# Halcrow Pension Scheme (No.2)

(the "Scheme")

## Summary Funding Statement at 31 December 2022

*September 2023*

### What's this statement for?

The Trustee is required to provide you with this statement giving you an update about the Scheme's financial security. We hope you find it useful and easy to understand, but if you have any questions please contact Jacobs Administration.


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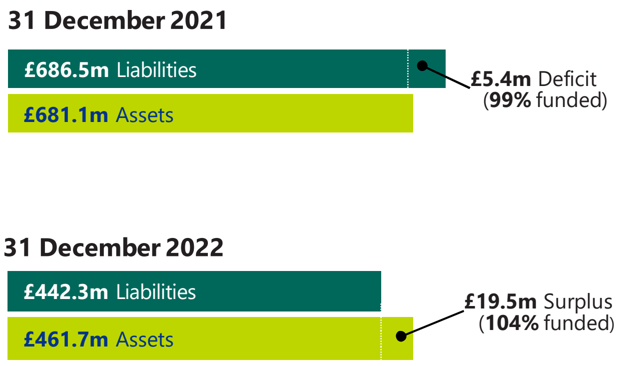
### The latest actuarial valuation at 31 December 2022

An actuarial valuation is an exercise to compare how much money the Scheme has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Scheme's assets are more than its liabilities, there is a 'surplus'; if they are less, there is a 'shortfall' or 'deficit'. The valuation also looks at how much Jacobs U.K. Limited plc (the 'Company') needs to pay to the Scheme each year correct any shortfall.

Full valuations usually take place every three years and the last one was on 31 December 2022. The results of this valuation, along with the results from the previous update as at 31 December 2021, are shown on the right.




### Scheme contribution arrangements

The Scheme was in surplus on the funding basis at the most recent valuation date, and is expected to have remained in surplus since. Therefore, there is no need at present for the Company to pay contributions to the Scheme or to set a recovery plan. In addition, the Trustee has agreed to pay most ongoing expenses from the Scheme for the next 3 years. The liabilities above include a reserve of £1.8m to allow for this.

### Change in funding position since the previous update

The funding of the Scheme has improved since the previous statement.

The main reason for the improved position is due to increasing interest rates. Although this has resulted in a reduction in the value of the assets held by the Scheme, the value placed on the liabilities has reduced to an even greater extent.

The Company paid contributions of just over £2.2m during 2022 which has also helped to improve the funding position.

### Payment to the Company

We have to tell you that there has not been any payment made to the Company out of the Scheme's assets since the last summary funding statement.

### Winding-up

If the Scheme winds up, the duty to pay all members' benefits may be transferred to an insurance company. In the 2022 valuation it was estimated that the amount needed to secure all the Scheme's benefits was £487.6m, which was £25.9m more than the Scheme's assets.

This is just an indication and is required under legislation, it does not mean that the Trustee or Company are considering winding up the Scheme.

### What would happen if the Scheme started to wind up?

Whilst the Scheme is still running, benefits will be paid in full. If the Scheme did start to wind up, benefits may be secured with an insurance company. If there weren't enough assets to secure all the benefits, the Company would have to make up the difference. You might not get all of the benefits you have built up, especially if the Company is not there to pay for any shortfall. In this case, the Pension Protection Fund ('PPF') might be able to take over the Scheme and pay compensation to members. Further information is available at www.pensionprotectionfund.org.uk

It is only if the Company became insolvent and assets available to the Scheme were insufficient to secure PPF level benefits that the Scheme would apply for entry to the PPF.

# How the Scheme works

This section has some information about this statement and the Scheme. If you would like any more information about the Scheme or your benefits, please contact the Jacobs Administration team.

### How is my pension paid for?

The Scheme is a defined benefit pension arrangement. This means members build up benefits based on length of service and their salary. The Scheme has a pool of money (assets) to pay for these benefits as they become due; it does not hold assets separately for each individual. The Trustee's goal is for the Scheme to have enough money to pay all members their benefits, both now and into the future.

### How do you work out how much the Scheme needs?

As part of the three-yearly actuarial valuation, the Trustee agrees a funding plan (the Statement of Funding Principles) with the Company, which aims to make sure there is enough money in the Scheme to pay for pensions now and into the future.

### Why doesn't the Trustee aim to have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Scheme. This means the cost of securing pensions in this way is considerably more expensive than if the Scheme runs normally with the continuing support of the Company. Aiming to have enough money to cover that cost would likely mean that the Scheme will have far more than it actually needs if it keeps running.

## Updates from the Budget

As you may have heard, the 2023 Budget included several changes to Government policy that affect pensions. In particular, the Lifetime Allowance (a limit on the amount of pension savings you can make over your lifetime that can receive tax relief) is being abolished, and the Annual Allowance (the amount of tax-relieved savings you can make into a pension scheme each year) is being increased.
You can find out more at
https://www.gov.uk/government/publications/abolition-of-lifetime-allowance-and-increases-to-pension-tax-limits

### The Pensions Regulator

**In certain circumstances the Pensions Regulator can:**

- Direct how the Scheme's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of Company contributions to be paid
- Change the way members build up benefits in the future

*None of these things have happened.*

### How are the Scheme's assets invested?

The Trustee's policy is to invest the majority of the Scheme's assets in a lower-risk 'Matching Portfolio' whose value is expected to move in line with the liabilities. The rest of the assets are held in a higher-risk 'Growth Portfolio' invested in a broad range of assets.

As at 31 December 2022, the position was:

| | |
|---|---|
| Matching assets | 81% |
| Growth assets | 19% |

## Recent changes to normal minimum pension age

The normal minimum pension age is the earliest age, as set by the government, at which a pension scheme member can access their benefits.

This age is currently set at age 55, however from 6 April 2028 this will be rising to age 57. This change will only impact you if you choose to retire early before your Normal Retirement Date.

### Thinking of leaving the Scheme?

If you are thinking of leaving the Scheme for any reason, you should talk to an independent financial adviser before doing so; you can find one local to you at www.unbiased.co.uk

### Stay in touch

If any of your personal details are changing, such as your name or address, please tell the Jacobs Administration team.



Call us: **01189 467942**