

January 2025

Pensions Update

Securing your future

Discover
the latest news
about your pension,
important changes, and
tips to help you look
after your retirement
savings.



IMPORTANT LEAFLET ENCLOSED

Please read the enclosed **GMP consultation** leaflet very carefully.



Welcome

Dear Member

I hope you are well.

Whilst the overarching theme of this **Pensions Update** is 'change', rest assured that your underlying Scheme benefits remain the same. The Scheme is in good financial shape, the headline rate of increase to your pension in April 2025 will be 2.7%, and your feedback from the recent survey ensures that we can continue working to improve the Scheme member experience.

Updates to your Trustee Board

The Scheme Trustees have changed slightly. We thank Sarah Burke for her work on the Board as she steps down. We now welcome Martin Shannon and, following the Member Nominated Trustee Director elections over the Summer, we welcome back Hilary Speller and Phil Brown. See **page 3** for details. Thank you to everyone who voted.

The impact of a new government

The new Labour government has been in office for a few months now, and changes, with respect to pensions, are already being made. For example, the Triple Lock was maintained. See **page 5** for more on the Autumn Budget.

A change in Administrator name

The administrator of the Scheme has changed, at least in name, from Mercer to Aptia. We'll explain a little bit more about this transition, and what it means for you, on **page 6**.

Member overview

Last Spring, future accrual in the Scheme ceased; this means that there are no longer any 'active' members contributing to the Scheme. There are now about 2,500 'deferred' members (who have not yet taken pension benefits from the Scheme) and about 20,000 pensioner members. There's more on the breakdown of our membership on **page 11**.

GMP consultation

We introduced 'GMP (Guaranteed Minimum Pension) equalisation' in previous newsletters, and we are now proposing a solution to address it. Members will not see a decrease in their pensions as a result of the proposal, and some pensioner members might see a relatively modest one-off

increase in 2025/2026. We encourage you to read the enclosed leaflet carefully. This explains everything about the proposal. You can give your feedback on the proposed solution if you want to.

Looking to the future ...

The Trustees hope that the changes will result in better Scheme member outcomes overall. We're keen to keep enhancing the member experience and explain what we're doing, so you're clear and well informed. That's why we wanted to get your opinions on how to improve the communications we share with you. We sent out a member survey over the Summer; thank you to those who took the time to respond. In response to your feedback, you may start to see changes in how we communicate, including a refreshed Scheme website. There's a comprehensive overview of all your online resources on **page 7**.

Against this picture of change, the funding level of the Scheme remains steady. The formal Summary Funding Statement, which summarises the Scheme's financial position, is included on **pages 8 and 9**. We remain committed to keeping your benefits secure, now and in the future.

Yours,

Harry Baines
Chair of the Trustees

What's Inside

Your Trustee Board: the ballot results	3
Pensions news	4
An update on our Scheme Administrator	6
Online resources	7
A snapshot of the Scheme's finances	8
Protecting your pension from scams	10
Who to contact if you need help	12
GMP consultation leaflet	enclosed

We've refreshed our look

You might have noticed that we've updated the design of our **Pensions Update**. Making something that looks and feels connected was very important to us, so we've enhanced our look so you can recognise our communications more easily in the future. Please watch out for more communications in the post in 2025.

... and our Scheme website

You can find out everything you need to know about the Scheme at www.cadentgaspensions.com. We recently refreshed the website to make it easier for you to navigate and explore the topics that interest you most, according to your member survey feedback.



Your Trustee Board

Following the Member Nominated Trustee (MNT) elections, which took place last Summer, we are pleased to announce that the elected MNTs are Hilary Speller and Phil Brown. Hilary and Phil are re-elected Trustees, and we are delighted to continue working with them.

There have been some other changes to the Board. One of the Trustees appointed by the Company, Sarah Burke, has stepped down from her role, and Cadent has appointed Martin Shannon, a deferred member of the Scheme, to join the Trustee Board.

Martin is Head of Commercial Services at Cadent. He has worked for Cadent and its predecessor companies for 25 years, holding various senior commercial and customer-facing roles. We welcome Martin and look forward to the valuable experience and insights he brings to the Board.

Who makes up your Trustee Board now?

There are four Member Nominated Trustees: Hilary Speller and Phil Brown, who are both former National Grid UK Pension Scheme Trustees, as well as Stephen Willmott and Sue Ellwood.

And there are four Trustees appointed by the Company: Harry Baines and Janine Wood are professional Trustees; Mark Belmega and Martin Shannon are Cadent employees.

What do we do?

As Trustees, we're responsible for overseeing the running of the Scheme and safeguarding it on behalf of you, its members. With the help of advisers, and the Cadent Pensions Team acting as the Trustee Executive, we make sure that Scheme assets are invested appropriately and as securely as possible, and that member benefits are paid correctly and on time.

The Pensions Regulator's recent guidance emphasises the importance of equality, diversity, and inclusion (ED&I). As Trustees, we are committed to following this guidance, ensuring that decisions reflect the diversity of our membership. This means fostering an inclusive environment that values a wide range of perspectives and skills, helping us make fair and balanced decisions for everyone in the Scheme.

Pensions news

How much will my pension increase by in 2025?

Pensions payable from the Scheme are reviewed in April each year. The amount they are increased by is based on the Retail Prices Index (RPI) for the 12 months up to the previous September, in accordance with the Rules of the Scheme.

This year the headline annual pension increase will be 2.7%. This increase will take effect from Monday 7 April 2025. The same rate applies to both pensions already in payment and deferred pensions. Pensioner members will receive a personalised letter closer to the April 2025 payday, explaining exactly how much their pension will increase.

Why you may not receive the full increase

- **If your pension has been in payment for less than 12 months** – the increase will be applied on a pro-rata basis (that is, in proportion to how long your pension has been paid).
- **If you have a Guaranteed Minimum Pension (GMP)** – men over age 65 or women over age 60 might have a pension that includes a GMP, which has different rules for increases.

Your Scheme – your benefits

Your pension provides you with financial security and options when you retire, as well as benefits for your family and loved ones.

The Cadent Gas Pension Scheme has several great benefits, including:

- **Annual increases:** Your pension will generally increase every year, based on the Retail Prices Index (RPI). Although some parts of the pension will follow specific regulatory requirements for increases.
- **A death benefit lump sum:** A cash lump sum could be paid if you pass away before taking your pension benefits or within the first five years of receiving them.
- **A bereavement grant:** A grant of £1,000 is generally available if a pensioner dies, which can help with immediate expenses like funeral costs.

- **A dependant's pension:** If you pass away, a dependant's pension can be paid to your spouse, civil partner, or potentially a dependant for the rest of their life. We understand from the member survey that the provision of your pension to your nominated dependant is very important to you, and we've added additional information to www.cadentgaspensions.com to help you and your dependants better understand your benefits. We will also provide additional detail in the next **Pensions Update**.

This is just a brief snapshot of the benefits that might be available to you. For more information, or personalised information about your benefits, contact Aptia using the details on the back page.

Autumn Budget

The government announced its Autumn Budget on 30 October 2024. Here's a quick breakdown of the key updates that relate to pensions.

- **The Triple Lock was maintained:**
This means that the State Pension and Pension Credit will increase from April 2025 by either the rate of inflation (as measured by CPI, the Consumer Price Index), average earnings, or 2.5% – whichever is highest.
- **Inheritance Tax will apply to some pensions:**
From April 2027, 'unspent' pensions and lump sum death benefits may be subject to Inheritance Tax on death. The government has started a 'technical consultation' on how this might work, which is due to finish in late January 2025. At that time, the government will consider feedback received. The Trustees will monitor developments and keep you informed.

Pension Credit

In addition, following the Government's announcement last year on new eligibility criteria for Winter Fuel Payments, the Trustees wanted to highlight the potential for some members to claim Pension Credit. This is a complex area and outside the scope of the Trustees' regular governance of the Cadent Gas Pension Scheme. But, in a nutshell, if you are on a low income you may be able to top it up and become eligible for additional benefits. More information is available online (www.gov.uk/pension-credit), or you can call 0800 99 1234 (in Great Britain) or 0808 100 6165 (in Northern Ireland).

Not taken your benefits yet? We'll be sending you annual statements

We have decided that all members who have a deferred pension in the Scheme (that is, have benefits but haven't started taking them yet) will now receive a yearly update of their pension benefits. If you're a deferred member, we plan to send your first statement in the Summer of 2025.

Keeping your address record up to date

We would also like to remind members about the importance of keeping their personal address details updated with the Scheme Administrator, Aptia. Having the right address means that you won't miss important communications from us.

You are now able to do this quickly and easily via the 'Contact Aptia Pensions' portal: www.pensionuk.aptia-group.com. In most cases, Aptia can update your details right away using online verification. But if more information is needed, you can easily upload any proof of address documentation securely to the portal. Alternatively, you can call or write to Aptia to update your address using the contact details on the back page.

An update on our Scheme Administrator

The Trustees reviewed all the comments made in the recent member survey and noted a recurring theme ... the change of administrators. Therefore, the Trustees wanted to provide you with the following summary.

The company that administers the Scheme on behalf of the Trustees was, until recently, Mercer. As mentioned in our last Pensions Update, Mercer has recently changed to Aptia. This happened on 1 January 2024, when Aptia UK Limited, a dedicated pension and benefits administration provider, purchased Mercer's UK pension administration business. As a result of this change, your pension benefits are now being administered by Aptia.

Rest assured that all services to members are unchanged. Administration staff working on the Scheme, and the systems they use, all moved across from Mercer to Aptia in January 2024. Aptia continues to pay around 20,000 Scheme pensioners, and processes around 1,500 pieces of casework for the Scheme each month.

The Trustees are very keen to understand how Aptia, as a new company, will evolve its business, and we are keeping in close contact with Aptia's directors to better understand its business plans. If you're interested in learning more about Aptia, you can visit its website at www.aptia-group.com.

What's changed?



Over the course of this year, Aptia has been busy changing its member communications from 'Mercer' to the green and blue 'Aptia' branding. You may have noticed that letters and emails you receive now have Aptia branding, as does OneView. 'Contact Mercer Admin' is now 'Contact Aptia Pensions', and you will be automatically redirected to this site if you visit the old 'Contact Mercer Admin' portal.

There may still be a few references to Mercer. In particular, if you are a deferred member looking to take your pension benefits from the Scheme, you may be offered the Pension Decision Service (PDS). This service guides you through the paperwork that details your options. PDS remains part of Mercer; it was not bought by Aptia.

The Trustees acknowledge that there have been two changes of administrator since the Scheme came into existence in 2020.

- The first change was because UKPO, as administrator, was part of National Grid and not connected to Cadent Gas Limited. So, it was unreasonable for UKPO to continue as administrator for too long after the bulk transfer of assets and liabilities from Section C of the National Grid UK Pension Scheme in 2020. Therefore, the Trustees evaluated other providers before deciding on Mercer as the new administrator starting from 2021.
- The second change was Aptia's establishing itself as a new company, which then acquired the Mercer UK pension administration business in 2024.

The Trustees appreciate that these changes may have been unsettling for members, but they were unavoidable. Services to members have been maintained throughout, and the Trustees will continue to maintain close liaison with Aptia into the future.

Contacting the Scheme Administrator

You can still contact the Scheme Administrator as normal, and they'll have all the information to help you as before. You can find their contact details at the back of this Pensions Update.

Online resources

In our recent member survey, you told us that you would like more clarity on where to go for what information online. So, we'd like to help you get clear. It's as easy as 1, 2, 3 ...

1. www.cadentgaspensions.com

The Cadent Gas Pension Scheme member website home page is www.cadentgaspensions.com.

We've recently refreshed the website to make it more relevant, accessible, and simple to navigate. It contains information about the Scheme that you can read and share with your family members and trusted advisers. Anyone can access the Scheme website; you don't need log in details.

You can also use links on the Scheme website home page to find Aptia contact information and to go to OneView to access your personalised information. So, we suggest you bookmark the home page on your favourite browser.

2. OneView

OneView is your online pension portal that provides 24/7 personalised access to your pension account with Aptia. You will need to log in to OneView (or create log-in credentials, if you haven't done so already) to see your pension and make changes to ensure that all your information is up to date. You can register or log into OneView from the main menu on the Scheme website or by visiting www.aptiaoneview.co.uk/CADENT/login.

On OneView you can:

- Access your Pension Payslips and P60s
- See your latest pension statement
- View and update your beneficiary information to indicate who you want to receive any benefits payable after your death
- Access My Retirement Planner

My Retirement Planner

If you are a deferred member of the Scheme, you can access **My Retirement Planner** from OneView to help you explore your current retirement options in the Scheme without needing a separate log in or password. In addition to general planning information, if you are over age 54, you can:

- Get estimated quotations at future dates
- See your current transfer value
- Get independent financial advice, which may be paid for by the Trustees

If you need any help with accessing OneView or My Retirement Planner, get in touch with Aptia using the contact details on the back page.

3. Contact Aptia Pensions (CAP)

You can access the **CAP** online portal by visiting www.pensionuk.aptia-group.com if you need to make a request or update changes to your pension account, including:

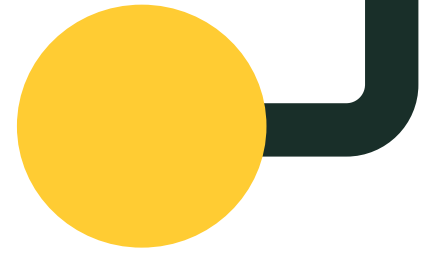
- Changing your address – it's very important to keep your address details up to date.
- Raising a request – for example, reporting a death, requesting a retirement quotation, initiating a pension transfer.
- Uploading personal documents securely – Aptia may require certain documents from you relating to a request.

You don't need to log in to CAP, but you will need to enter some of your details. Just follow the instructions on the portal.



We hope this overview of your online resources is helpful. If you have any questions, you can always call Aptia on **0345 528 0601** between 9am and 5pm, Monday to Friday.

A snapshot of the Scheme's finances



2024 Summary Funding Statement

This Summary Funding Statement provides you with an update on the financial position of the Cadent Gas Pension Scheme (the "Scheme") as at 31 March 2024. This is to help you understand the Scheme's financial health and the level of funding supporting the pension benefits.

How well-funded is the Scheme?

At 31 March 2024, the Scheme was 102% funded. That essentially means it has more than enough assets to cover its accrued liabilities.

We carry out an in-depth look at the Scheme's finances at least every three years. This is called the "actuarial valuation". We also carry out a formal funding update each year to monitor the Scheme's funding position in light of any changes in the market and economic conditions between actuarial valuations.

How does the Scheme's funding position at 31 March 2024 compare to previous updates?

The funding position as at 31 March 2024 is shown in the charts to the right, along with the 31 March 2022 actuarial valuation and the 31 March 2023 funding update results.

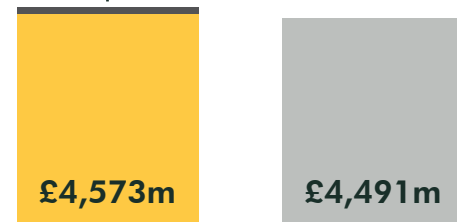
What is the funding level?

The funding level is the relationship between the assets held by the Scheme and the amount needed to pay the benefits that have been built up and promised to all members (i.e. the accrued liabilities). The Actuary calculates the liabilities using a set of actuarial assumptions for factors such as members' life expectancies, long-term inflation rates, and future investment returns. The set of assumptions used in the calculations is called the Technical Provisions basis.

31 March 2024

Funding level 102%

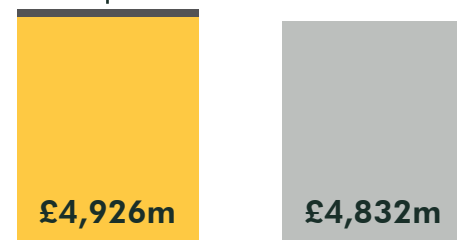
£82m Surplus



31 March 2023

Funding level 102%

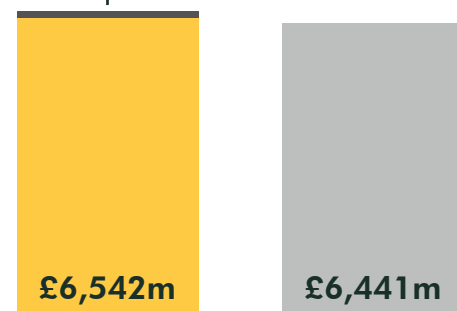
£94m Surplus



31 March 2022

Funding level 102%

£101m Surplus



- Assets:** how much money is in the Scheme
- Liabilities:** the estimated cost of accrued benefit payments
- (Deficit)/surplus:** in respect of accrued benefit entitlements

What's changed since the last update?

In the 2023 Summary Funding Update, the funding level of the Scheme was 102%. Over the year the assets and liabilities have both reduced, in line with pensioner payments made over the year and also partly due to the impact of rises in UK interest rates. However, the funding level has remained steady at 102%, and the security of all the members' benefits remains strong.

We expect the snapshot to change from year to year because of the change in economic and financial markets. We monitor the health of the Scheme closely and review the position quarterly.

Global events and investments

As socio-political events continue to impact global headlines, we wanted to let you know how these types of issues are considered in the investment decision making process.

The Scheme's investment managers look at a range of factors when deciding whether to invest in an asset or country, and this includes political risks and ESG (environmental, social, and governance) considerations. The Trustee continues to monitor the impact of these issues and notes that the Scheme does not have any direct investment in Israel, Russia, or Ukraine and does not allow investment in controversial weapons.

The Company's support

As the Scheme had more than enough assets to meet its accrued liabilities, no contributions were required from Cadent ("the Company") over the year to 31 March 2024.

We must also tell you if there have been any payments to the Company from the Scheme over the last 12 months. We can confirm that no payment of surplus has been made from the Scheme to the Company in the last 12 months.

When is the next valuation?

The next full actuarial valuation will be based on the position at 31 March 2025, with the final results expected by 30 June 2026.

What happens if the Scheme were to close?

At each valuation, we are required to tell members whether the Scheme has sufficient assets to pay for all the promised pensions in the unlikely event that the Company cannot financially support the Scheme or becomes insolvent.

This cost of winding up (that is, taking steps to close the Scheme) assumes that accrued benefits are secured with an insurance company,

which is obliged to take a more cautious view of the future. At 31 March 2022, the date of the last formal actuarial valuation, the Scheme's assets were sufficient to cover 96% of the promised pensions. This figure of 96% is lower than the 102% funding level shown above as the basis of calculation is different, reflecting the terms an insurance company is expected to charge to secure the Scheme's accrued liabilities.

To reach the fully funded status of 100% on this basis, the gap between the assets and liabilities needs to narrow by 4% of the value of the assets as at 31 March 2022, which amounts to approximately £250m. This amount is expected to come from the performance of the assets over time, so currently there is no need for additional contributions from the Company.

Has the regulator needed to get involved?

The Pensions Regulator (TPR) is the public body that protects workplace pensions in the UK. We are also required to tell members if TPR has changed the Scheme, given it directions, or imposed a schedule of contributions upon it. We confirm that this has not been the case over the year to 31 March 2024.

Where can I find more information?

This Summary Funding Statement is available online on OneView.

You can also request the following documents from us:

- The Statement of Funding Principles – a document setting out the assumptions used in the formal actuarial valuation
- The Actuarial Valuation report
- Any Recovery Plan – a document setting out deficit contributions made by the Company
- The Schedule of Contributions

If you would like to be sent these documents, please use Aptia's contact details as shown on the final page of this Pensions Update.

Our reporting on climate change

Information on the work we are doing on climate change is set out in our annual Task Force on Climate-Related Financial Disclosures (TCFD) report. This is available on OneView and on the Scheme website – www.cadentgaspensions.com.

You can also request a printed copy.



Protecting your pension from scams

One in every seven UK adults has experienced an attempted pension scam in the past year alone, according to Which? magazine. As scammers get smarter, tightening your defences with knowledge can be enough to stop a thief in their tracks.

Spotting the signs

Pension scammers can be tricky to spot, but knowing the red flags can make all the difference in protecting your hard-earned savings.

- **Cold calls, out of the blue:** Unsolicited calls, texts or emails could be from a scammer.
- **Pressure to act fast:** Pushy tactics, including limited-time offers or couriered paperwork, should signal alarm bells.
- **Too-good-to-be-true promises:** High returns, overseas investments, or risk-free guarantees are big red flags.
- **'Click' to crisis:** Many scams start online. Avoid downloading unfamiliar attachments and clicking on links in emails – instead, search for the page yourself.
- **Verify before sharing your personal information:** We will never ask for sensitive information, such as your passwords or bank details.
- **Unexpected pension reviews:** Free reviews or 'investment opportunities' are likely to be too good to be true.
- **Early cash release:** Unless you're 55 or older, you can't generally access your pension. Offers to access funds early aren't just likely to be scams, but they can come with heavy tax penalties too.
- **Fake firms:** Before engaging with any financial firm, make sure that the company exists on Companies House, and check the FCA register to see if they're regulated.

From scammed, to sorted

You should always tell someone if you suspect fraud – even if you're not sure yet whether it's fraud or if it happened in the past. Report any suspected fraud straight away to:

- Your bank – call 159 to be automatically connected to your bank's fraud prevention service
- Your pension provider – if it's a pension-related scam
- Action Fraud – visit www.actionfraud.police.uk or call **0300 123 2040**

If you spot something suspicious regarding your Cadent Gas pension, please inform Aptia immediately.



How well do you know our Scheme members?

A breakdown of our membership

Let's take a look at our community of Scheme members. The Scheme is a diverse group! Ages and genders are shown in the table below.

Female	10,202
Male	12,243
Age	
50 and under	437
51 - 60	2,209
61 - 70	5,610
71 - 80	7,579
81 - 90	5,098
91 and over	1,512

Need some help?

You can learn about how the Scheme works and find answers to Frequently Asked Questions on our website:

www.cadentgaspensions.com

If you have any questions about your pension, please contact the Scheme Administrator, Aptia, (formerly Mercer).



0345 528 0601
(9am-5pm, Monday to Friday)



Aptia
Maclaren House, Talbot Road
Stretford
Manchester
M32 0FP



To raise a request with Aptia and upload documents securely, use Contact Aptia Pensions (CAP):

www.pensionuk.aptia-group.com

Have your say

We'd love to hear what you think of this **Pensions Update**.

Your feedback is important to us. Share your thoughts by emailing us at: cgpstrustees@cadentgas.com

As part of our environmental policy, this newsletter has been printed using vegetable oil-based ink on recycled paper and is produced to high environmental standards.



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