

YOUR 2024 DC SECTION MEMBER REPORT

Welcome to your 2024 Member Report for the DC Section of the Associated British Foods Pension Scheme (the Scheme). In this report you'll find a brief summary of the Scheme's investments and membership as well as updates or changes in the pension world that may affect you.



Investment update

Over the year, markets continued to be volatile due to a number of factors. The impact this may have on your pension will depend on the type of pension you have and how close you are to retirement. We have produced a news article on our website which explains how your pension benefits may be affected by market volatility. You can view this at www.abfpensions.com/news/2023/investment-update. You can also check your current fund value by logging in to your secure online account at www.abfpensions.com/dc/login.

The Trustee encourages you to think carefully and consider getting investment advice before changing your investment options in the current market (to avoid crystallising any losses). Free impartial guidance is available from the MoneyHelper service. You can find more details on their website www.moneyhelper.org.uk.

Pension tax changes from 6 April 2024

On 6 April 2024, the government introduced three new pension tax limits:

- Lump Sum Allowance (LSA) limit of £268,275: This is the total tax-free lump sum amount you can receive from all your pensions, including your ABF pension. Lump sum in excess of this limit will be taxed at your marginal rate.
- Lump Sum and Death Benefit Allowance (LSDBA) limit of £1,073,100: This is the total tax-free lump sum amount that can be paid from someone's pension. It includes death benefit lump sums as well as any pension lump sums.
- Overseas Transfer Allowance (OTA) of £1,073,100: This is the total tax-free amount in pension savings that you can transfer to a Qualified Recognised Overseas Pension Scheme (QROPS).

These new tax limits replace the Lifetime Allowance, which was the maximum you could have in pension savings without paying a tax charge on the excess.

Upon your retirement, we will need to verify that you haven't exceeded your Lump Sum Allowance by collecting information about other pension lump sums you have received.

Even though the Lifetime Allowance has been abolished, if you have a valid Lifetime Allowance protection certificate, you may be entitled to a higher tax-free lump sum. You should provide this to us when you claim your pension.

More information about tax controls on pensions can be found on our website at: www.abfpensions.com/dc/tax.

Government plans to remove pension exemption from inheritance tax

On 30 October 2024, the Chancellor announced changes to inheritance tax rules as part of the Autumn budget. This included confirmation that from 6 April 2027, unused pension funds and pension death benefits will be included in the value of an estate for inheritance tax purposes.

For more information on what this could mean for you, read our full news story here: www.abfpensions.com/inheritance-tax-changes.

Climate change reporting

The Task Force on Climate-Related Financial Disclosures (TCFD) set up by the Government made a number of recommendations around climate-related financial disclosure requirements. In line with these recommendations the Trustee has prepared a climate change report. The report is available to download from our website: www.abfpensions.com/dc/tcfd.



Are you covered for death in service and ill-health benefits?

If you're an active member of the Scheme, you may be entitled to free death in service and ill-health benefits. You can check if you're covered by looking at a recent benefit statement which you will be able to download from the secure member login area of our website at www.abfpensions.com.



To be covered for valuable death in service and ill-health benefits, all new members must provide information on any pre-existing medical conditions. The process for this is different depending on how you were bought into the Scheme.

For more information visit: www.abfpensions.com/medical-declaration.

Pension Wise introduced online appointment service

Pension Wise is a free, government-backed service for those over 50 with Defined Contribution pensions to understand their retirement options. In addition to their phone and in-person services, they have now introduced a new online appointment service. Online appointments are self-guided and can be done at your own pace. After you complete your appointment, you will receive personalised information to help you make an informed decision.

To find out more and book your free appointment, visit the Pension Wise website: www.moneyhelper.org.uk/pension-wise.

Are you missing out on Pension Credit?

Pension Credit is designed to help with daily living costs for people over State Pension age and on a low income, though you do not need to be receiving a State Pension to receive Pension Credit. Currently, over 1.4 million pensioners in the UK receive Pension Credit. However, there are still many pensioners who are not claiming this extra support. To find out more about Pension Credit, you can visit the Government's website at www.gov.uk/pension-credit which includes a free online calculator to check if you are eligible.

Changes to normal minimum pension age

The UK Government has confirmed that the normal minimum pension age (the earliest age at which most members can access their pensions without incurring an unauthorised payments tax charge, unless they are retiring due to ill health) will rise from 55 to 57 from 6 April 2028.

Latest Scheme retirement age

Members of the Scheme are required to take their benefits before they reach the age of 75. As you approach the ages of 65 and 75, we will send you a letter outlining your retirement options, but we can also provide this on request. For further information please contact the Member Services Team on 0800 090 2267 (+44 (0)20 7636 8111 if you're calling from outside the UK) or by emailing DCPensionAdmin@abffoods.com.

Pension Tracing Service

It is important to stay in touch with the administrators of any pensions you may have. This helps you stay informed about your pension and simplifies the process when you wish to access your benefits. The Government has set up a service which allows individuals to search for a lost pension. For more information on using this service, visit www.gov.uk/find-pension-contact-details.

State Pension Checker

In addition to your ABF pension, you may also be entitled to a State Pension. To find out how much you could get when you reach State Pension age, visit www.gov.uk/check-state-pension.



National Fraud Initiative

The National Fraud Initiative (NFI) is a data-matching exercise conducted by the Government to help in the detection and prevention of fraud. Pension schemes, including the ABF Scheme, are required to submit data to the NFI on a regular basis. This data includes pension and payroll records. The data is compared against other records to identify errors or potential fraud that require further investigation. As the Trustee processes personal data, the Scheme is registered with the Information Commissioner's Office (ICO), who ensure organisations meet the legal requirements when processing information.



Annual Allowance

The Annual Allowance is the limit set by the government on how much you can benefit from tax relief on pension savings over the course of a year. If your ABF pension savings exceeded the standard Annual Allowance in 2023/2024, we would have sent out a pension savings statement before 6 October 2024. However, the Annual Allowance applies to all your pension savings, including those held outside of the Scheme.

If you exceeded the Annual Allowance for the year 2023/2024, you must declare the Annual Allowance tax charge on your self-assessment tax return by 31 January 2025.

Government guidance on the Annual Allowance tax charge can be found on the government's website at: www.gov.uk/tax-on-your-private-pension/annual-allowance

Have you registered to use our secure member login area?

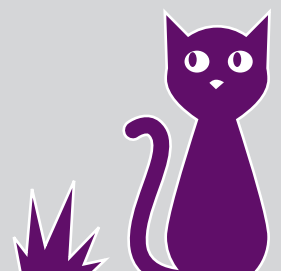
Our website has a secure login area for all members of the Scheme. If you're currently paying in, or you have a deferred pension in the Scheme, you can log in to the secure member area to:

- Find out the current value of your pension
- View your contributions if you're currently paying in
- Get an idea of how much you could receive at retirement age

If you're receiving a pension from us, you can log into the secure member area to:

- Update your contact details
- View your payslips and P60s

If you've not yet registered to use the secure login area of the website, you will need an activation code to register for the first time which can be obtained by contacting us on **0800 090 2267 (+44 (0)20 7636 8111** if you're calling from outside the UK) or by emailing DCPensionAdmin@abfoods.com.



IMPORTANT INFORMATION



We would like to remind you of some important information and where to find additional guidance should you need it.

Chairman's Statement and the Statement of Investment Principles

The DC Chairman's Statement and the Statement of Investment Principles (SIP) set out the Trustee's policies in relation to the default investment fund offered by the Scheme, their objectives in providing the full range of funds available and the charges that apply. You can read or download the SIP on our website at www.abfpensions.com/dc/sip and the DC Chairman's Statement at www.abfpensions.com/dc/chairsstatement.

MoneyHelper

You can get free and impartial guidance on money, savings and pensions from the MoneyHelper service: www.moneyhelper.org.uk.

Pension Wise

If you are over the age of 50, and you have a Defined Contribution pension, Pension Wise, a Government service from MoneyHelper, offers free and impartial guidance about your retirement options. Visit their website to find out more at: www.moneyhelper.org.uk/pension-wise.

Pension scams

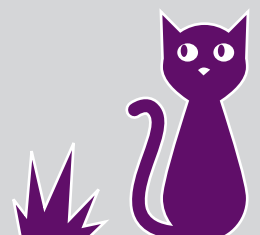
According to Action Fraud, pension savers lost a total of £17,750,653 to pension scams in 2023. You may think it could never happen to you, but pension scams are hard to spot which is why the scammers are often successful. Protect yourself and your pension by getting to know the key warning signs of a scam. Take the FCA's quiz to find out how ScamSmart you are: www.fca.org.uk/consumers/take-our-pensions-scam-quiz.

Find out more about how you can avoid pension scams and download a scam warning leaflet on our website at: www.abfpensions.com/dc/scams.

Making sure we can keep in touch with you

The Scheme provides all communications to members electronically, with documents such as joiner packs and annual benefit statements available via your secure online account with an email then sent to let you know that a new document is available. We want to ensure we can continue to communicate with you by email so you receive notifications promptly. However, when a member leaves we often don't hold a personal email address for them, which means we can no longer communicate with them by email.

Once you are logged in to your online account, you can provide up to two email addresses, so we strongly recommend you provide both a work and personal email address if you have both. You can change your registered email address at any time by logging in to your secure online account. You will need to verify your email address during the process, so you'll need to make sure you have access to your email account when you do this. You can also call to update us if your email address has changed. If you are an active member who has their work email address recorded as their registered email address, you can change this at any time through your online account. For example, you may wish to change it to your personal email so you receive emails from us regardless of whether or not you are at work.



THE FINANCIALS

Membership

On 5 April 2024, there were:

23,941
Active members

39,530
Deferred members



Income and expenditure

This table shows the breakdown of income and expenditure for the year to 5 April 2024:

Members' contributions	£35,897,000
Members' Additional Voluntary Contributions (AVCs)	£4,210,000
Employers' contributions	£20,377,000
Members' individual transfers in	£2,113,000
Net returns on investments	£127,452,000
Total income	£190,049,000
Retirement and death benefits	£12,305,000
Refunds to leavers	£20,000
Payroll refunds for Eligible Jobholder Opt Outs	£92,000
Members' individual transfers out	£28,467,000
Taxation where Lifetime or Annual Allowances exceeded	£153,000
Transfers of pension on divorce	£478,000
Total expenditure	£41,515,000

Focus on contributions

The great thing about saving with the ABF Scheme is that when you pay money in, so does the Company – meaning you get even more out of what you put in.

One in five active DC members have chosen to pay more than the minimum level of contributions. This means both they and the Company are contributing more into their pension accounts each year!

The added benefit of paying more is you receive tax relief on any contribution you make* – so paying more doesn't really cost as much as you think. For example, for someone paying 20% tax, a £50 contribution would only cost them £40.

*Contributions that exceed your personal Annual Allowance will not attract any tax relief.

If you are already paying the maximum percentage rate of contributions, you can pay more through Additional Voluntary Contributions (AVCs). They're truly flexible, and you can stop, start or vary your payments whenever you like. You do however need to be aware the Employer does not match any AVCs and there are limits on tax efficient savings – information regarding the Annual Allowance can be found on the website at www.abfpensions.com/dc/taxation.

You can download the form to change your contributions on the website: www.abfpensions.com/dc.



All together, better

Investing

The Target Date Funds

The Trustees have selected Target Date Funds (provided by the Investment Manager AllianceBernstein) as the default investment arrangement for the Scheme. The Target Date Funds continue to meet their objective of providing excellent performance with a risk managed approach. Over 99% of members have chosen to remain in the Target Date Funds.

The performance of the funds during the period from 30 September 2012 (the Funds' inception date) to 31 March 2024 (the month end nearest to 5 April 2024) is summarised below. Target Date Fund investments do rise and fall in value in the short term, which is particularly common for long-term investments like the Target Date Funds.

The performance for each Target Date Fund reflects the blend of investments that are appropriate given the length of time a member has before their retirement (by default targeting their retirement at age 65, unless they have selected a different age at which to retire). Younger members are invested in higher risk investments which have the potential to earn higher returns but are likely to have higher volatility. Members closer to retirement are invested in a blend of investments that should deliver a steadier return with less volatility to the value of the fund.

Members getting close to retirement

Target Date Fund	Return %
2011 - 2013	3.83
2014 - 2016	4.24
2017 - 2019	5.02
2020 - 2022	5.69
2023 - 2025	6.32
2026 - 2028	7.05
2029 - 2031	7.50

Members in the mid-life phase

Target Date Fund	Return %
2032 - 2034	8.03
2035 - 2037	8.59
2038 - 2040	9.16
2041 - 2043	9.81
2044 - 2046	10.04
2047 - 2049	10.06
2050 - 2052	10.05

Younger members

Target Date Fund	Return %
2053 - 2055	10.05
2056 - 2058	10.05
2059 - 2061	10.05
2062 - 2064	10.05
2065 - 2067	10.12
2068 - 2070	9.18
2071 - 2073	9.28

You can find fund factsheets, which include information on the performance of all the funds, on our website: www.abfpensions.com/dc/investments.

It is important to review your chosen investments on a regular basis to ensure your investment decision is still right for you.

LOOKING AFTER YOUR SCHEME

Trustee	Associated British Foods Pension Trustees Limited
Company Appointed Trustee Directors	James West (Independent Chairman), John Bason (resigned 28 April 2023), Giles Haig, Paul Lister, Philippa Nibbs (resigned 30 April 2024), James Rushton (appointed 18 May 2023)
Member Nominated Trustee Directors	Sarah Giffen, Paul Longley, Trevor Smith, Jonathan Willis (resigned 30 April 2024)
Secretary to Trustee and Group Pensions Director	Colin Hately
Investment Platform Provider	Mobius Life
Target Date Fund Investment Provider	AllianceBernstein
Actuary	James Bourne, Mercer Ltd (until 31 January 2024) Sam Eida, Mercer Ltd (from 1 February 2024)
Administrator	ABF Group Pensions Department
Auditor	Ernst and Young LLP
Banker	Bank of Scotland
Investment and Benefit Consultants	Mercer Ltd
Solicitor	Travers Smith

