

# SUMMARY FUNDING STATEMENT



MASSEY FERGUSON

Each year, the administrator issues a Summary Funding Statement to update members on the financial situation of the Scheme. It tells you if there are enough assets to cover future payouts (this is called the funding position). It also explains why the funding position might have changed.

Every three years, the Scheme's Actuary performs a detailed financial check, known as a full valuation, to determine the funding position. This can take up to 15 months to complete. In the years between valuations, the Actuary makes an estimate of the funding position. By law, the Trustees must share this information with members in a Summary Funding Statement like this one. The next full valuation will be completed by 31 December 2027.

**Please note, the funding position of the Scheme doesn't affect your pension.** Your benefits are based on your length of pensionable service and your pensionable pay; **there is no direct link between the level of contributions paid and the benefits members receive.**

## Funding Position

The last Summary Funding Statement reported the estimated funding position of the Scheme as at 30 September 2022, based on the results of the formal valuation in 2020. This Summary Funding Statement includes the results of the latest formal valuation as at 30 September 2023.

The table shows the Scheme's position as at 30 September (the latest formal valuation) and the update previously provided.

	2022	2023
The Scheme had assets of	£373M	£361M
The amount the Scheme needed to provide benefits was	£379M	£340M
This gave a funding surplus/ (shortfall) of	(£6M)	£21M
This is the same as a funding level of	98%	106%

## Key terms:

- **Surplus:** This means there are more than enough assets to meet future pension payments. No additional contributions are needed from the employer.
- **Shortfall:** This means there aren't enough assets to cover all future pension payments on time. In this case, the employer must work with the Trustee to create a "recovery plan" to gradually increase the Scheme's assets, ensuring there is enough money to pay future pensions.

## Valuation agreement

Following the 30 September 2023 valuation, as the Scheme is in surplus it has been agreed that the Company will not be required to make any contributions until at least the conclusion of the 30 September 2026 valuation.

The Company has stopped paying contributions towards the cost of benefits currently being earned by employee members. Employee members still contribute 5.5% of their Pensionable Earnings. The Company has also stopped paying contributions towards the ongoing expenses associated with running the Scheme. This position will be reviewed as part of the 2026 valuation.

The Trustee continues to benefit from a guarantee with AGCO Corp.

## Change in funding position

### 30 September 2022 to 30 September 2023

The Scheme went from a shortfall of £6 million to a surplus of £21 million over the year. The improvement in funding position over the year was due to favourable financial conditions resulting in a lower value being placed on the Scheme's liabilities. As the Scheme's assets are largely invested in a way to move in line with the Scheme's liabilities, the Scheme's assets also fell over this period, but not by as much as the liabilities. Contributions received from the Company over the period also contributed towards the improved funding position.

## Estimated solvency position

The Trustee is required to include an estimate of the amount that would be needed to secure members' benefits with an insurance company if the Company were to decide to discontinue the Scheme.

The amount needed to ensure benefits could be paid in full was estimated to be £340 million at 30 September 2023, resulting in a surplus of £21 million.

## Confirmation that no payment has been made to the Company out of Scheme funds

The Trustee is also required to inform members of any payments that have been made to the Company out of Scheme funds. No such payments have been made since the last Funding Statement.

## Further information

The Pensions Regulator is the UK watchdog of workplace pension schemes. It has the authority to change the way occupational pension schemes are run, although it has not needed to use its powers in this way for our Scheme.

If you have any questions or would like more information, please write to The Pensions Regulator, PO Box 343, Runcorn, WA7 9EG.