Summary Funding Statement 2025

NEC Staff Pension Scheme (UK)

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Welcome to your Summary Funding Statement, which is designed to give you an update on the financial health of the Scheme as at 30 June 2025.

As the Trustees of the Scheme, we are responsible for looking after your pension and we are required by law to send you a statement like this each year – you may remember that we sent you a similar statement last year. This year, we've updated the format of the statement. While it may appear different from previous years, all the essential information remains the same. Please take a moment to read it.

Measuring the Scheme's financial health

To check the Scheme's health, we carry out a detailed review of the Scheme's finances at least every three years. This review is known as an actuarial valuation. We ask a qualified, independent professional – the Scheme Actuary – to undertake this review. In the years between actuarial valuations, the Scheme Actuary prepares an actuarial report that provides an update on the Scheme's financial health.

These reports provide a comparison of the Scheme's **Liabilities** with its **Assets**.

Liabilities

The estimated cost of paying all the benefits that members have built up in the Scheme. This includes the benefits of members who have left the Company or retired.

Assets

The investments the Scheme holds to pay benefits. This includes contributions paid by members and the Company, along with investment returns. The money is held in one common fund, not in separate funds for each member, and benefits are paid to members from this common fund.

Funding Level

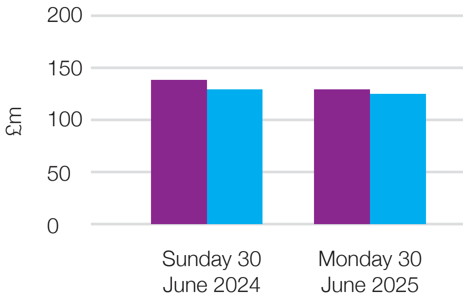
The extent to which the Scheme's **Assets** cover its **Liabilities**.

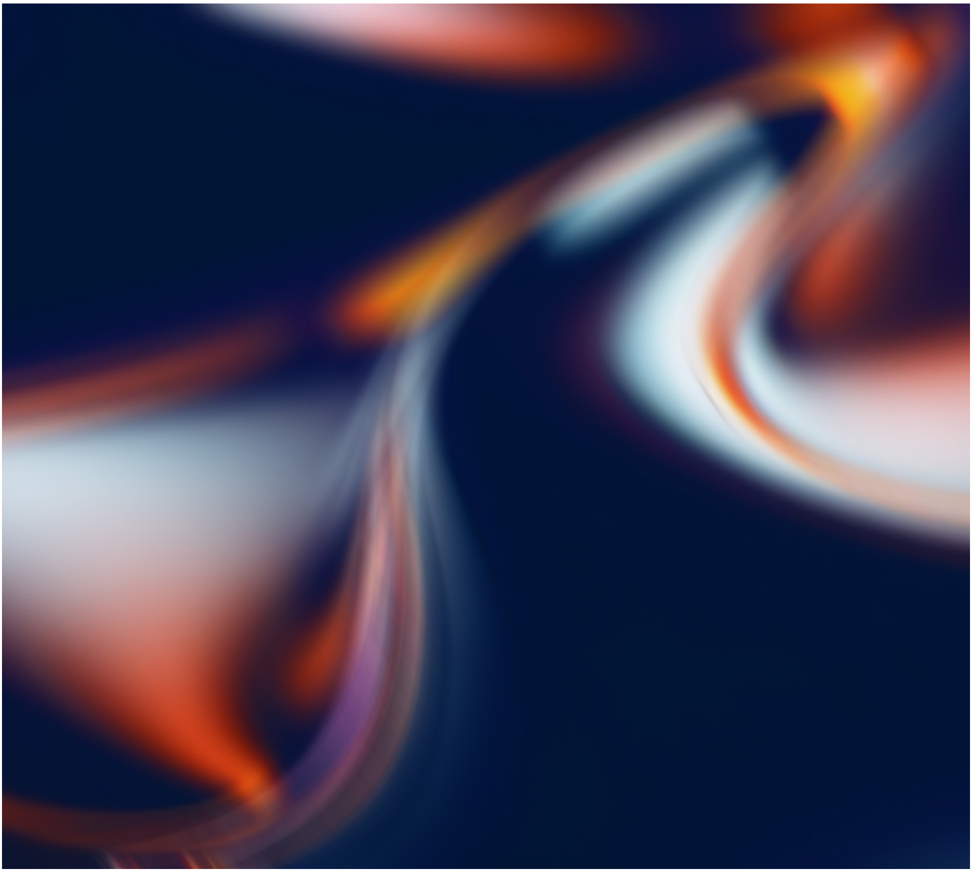
If **Liabilities** are more than **Assets**	The Scheme has a **Shortfall**, and the **Funding Level** is less than 100%
If **Assets** are more than **Liabilities**	The Scheme has a **Surplus**, and the **Funding Level** is more than 100%

The Scheme's financial health

The chart below illustrates that the latest review revealed that on 30 June 2025 there was a £7.2 million surplus.

	30 June 2024	30 June 2025
Type of review	Actuarial valuation	Actuarial report
Assets (A)	£141.1m	£130.1m
Liabilities (L)	£132.6m	£122.9m
Surplus/(Shortfall) (A - L)	£8.4m	£7.2m
Funding level (A ÷ L)	106%	106%





Change in the Scheme's financial health since the previous statement

When we last sent you a statement, the then-latest review showed a surplus of £8.4 million at 30 June 2024.

Since 30 June 2024 the Scheme's financial position has remained relatively stable, with a surplus of £7.2m and a funding level of 106% as at 30 June 2025, as shown above. There has been a decrease in the value of both the assets and liabilities as a result of an increase in long-term interest rates.

Financial support for the Scheme

At each actuarial valuation, we agree with the Company how much money should be paid to the Scheme to ensure there will be enough money to pay members' pensions. These contributions are recorded in a document called the Schedule of Contributions.

If the Scheme Actuary finds that there is a shortfall in the Scheme at the actuarial valuation, the Company will be asked to make additional contributions. To calculate the shortfall, the additional contributions needed to meet it and the period over which they will be paid, we make some assumptions about how the Scheme will fare in future, such as how quickly the Scheme's assets will grow and how the membership will change. The additional contributions are outlined in a document called a Recovery Plan.

Since there was a surplus on 30 June 2024, there is no formal recovery plan in place, and the Company is not currently making additional shortfall contributions.

In what type of assets does the Scheme invest?

The Scheme's assets are held entirely separately from the Company.

The Trustees' investment strategy is to proportion the Scheme's assets by asset class as shown in the table below. The actual distribution of assets will vary over time due to changes in financial markets. The current Strategic Asset Class Allocation is as follows:

Company shares (equities)	10%
UK government bonds (including LDI) and cash	45%
Corporate bonds and other credit	45%

LDI: *Liability Driven Investment ("LDI") strategies are used to help broadly match the interest rate and inflation sensitivities of the Scheme's liabilities with the Scheme's assets, with the aim of reducing the volatility of the Scheme's funding level.*

Additional information we need to share

We are required to inform you:

- Whether a payment of surplus has been made to the Company since we last sent you a Summary Funding Statement. We can confirm that no such payment has been made.
- Whether the Pensions Regulator has used its legal powers to modify the level of benefits, make any direction regarding the calculation of the Scheme's liabilities or the length and structure of the recovery plan; or regarding the level of contributions that must be paid. We confirm that the Pensions Regulator has not used any of these powers in relation to the Scheme.

Questions and answers

Is my pension guaranteed?

Our aim is for there to be enough money in the Scheme to pay pensions now and in the future. However, this depends on the Company continuing to operate and make contributions to the Scheme where necessary.

If the Company goes out of business or decides to stop funding the Scheme, it is expected to pay the Scheme enough money to secure all the benefits built up by members with an insurance company. This is known as the Scheme being bought out. If that happens, it would then be wound up.

The comparison of the Scheme's assets to the cost of buying the benefits with an insurance company is referred to as the solvency level.

Is there enough money in the Scheme to pay my pension if the Scheme is wound up?

The actuarial valuation at 30 June 2024 showed that the estimated solvency level was 96%. This means that the Scheme Actuary estimated that the Scheme would not have had enough funds to secure members' full benefits with an insurance company at that date.

We want to reassure you that this does not mean the Company is considering winding up the Scheme. The information above is required by law and is intended to help you understand the financial security of your benefits.

What happens if the Scheme is wound up and there is not enough money to pay for my pension?

If the Scheme is wound up, the Company must provide enough funds for an insurance company to pay members' benefits in full. However, if this happens and the Company cannot afford this, you may not receive your full pension. The Pension Protection Fund (PPF) exists to help members in this situation. You can find out more online at www.ppf.co.uk.

Can I transfer my pension out of the Scheme?

If you are a non-pensioner member, you can choose to transfer your pension to another pension arrangement before retirement.

If you are considering transferring your pension out of the Scheme, you should speak to an independent financial adviser before making a decision. The law prevents us from providing you with financial advice. You can visit www.fca.org.uk to find an FCA-regulated adviser.

Where can I get more information?

If you have any other questions or would like more information, or if you need to tell us about a change of personal details, please contact us:

Write to us: You can contact either

The Trustees Office,
NEC Staff Pension Scheme (UK), Belmont
Belmont Road
Uxbridge
UB8 1HE

Aptia (the administrator)
Maclaren House,
Talbot Road,
Stretford,
Manchester,
M32 0FP

You can also contact Aptia via the portal at www.pensionuk.aptia-group.com

Here is a list of documents you can request if you would like more information:

- Actuarial Valuation Report at 30 June 2024

  This contains the details of the actuary's in-depth assessment of the Scheme's financial situation as at 30 June 2024.

- Actuarial Report at 30 June 2025

  This contains the details of the actuary's approximate update of the Scheme's financial situation as at 30 June 2025.

- Schedule of Contributions

  The current schedule sets out the contributions that the Company has committed to paying to the Scheme (e.g. in respect of shortfall contributions, administration and other costs). Each Schedule of Contributions includes a certificate from the actuary confirming the contributions are sufficient to meet the requirements set out by law.

- Annual Report and Accounts

  Summarises the Scheme's income and expenses for the relevant year.

- Statement of Investment Principles

  Describes the Scheme's investment strategy.

- Statement of Funding Principles

  Outlines how the Trustees plan to manage the Scheme's finances to continue to provide members' benefits.

Noticeboard

Independent Financial Advice

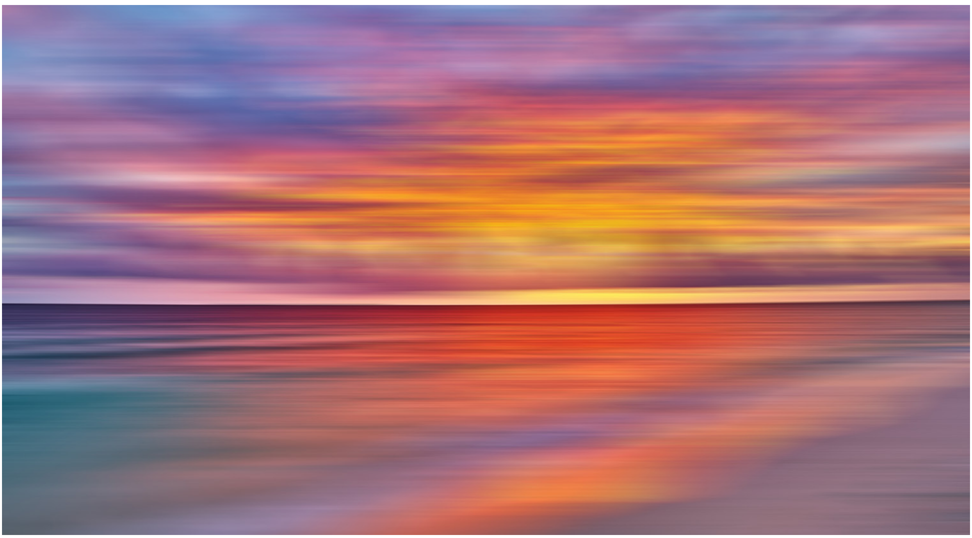
Your pension savings are extremely valuable, and you should certainly take time to check your position from time to time and not make any decisions without taking financial advice. This will be particularly important if you are nearing retirement or considering transferring your pension.

All members who have a transfer value above £30,000 are required by law to take financial advice if they wish to proceed with a transfer value.

Professional investment advisers who can provide advice in relation to pension transfers must be regulated by the Financial Conduct Authority (FCA).

All FCA regulated financial advisers are required to clearly explain to clients the scope and limitations of their advice. Some advisers limit their advice to just pensions, others will also advise on wider financial products and services. Some advisers are linked to providers and will only advise on a limited range of options from that provider and are not obligated to consider wider options; fully independent advisers have an obligation to make recommendations 'based on a comprehensive and fair analysis of the market'.

The Trustees cannot offer an opinion on the type of advice that will be in your best interests. To ensure that you make an educated decision before transferring out of the Scheme, you should therefore make sure that you understand the scope of the advice with which you are being provided, and the adviser must make it clear whether they are advising on a limited range of funds or considering the whole of the market.



Financial advice paid for by NEC

The Scheme's sponsor, NEC, has made available the option for deferred members who are over age 55 to speak to an FCA-regulated financial adviser, HUB Pension Consulting, to obtain impartial and unbiased advice about their retirement options. The service provided by HUB Pension Consulting will be paid for on two occasions by NEC and will enable deferred members to make decisions that best suits their individual circumstances. HUB Pension Consulting was selected to provide this service by NEC in consultation with the Trustees.

Each deferred member will receive a communication from NEC as they approach their 55th and 60th birthday providing more details about this service. If you receive this communication, or indeed speak to HUB Pension Consulting, you are under no obligation to act on the information or the recommendations you receive. If you decide to do nothing, then your pension will remain in the Scheme.

HUB Pension Consulting advise solely on pensions rather than all financial products and services in the market. They do, however, consider all market options with regards to pensions and are not tied to options from a particular company.

National Fraud Initiative

The Pension Scheme participates in a data verification exercise operated by the Audit Commission. This exercise is intended to assist in the prevention and detection of fraud. For this initiative we will provide details of pensioners and deferred members so that they can be compared to national government data. This will ensure for example that no pensions are being paid to persons who are deceased or no longer entitled to benefits from this scheme. The processing of data by the Commission in a data verification exercise is carried out under its powers in Part 2A of the Audit Commission Act 1998. This does not require the consent of the individuals concerned. You therefore do not need to take any action in this respect.

What is a pension scam?

There are many different ways that criminals may try to steal your pension. These scams could mean you lose some or even all of your pension, so it's important to watch out for the following:

Opportunities that sound too good to be true
Fraudsters may contact you and claim to know about loopholes that can help you get more than the usual 25% of your pension pot tax-free. Or they may offer high returns from overseas investments. They may offer you a 'loan', 'saving advance' or 'cashback' from your pension or talk about new or creative investments.

Offers of 'pension reviews'
Scammers may say they'll help you access your pension pot before the age of 55 in exchange for a fee – but unless you're seriously unwell or have a certain type of scheme, this isn't possible.

Someone pressuring you to make a decision quickly
Some fraudsters may contact you out of the blue, either over the phone, text or email. Others could send paperwork to your door by courier requiring an immediate signature. But you should never feel pressured into making a decision quickly and you should always seek professional advice before doing so.

Pressure to put all your money in a single investment
In most cases, financial advisers will suggest that you spread your money across different schemes. So if you're contacted by someone who suggests that you put all of your pension pot money into a single investment, then this is probably a scam.

Untraceable companies
Legitimate companies or professionals should have traceable contact details. One sign that the person or company who's contacted you is trying to scam you is that they only have a mobile phone number or a PO box address as contact details.

GDPR

The Trustees hold and process personal data about Scheme members and beneficiaries in order to run the Scheme. In doing so, we comply with all relevant data protection legislation.

To comply with the General Data Protection Regulation (GDPR), the Trustees periodically carry out data cleansing exercises to ensure that the information we hold is accurate and up to date. Maintaining good quality member data is essential for paying the correct benefits at the right time.

You can help us by notifying the Scheme administrators promptly of any changes to your personal circumstances. In particular, please let us know if you change:

- your **marital** or **civil partnership status**
- your **home address**
- your **email address** or other contact details
- your **Expression of Wish** (nomination of beneficiaries)
- any other information that may affect your benefits or our ability to contact you

Keeping your details current ensures that we can administer your benefits efficiently and contact you when needed.

Website

The Scheme has a website for all Deferred and Pensioner Members. This website can be used to gain general information about the Scheme, Pensions News and Scheme Contact details

http://necstaffpensionschemeuk.info

Please note that this site does not hold any personal information about scheme members neither does it provide or hold valuations or statement of members benefits.

The Normal Minimum Pension Age

The Normal Minimum Pension Age (NMPA) is the earliest age at which individuals can access their workplace or personal without incurring a significant tax charge.

The NMPA in the UK will increase from age 55 to 57 on 6 April 2028. This will affect individuals born on or after 6 April 1971, and is part of the Governments broader strategy to maintain a 10 year gap between the NMPA and the State Pension Age which is set to rise from 66 to 67 between 2026 and 2028.