



Buyout comms

Joe Craig

June 2023



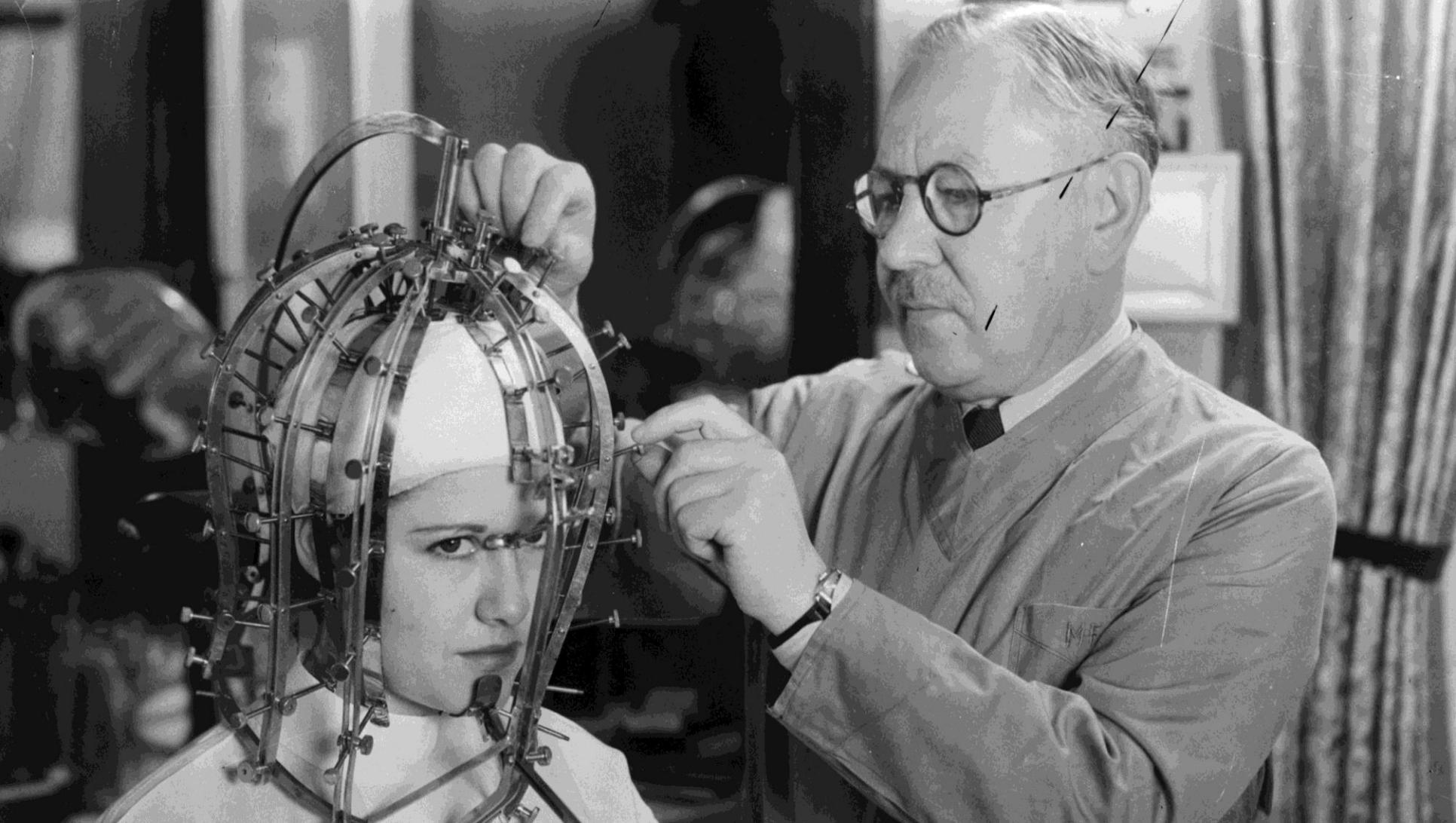
Buyout comms – how to be great at it and what happens if you're not

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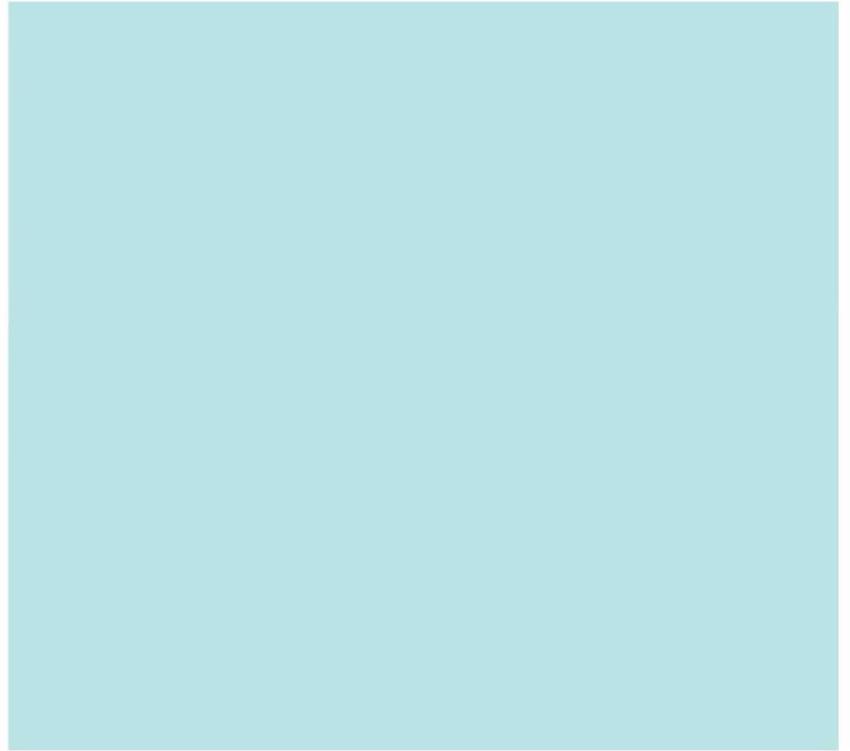












Dear Member

We write regarding some recent positive steps for the Plan.

This letter is for information only. Any pensions (already in payment) will continue to be paid. We will be writing to you again in due course, as outlined below.

What has happened?

The Plan's trustee board ("Trustee") has reacted to changes in the value of the assets held to meet uncertain pension costs. They have done this by appointing a leading annuity provider in the UK.

Effectively this insurance policy promises that when they fall due to be paid and includes pension payments due to all Plan members and any dependants in accordance with the Plan's trust deed.

Please note that there is no change to the result of this transaction.

Insuring your benefits in this way is known as 'buying out' and is typically viewed as an extremely positive step. It provides a great amount of comfort that your benefits are secured in situations that the Plan may face in the future. As your employers, so your benefits are no longer dependent on the Company Incorporated ("Smithsons") to fund the Plan.

Dear Sam

Good news – Aviva is taking over your Richardson Global pension

When you worked for Richardson Global Ltd, you built up benefits as part of your employment contract. Thanks to these benefits, when you reach your retirement date, you'll get a pension that will be paid to you every month for the rest of your life.

Currently, you're due to get this pension from the Richardson Global Pension Scheme ('the Scheme'). The Scheme is a separate entity to Richardson Global Ltd ('the Company') and exists solely to pay pensions for its members. The Scheme is looked after by us – a group of trustees whose job it is to make sure that everyone in the Scheme gets the pension they're due.

We're writing to you now because we have good news to share

We are pleased to announce that we're about to start the process of transferring members' benefits to the insurance company Aviva. This process is called a 'buyout' and it's considered the best level of security a pension scheme like ours can give its members and their families.

We're excited to be able to do this for you, as not all pension schemes can. In fact, we can only do this now because we're in such a strong financial position, thanks to funding from the Company and the way we've invested that funding.

It will take around 18 months to complete the buyout and, when it's done, you can expect your pension to come from Aviva instead of the Scheme. There's nothing you need to do with this letter, we just want to share the good news, and let you know what to expect over the coming months.

Important: This news does not affect the amount of pension you'll get

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When you start getting it, your Scheme pension will be paid to you for the rest of your life. That will continue to be the case when Aviva takes over. We've also made sure that the benefits we're securing with Aviva **match your entitlement in the Scheme.** This means that, for example, if your spouse is due to get a pension from the Scheme when you die, they will still get this pension – it will just be paid by Aviva.

The key difference is that Aviva will be legally responsible for your benefits instead of us. It will:

- start paying your pension when you reach your retirement date,
- send you an insurance policy for your secured benefits, and
- be on hand to answer any questions you have about your pension.

Aviva is the UK's largest insurer, and already manages pensions for over 5.1 million people. We've chosen Aviva because we're confident it will be an excellent pension provider for our members and their families.

If you're due to retire in the next 18 months, don't worry – the Scheme will pay your pension from the date you retire until Aviva takes over.

Here's what will happen over the next 18 months

Until Aviva takes over, the Scheme will still be responsible for your future pension. So you won't see much change until Aviva send your policy and a welcome pack in about 18 months. The reason the process takes so long is because there is lots for us to do between now and then.

Our work ahead will include some things you might hear about, so we want to make you aware of them now:

Reviewing all the Scheme's data

We securely hold data for all members of the Scheme. This includes information like work history, current address, and bank details for retired members. We'll need to pass this safely over to Aviva, so we're making sure it's all in good order first.

We're reviewing our data to make sure everything is present and correct. If we find that there's anything wrong or missing in your data, we'll be in touch with you to set it straight.

Updating pensions in line with recent regulation changes

We've also checked our data against the Scheme rules and some recent changes in pensions law. As a result of this check, we've had to make some adjustments to some people's pensions.

If you're affected by this, we'll already have written to you about it. We just need to finish this process before handing over to Aviva.

Winding up the Scheme

Once Aviva is ready to pay pensions and look after our members, there'll be no more need for the Scheme, and it can be 'wound up'. This means the Scheme will be shut down, all our advisers will wrap things up, and the trustees will disband.

There's a bit of work involved in winding up a scheme, but none of it will start until Aviva has everything it needs from us. We'll write to you to confirm when we've reached this point.

You can still transfer your benefits at any point before you retire

You currently have the option to transfer your benefits out of the Scheme and into another pension arrangement if you want to. This will continue to be the case until the Scheme winds up, and it will be the case when Aviva are looking after your benefits. The only time when you're not able to transfer your benefits is after you start taking them as a pension.

If you are interested in transferring your benefits, please get in touch with the administration team on **admin@richardsonpensions.com** to let them know. They'll be able to send you all the necessary information.

Feel free to get in touch if you have any questions

In summary, all you need to know is:

- Aviva will take over paying your pension in future,
- this will not change the amount of pension you are due to get, or the way it will increase each year,
- we have some work to do beforehand, which will take around 18 months, and
- there is nothing you need to do, we're just sharing the good news.

As your trustees, we'll continue to fulfil our responsibilities while the Scheme is still active. We'll make sure the Scheme continues to be properly funded, we'll keep up with regulation and pension rulings, and we'll continue to pay retired members and their families the pension they're due.

We'll keep you up to date with anything that affects you or the Scheme, and we'll also let you know how the buyout is progressing over the next 18 months. You'll get plenty of notice before Aviva becomes responsible for your pension.

In the meantime, if you have any questions or need to update the information we hold for you, you can contact our administration team on **01234 678945** or at **admin@richardsonpensions.com**.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenny Bloggs'. The signature is fluid and cursive, with the first letter 'J' being particularly large and stylized.

Jenny Bloggs
Chair of the Trustees



I've received letters where I've put it down and thought, 'Well what the hell was that all about?' But this is perfectly clear. It follows a logic. It tells me what I need to know and I'm very happy to do nothing further.

David C, 76



This letter makes me feel in control. It didn't make me feel small or stupid because I couldn't understand the information or there was technical info that only a pension manager would understand. It made me feel like the scheme was accountable to me – and not the other way around. I really like that.

Kanayo C, 57



I'm very risk-averse, personally. So letters like this make me feel really comfortable and confident about my pension

Karen B, 55



What do you think?

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