



Towers Perrin (UK) Retirement Plan (the “Plan”) Update from the Trustee of the Plan

The Trustee of the Plan has prepared this update primarily to provide you with the latest financial position of the Plan following the completion of the triennial valuation as at 1 January 2024 and subsequent annual interim funding check as at 1 January 2025.

The Trustee is made up of a Board of three Trustee Directors and you can read about the changes to the Board on page 3. The Trustee also wanted to take this opportunity to provide you with some other updates and topical news. If you have any comments or suggestions for future communications, please get in touch. The Plan’s contact details are included on page 5.

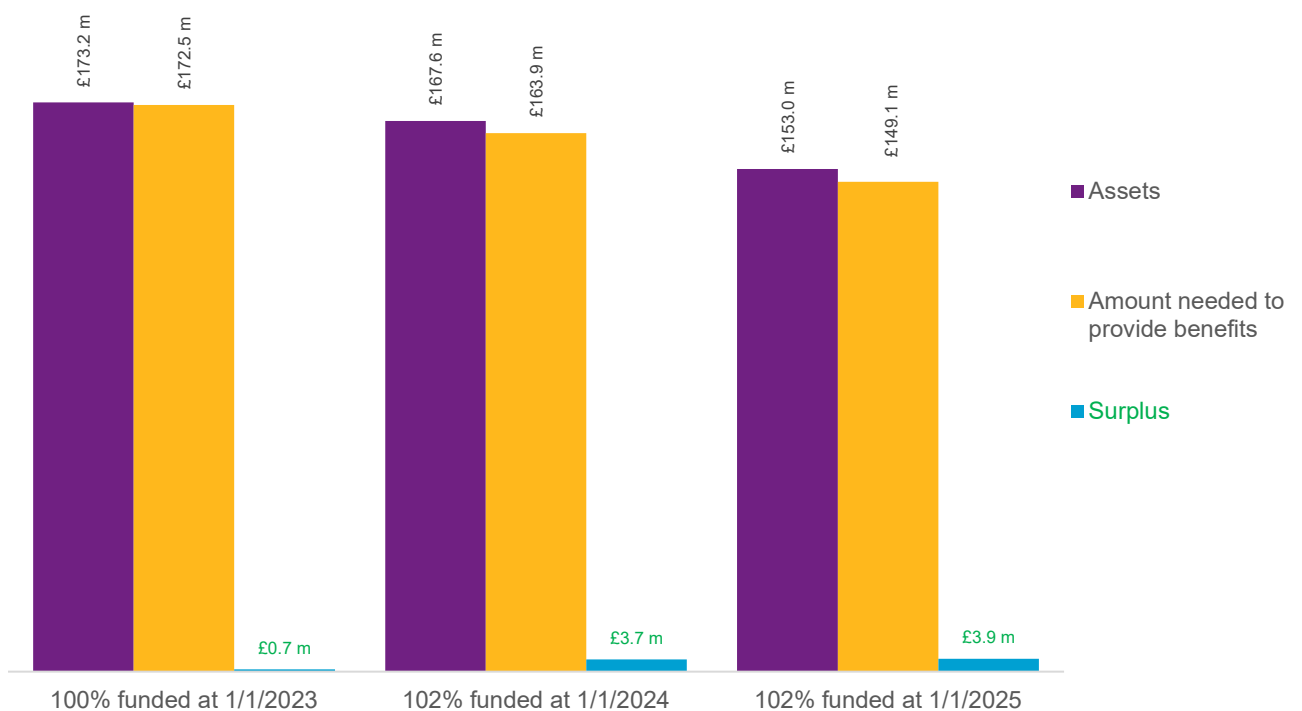
More information about the Plan is included on the following website www.Yourwtwretirement.com.

Financial update

The Plan’s funding level is checked regularly to monitor the effect of changes in the value of the Plan’s assets, expectations for future investment returns and inflation as well as estimated life expectancy.

The most recent full funding check of the Plan was the actuarial valuation carried out at 1 January 2024. The next formal valuation of the Plan is expected to be carried out as at 1 January 2027.

Funding is also checked annually, with the last interim check being carried out as at 1 January 2025. These interim checks use assumptions consistent with the most recent full valuation. The bar chart below shows how the funding position has developed since the interim funding check performed as at 1 January 2023.





Commentary on the change in funding position

The previous statement of the Plan's financial health setting out the position as at 1 January 2023 reported an estimated funding surplus of £0.7 million. At the actuarial valuation at 1 January 2024, the Plan surplus disclosed was £3.7 million and at 1 January 2025, the Plan's estimated funding surplus was £3.9 million.

The main reason for the improvement in the Plan's funding position between 1 January 2023 and 1 January 2025 was a change in market conditions which led to an increase in the assumed discount rates and served to reduce the amount needed to provide the benefits and more than offset a small increase in the assumed inflation expectations and a fall in the Plan assets over the period.

Recovery Plan and Company Guarantee

The actuarial valuation of the Plan as at 1 January 2024 revealed a small surplus and so there is no Recovery Plan (i.e. a formal agreement between the Trustee and the Company to improve the funding level to meet the agreed statutory funding objective). Based on this funding position, the Trustee and Company agreed that no further Company contributions are required at this time.

The Trustee and Company recognise that there is likely to be short-term volatility between the value of the assets and the amount needed to provide the benefits. Annual updates will not normally lead to changes in the required contributions set at the previous actuarial valuation unless agreed by the Trustee and Company.

Towers Watson Limited is responsible for funding the Towers Perrin (UK) Retirement Plan. As a part of the 2012 valuation, Towers Watson & Co (the ultimate owner of Towers Watson Limited at that time) provided a formal PPF-compliant guarantee to the Trustee to meet in full the section 75 debt liabilities. Following the merger between Willis and Towers Watson, the PPF-compliant guarantee is now provided by Willis Towers Watson Plc. There are no current concerns that Towers Watson Limited will not continue to meet its obligations to the Plan, but this guarantee provides greater security to members should the position ever change.

Position if the Plan were to be wound up and other information

The latest actuarial valuation of the Plan at 1 January 2024 showed that if the Plan had been wound up at that date and the benefits secured with an insurance company, the value of the Plan's assets was estimated to have been around 98% of the amount needed to secure the benefits earned to that date. On this basis, additional assets of some £4 million would have been required at that date to secure members' benefits in full with an insurance company.

The Trustee is required by law to provide you with information on the Plan's solvency position. It does not imply that there is any intention to wind up the Plan on the part of either the Company or the Trustee.

The Trustee can also confirm, as required by law, that there has not been any payment to the Company out of the Plan's funds in the last 24 months and that the Plan has not been modified or any directions or schedule of contributions imposed on the Plan by The Pensions Regulator.



Changes to the Trustee Board

The Trustee recently wrote to members regarding a vacancy on the Trustee Board for a Member Nominated Director (MND). Following a nomination and selection exercise, the Trustee is pleased to announce the appointment of Edwin Sheaf with effect from 19 March 2025 for a term of four years. The Trustee would like to take this opportunity to thank all those that put themselves forward for the role. It was encouraging to have such a high standard of candidates.

The appointment of Edwin means that Joe Smith (who was appointed as an Employer Nominated Director (END) with effect from 14 March 2024) has stepped down as Trustee Director with effect from 19 March 2025.

The current Trustee Directors are Richard Gunton (Chair and END), Sophie Tennison (END) and Edwin Sheaf (MND).

A reminder to cash balance members to check your options at retirement

If you are entitled to cash balance benefits (i.e. you are not an ex-Clayton member or an ex Towers Perrin pension member) and you are over your Normal Pension Date (NPD), namely the 1st of January nearest to your 60th birthday, have you made a conscious decision not to claim your benefits?

Your cash balance benefit increases at a different rate after NPD compared with the guaranteed 5% per annum increases before NPD. If you are unsure of your entitlement, it might be worth requesting a retirement quotation and seeking independent financial advice in relation to the options available to you.

Electronic communications

Wherever possible, the Plan Administrators will contact you by email. If you'd like to update any of your contact details (including your email address) or refresh your Expression of Wish form, please contact the Plan as shown on page 5. Your Expression of Wish form is a means by which you can indicate your preference as to who should receive any lump sum death benefits payable on your death. Such benefits are paid at the discretion of the Trustee.

Guaranteed Minimum Pension (GMP) Equalisation – Ex-Clayton members only

If you were a member of the predecessor Clayton Retirement and Death Benefits Plan before 5 April 1997 you would have been contracted-out of the State Earnings Related Pension Scheme (SERPS). The GMP is the minimum level of pension which must be provided to be at least broadly equal to the amount that you would otherwise have received under the State scheme if you had not contracted out. Your GMP forms part of your Plan pension.

In October 2018, the court judgment on the Lloyds GMP equalisation case was handed down and the wider pensions industry is taking action to amend their schemes to equalise for the effect of GMPs between men and women. The original GMP amounts were calculated differently for men and women – in particular, GMPs are payable at age 60 for women and age 65 for men. Whilst the State Pension Age is now aligned for men and women, no changes were made to the GMP Age.

On 20 November 2020, a second court judgment with regards to the Lloyds case was handed down. As a result, it is expected that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation.



The Trustee continues to work on the implications for the Plan, but any increases to benefits are likely to be modest.

If you are impacted, the Trustee will be in touch.

Changes to the Normal Minimum Pension Age (NMPA)

From 6 April 2028 the UK's NMPA is rising from 55 to 57. This means that, generally, anyone born on or after 6 April 1973 will now have to wait until age 57 to access their pension fund. There is a special window for those born between 6 April 1971 and 5 April 1973 where they can claim benefits from age 55 onwards as long as they are taken on or before 5 April 2028.

Abolition of the Lifetime Allowance

On 6 April 2024, the Lifetime Allowance (LTA) was officially abolished. Previously, the LTA was the total amount of pension benefits you could build up in your lifetime without incurring additional tax charges.

In place of the LTA, the government introduced three new tax allowances to regulate the amount you and your beneficiaries can withdraw as tax-free lump sums:

1. Lump Sum Allowance (LSA)

The maximum tax-free amount you can withdraw has remained at 25% of the value of your benefits. However, this is now capped at £268,275 unless you have HMRC protections.

2. Lump Sum and Death Benefits Allowance (LSDBA)

The total amount you can withdraw as tax-free lump sums in your lifetime, and by your beneficiaries after your death, is limited to £1,073,100. This may be higher if you have HMRC protections.

3. Overseas Transfer Allowance (OTA)

If you are living overseas or plan to move abroad, you have the option to transfer your pension savings to a Qualifying Recognised Overseas Pension Scheme (QROPS). A QROPS is an overseas pension scheme, regarded by HMRC as eligible for a transfer from UK-registered pension schemes. The total amount you can transfer tax-free to a QROPS is limited to £1,073,100. This may be higher if you have HMRC protections.

Changes to Inheritance Tax

In the Autumn 2024 budget, the Chancellor announced that pensions will be subject to Inheritance Tax from April 2027, although it is expected that the majority of estates will fall below the threshold. We are still awaiting details from the Government as to how this will work in practice.



Stay alert to pension scams

Pension scams continue to make headlines, and whilst unsolicited emails and calls remain prevalent, the use of social media to deceive people has significantly increased. Stay alert and avoid being rushed into quick decisions. Legitimate businesses will allow you time to make an informed decision.

To help identify the warning signs of a potential scam, please visit the Financial Conduct Authority's Scam Smart website via: www.fca.org.uk/consumers/pension-scams. You can also use the [ScamSmart](#) website to check an investment or pensions opportunity you have been offered to identify whether it is a scam or not.

Launch of a new member website – coming soon

Over the coming months the Trustee is launching a new member website. This will be rolled out initially to pensioner members and then to deferred members of the Plan in due course. You'll be able to access Plan information and log in to your personal area to view your benefits and update your personal details. Look out for the upcoming announcements and registration instructions.

Contacts and useful information

More details about the Towers Perrin (UK) Retirement Plan are available from the Secretary to the Trustee. All members can request details by contacting the Plan (see below). In particular, you can request copies of certain Plan documents, including the recent actuarial valuation reports mentioned earlier.

If you have a question about your benefit or would like a copy of any Plan documents, please send an email to ltppensions@wtwco.com.

Or telephone the Plan helpline on **01737 235 274 (Option 2)** (Open Monday to Friday 9am to 5pm).

Alternatively you can write to:

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