



Greggs 1978 Pension Scheme Trustee Limited

Private and Confidential

Greggs Final Salary Scheme

3 June 2024

Dear Member

Important news about the Scheme

We wanted to let you know about some important steps we've taken to secure your benefits in the Greggs plc 1978 Retirement and Death Benefit Scheme (the Scheme). Since we last updated you about future management of the Scheme in the Autumn 2023 newsletter the Joint Working Group, set up by the Trustee and Company has been working over the last year to protect the long-term security of your benefits.

Back in 2021 we informed you we had adopted a de-risking investment strategy. This strategy was adopted to support the longer-term funding objective of achieving a future buy-out of the Scheme's liabilities with an insurance company by the target date of 2029.

The Company has been supportive of this objective and in the last few years has made a number of cash contributions to the Scheme. This has made it possible for the Scheme to purchase a buy-in insurance policy to secure your benefits in the Scheme (the first major step towards a buy-out), about 5 years ahead of the original target date for buy-out of 2029.

We are grateful to the Company for their considerable financial and other support which has enabled us to achieve this significant step towards the longer-term plan, ahead of the target date. As Trustee Directors of the Scheme our priority is always to act in the best interests of all members, while making sure the Scheme is run effectively. We believe this is an excellent outcome for the Scheme and for you the members as it means the Scheme will now benefit from the additional security of a well-respected and highly regulated insurer.

This letter is for information only, and there is no need for you to do anything at this stage .

What's a buy-in?

A buy-in is where the Trustee uses Scheme funds to buy an insurance policy that will provide an income to the Scheme to cover the payment of benefits to members. The insurance policy is an asset held by the Scheme designed to remove some of the risks associated with paying pension benefits, such as falls in investment markets. The Scheme will remain responsible for making all benefit payments and the insurance company will make sure there are sufficient funds available to enable the Scheme to pay members' benefits.

Which insurance company has been chosen?

After careful consideration and with support from our professional advisers we've chosen Aviva plc, a leading provider of regulated insurance solutions for UK pension schemes. Aviva is the UK's largest annuity provider and pays around £3.4 billion of pensions annually, looking after about 19 million customers.

As at 1 January 2024 Aviva was managing £109 billion of corporate pension scheme assets. Other pension schemes insured with Aviva include Co-op, Kingfisher, M&S and Arcadia Group.

To make sure Aviva will remain able to pay your benefits under the buy-in insurance policy in a safe and responsible manner, they're regulated by the Prudential Regulation Authority and the Financial Conduct Authority. Aviva also has the backing of the Financial Service Compensation Scheme, providing members with even greater protection.

In the unlikely event of Aviva becoming insolvent, the Financial Services Compensation Scheme (www.fscs.org.uk) is designed to protect you by covering 100% of your benefit entitlement. This offers an improvement in the security of your benefits, which is one of the reasons why entering into an insurance policy is considered a good outcome for members, as it provides you with greater protection than was available whilst the Scheme remained dependent on the value of its investment portfolio.

Aviva Privacy Notice

To allow Aviva to manage the insurance policy, we need to share personal data relating to you and your benefits under the Scheme with them. We have enclosed Aviva's Privacy Notice which explains how they'll use your data. This can also be accessed at [gn01665c.pdf \(aviva.io\)](#)

Making sure your data is correct

Before securing an insurance policy and to ensure any benefits you receive are correct, the Scheme administrators at Barnett Waddingham have been checking that the personal information we hold about you, your spouse and your dependants is up-to-date and accurate. They have also recently completed a review of the current pensions in payment to make sure they are correctly calculated. As a result, a small number of pensioners received a letter from Barnett Waddingham earlier this year with details of corrections to their pension.

Later in the year there will be a further review of benefits to ensure equality of male and female members to comply with recent pension regulatory changes requiring Guaranteed Minimum Pension (GMP) Equalisation.

A GMP is a benefit linked to the state pension for the period between 1990 and 1997 when pension benefits were worked out differently for men and women. It has been confirmed in a High Court case that it is necessary to "equalise" any GMP pensions built up during this period to remove those differences. This means that some members may receive uplifts to their pensions to correct any inequality. These uplifts are expected to be quite small as GMP is typically a small part of a member's pension.

If you are affected, you will receive a letter later in the year. You don't need to take any action at this time in relation to GMP Equalisation.

What is the next stage after the buy-in?

Over the next few years, we plan to convert the buy-in insurance policy into individual annuity policies for each member, reflecting that member's specific pension entitlement. This is known as a "buy-out". At this stage, Aviva will take on the responsibility of paying benefits directly to members.

We will keep you informed well in advance of any decisions to implement this next step.

Other Scheme news

As already mentioned, during the period until any buy-out takes place, there will be no change to the running of the Scheme and it's business as usual for the immediate future. We therefore set out below some updates.

Trustee Board update

Having recently celebrated 40 years of service, our long-serving Trustee Director, Sir Michael Darrington, decided in February 2024 to hang up his boots and enjoy a well-earned retirement. Mike has contributed hugely to the successful running of the Scheme through many challenges and worked tirelessly to ensure members enjoy the valuable benefits the Scheme provides.

Have you registered online?

If you have not already done so, please register for the Member self-service for online access to your pension account <https://logon.bwebstream.com/>. You'll need to activate your account and you can request a registration letter by calling the helpline team on 0141 447 0799. Lines are open office hours Monday to Friday or by sending an email to Greggs@Barnett-Waddingham.co.uk

You will be able to access all your personal information such as your address and bank account. It is important that you make us aware if there have been any changes to your details so that your records are up-to-date and accurate.

You can also obtain an estimate of your retirement benefits using the online portal.

If you are already receiving your pension, you can access your monthly payslips and P60s.

Who should I contact if I have any questions?

There is no need for you to do anything about the announcement of the buy-in as this is for information only at this stage. However if you do have any questions about any contents of this letter then please get in touch using the contact details at the end of this letter.

We will keep you updated of our progress throughout the year.

Kind regards

David Brown

For and on behalf of the Greggs 1978 Pension Scheme Ltd

How to get in touch



Write

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Call

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Online

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Please let us know if you're unable to read this letter. We can provide this in alternative formats including braille and coloured paper.