have also taken steps to invest more responsibly. The recent investment with Insight provides the Trustees with more control in implementing its Responsible Investment (RI) beliefs, including its net zero objective and the exclusion of certain investments such as those involved in sectors like gambling, weapons, and cannabis/tobacco production. The Trustees have also had face-to-face discussions with both IFM and JP Morgan, who manage the Plan's infrastructure assets, on how they are applying responsible investment principles to their investment holdings.

Pension payments to retired Plan members

Earlier this year, we changed pension payroll providers to WTW, the Plan Administrator, making it more efficient for us to process pension payments to retired members each month.

Retired members continue to receive their monthly payments as normal. We wrote to retired members – and those nearing retirement – in February this year, but here is a recap.

- A final payslip from Eaton was sent in April.
- The first payslip from WTW was sent by post in May.
- Since June, payslips have been available through the **member website, ePA**.
- P60s for the 2024/25 tax year were sent by Eaton as in previous years.
- P60s for the 2025/26 tax year will be available through the **member website, ePA**. It will be sent by post if a member has opted out of online communications.

Retired members will receive a payslip by post if their:

- **Monthly net pension** changes by more than £10 (this could be due to an annual pension increase or a change in tax code).
- **Address** has changed.
- **Bank details** have changed.

If you change your address, please update this on ePA (see **page 14** for how to do this).

If you need to provide us with new bank details to pay your pension, please contact us using the details on **page 17**.

Our online journey

We're pleased to see some of you are coming along the journey to digital with us. Over the past year, we have made great progress in reducing our paper use and communicating with you online.

We are now sending all Plan communications such as this Plan Ahead digitally to those whose email address we hold. The only exception is where a member has opted out of receiving digital communications from us.

Quick hits – new website features now available:

- Tell us you want to receive communications from us digitally (if you aren't already).
- If you're retired, you can view your monthly payslip and bank details.

And there's a handy checklist to show you how well you're doing on your online journey. **Log on today** and check that all your details are in order.

Future online enhancements – online quotes for your Plan pension:

- We're working on a feature to allow certain members to see an online quote for the value of their Plan pension.
- This is helpful when needing to plan for retirement, or financial health more broadly.

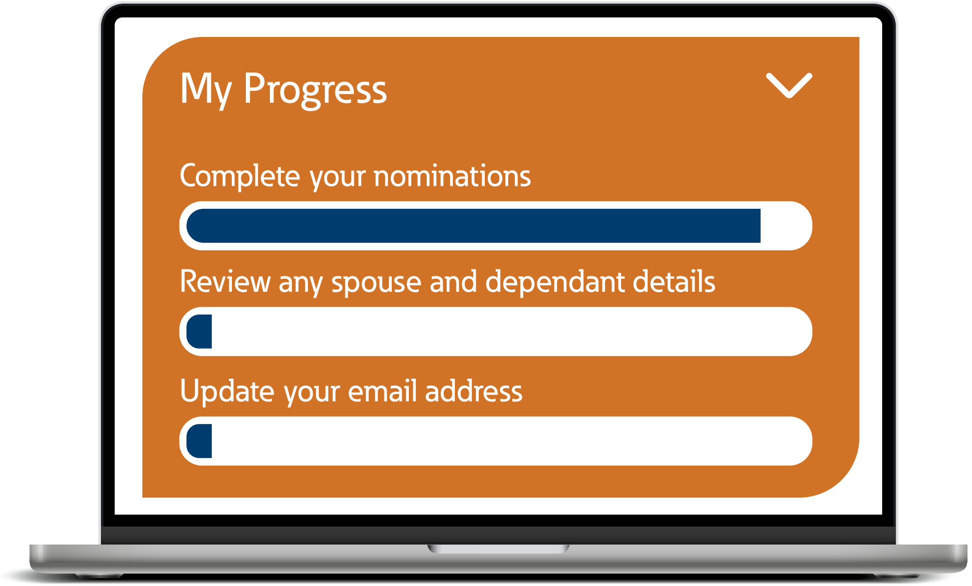
Communicating with you

We really want to ensure that we keep you up to date on your pension benefits, even after you leave Eaton. To help us help you, please make sure to provide a personal email address. This will allow us to keep you updated on any changes, important news, and valuable information regarding your pension. We won't share your email address with any organisations that aren't associated with running the Plan.

Want to hear from us digitally?

Online communications help us reach you in a timely manner, especially when we need to share important information about your Plan pension. Please provide your personal email address if you have not already done so by going to the **member website, ePA** > My Details > Contact Details and then selecting the Edit button near the bottom of the page.

You can also review your communications preference at My Details > Contact Preferences.



Pensions in the news

Minimum Pension Age change: in case you missed it

Currently, you must be aged 55 or over to access your pension. This is known as the normal minimum pension age (NMPA), set by the Government.

From 6 April 2028, the NMPA will increase to 57. The Government has indicated that it will always be 10 years before the State Pension Age, although this is not yet legislated. Therefore, if you are currently 52 or younger, the earliest you will be able to access your Scheme pension is age 57.

Important note: There are still some circumstances where you can access your pension earlier, such as if you are suffering from ill health. Also, some members of the Plan have a protected retirement age. In these cases, you are not affected by the increase in NMPA and may still be able to retire at any time after your 55th birthday. If you are unsure if this applies to you, will be between ages 55 and 57 on 6 April 2028 and are considering early retirement, you can find further information in the **NMPA – Guidance** document. We will provide further information for other members next year.

State Pension for the 2025/26 tax year

State Pension has gone up for this tax year. The amount you receive will depend on what the State Pension rules were when you retired. More details are on the dedicated **State Pension page on the Government website**.

Tax, tax, tax

Currently, any lump sum death benefits that would be paid to your loved ones are generally not subject to Inheritance Tax. This means that if you die with lump sum benefits payable, these will typically be paid to your beneficiaries free of Inheritance Tax. Spouses' and dependants' pension from the Plan are also not currently subject to Inheritance Tax.

However, from 6 April 2027, the Government plans to include unused pension benefits and some death benefits in the value of your estate and it may therefore be subject to Inheritance Tax. This could be relevant to you if you have any Additional Voluntary Contributions (AVCs) or defined contribution (DC) benefits. More information will be made available once the proposals are finalised.

No changes to the Annual Allowance and other lump sum allowances this tax year

The standard Annual Allowance continues to be £60,000 for the 2025/26 tax year. This is the amount you can save in all UK-registered pension schemes in a tax year, before you incur a tax charge. In the Plan, it's calculated based on how much the value of your pension has increased over the year above inflation plus any AVCs you pay. A lower Annual Allowance can apply for some higher earners.

The Lifetime Allowance was replaced by three lump sum allowances in 2024. The limits on these allowances remain unchanged this tax year. For more details, visit the **dedicated page on the Government website**.

Pensions dashboard

Many people build up retirement savings with different employers over the course of their careers. The Government and pension providers are developing an online dashboard that will enable people to see all their UK pension savings in one place. That means pensions from current and previous employers, as well as any private pension savings not linked to a workplace pension. It'll help you keep track of your savings and plan for retirement.

When the dashboard goes live, you'll have a better chance of seeing all your pensions in one place if your details such as home address and email address are up-to-date on the **member website, ePA**, and on the portals for any other pensions you have. Review your details now and make sure they're correct!

Cyber risks

With our lives increasingly moving online, it is more important than ever to minimise exposure to cyber risk. For tips on staying safe in our cyber world, look at **Get Safe Online** and **The National Cyber Security Centre** websites.

Avoiding pension scams

Remember our article on making sure your loved ones are cared for by your pension? Well, alongside making sure the Trustees know who to pay your benefits to, you also want to be sure you don't accidentally give your benefits away to a scammer! If you decide to transfer your pension to another arrangement, we work to ensure that it is a registered and legitimate arrangement, but you can help us by being alert as well.

Scammers are on the prowl and they regularly evolve their tactics. Here are some red flags to help you avoid falling victim to a pension scam:

Reject unexpected offers to exchange or transfer your pension

If you're contacted unexpectedly about an opportunity that sounds too good to be true, it probably is. It's likely to be high-risk or a scam.

Don't be rushed into anything

The offer might come with a time pressured deadline. Take your time and do your research. Always check who you are dealing with and make sure they're legitimate – they should be registered with the Financial Conduct Authority (FCA). The FCA keep a **register of authorised providers**.

Guard against secondary scamming

Fraudsters often approach people who have already been scammed, offering to 'help them get their money back'.

Learn how to spot the warning signs by checking out the **ScamSmart guidance on the FCA website**.

Help with your pension

If you need help with your pension, or have any questions about your benefits, please contact the Administration Team:

www.eatonukpensionplan.co.uk

eatonpensions@wtwco.com

01707 607603

Eaton UK Pension Plan
WTW
Sunderland
SR43 4JU

If you email us, please include your month of birth, postcode, and the last four characters of your National Insurance number in your email to help us identify you and action your query as quickly as possible.

Data protection

Your data is extremely important, and the Trustees are committed to protecting your data and privacy. The Plan's **Privacy Notice** can be found on our website. It outlines the data we store about members to administer the Plan, as well as how we use this data.

Neither the Trustee nor its providers are permitted to give members of the Plan financial advice. Nothing in this edition of Plan Ahead should be interpreted as financial advice. Additionally, every effort has been made to provide accurate information about the Plan in this edition of Plan Ahead. In case of any discrepancies, the Plan's Trust Deed and Rules will prevail.