



ISSUE 41 | JULY 2025

PensionNews

The Newsletter for Members
of the ITB Pension Funds



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Your Trustee Board

The ITB Pension Funds is managed by a Board of 14 Trustee Directors. 7 are nominated by employers and 7 are nominated by members.

In April, Joanna Woolf was elected by the Board as a new Chair of the Trustee. She succeeds Newell McGuinness who had been Chair since April 2017. All the Trustee Directors thanked Newell sincerely for his service as Chair for eight years and wished Joanna future success in the role. Newell will stay on the Board as the Trustee Director nominated by SECTT.

In June, Maurice Alston resigned as Closed Fund Pensioner Nominated Trustee Director, and all the members of the Closed Fund have been written to requesting nominations for Maurice's successor. It's planned that a new Closed Fund Pensioner Nominated Trustee Director will be appointed at the 3 October 2025 Trustee Board meeting. There have been no other changes in Trustee Directors since the previous Members Newsletter in December 2024.

Chair's Message

Dear Members,

I succeeded Newell McGuinness as Chair of the ITB Pension Funds in April this year after serving as an Employer Trustee since 2020. Newell, with the support of our fellow Trustees and the excellent work over many years by the Funds Staff have enabled us to achieve a situation where all the Defined Benefit pensions have been fully 'bought-in' through insurance contracts, providing the best security possible for all the Defined Benefit members. This along with the fact that the March 2024 valuations of both the Open and Closed Funds showed a surplus allows us to begin making plans to move forward with winding-up the ITB Pension Funds.

To enable the ultimate wind-up, the Defined Contribution Section will transfer to the L&G Mastertrust on 22 August 2025, and I am pleased to report that the activity to enable this is progressing extremely well.

I see my role as ensuring that these final steps are taken carefully, in the best interests of the members, ensuring security of benefits with the ultimate goal of scheme wind-up. I am mindful that there is a very high level of activity at present associated with the required changes which is likely to continue for the next 18 months or so. The Trustees have stepped up communication activity, of which this newsletter is an example, to do all we can to ensure members are fully informed of what this means for you as we progress the buy-out and ultimate scheme wind up.

Joanna Woolf

Chair ITB Pension Funds



Transfer of the Open Fund Defined Contribution (DC) Section

DC members were sent a notice in February 2025 about the transfer of the Open Fund DC Section and the options available. All participating employers accepted the L&G Mastertrust as the scheme to transfer to, supporting the decision of the Trustee.

Therefore, your DC pension pot will be transferred to the L&G Mastertrust on 22 August 2025, and contributions from August 2025 will be made by your employer to the L&G Mastertrust. One advantage of choosing the L&G Mastertrust is that you will keep the same internet account login details and account number, so the transition from ITB Pension Funds to L&G Mastertrust will appear seamless.

Action Required: You will have received a letter from L&G in June about selecting funds in the L&G Mastertrust, and you will need to respond to L&G by 29 July 2025 to ensure any selection you make is implemented. You can do this by logging into your online L&G account to view the new fund options and picking the funds you'd like to invest in. If you don't make a selection and you are invested in funds not available in the L&G Mastertrust, your pot will be invested in the appropriate default fund called the Target Date Fund. If you are invested in the ITB Pension Fund default fund and wish to remain in the default fund in the L&G Mastertrust then you do not need to take any action. Further information about the process for selecting funds is set out in L&G's letter.

If you're not yet registered for an online account please use the 'Your account information' link for L&G at the end of this newsletter to register or, if you do not have access to the internet, please call or write to L&G using the contact details in the L&G letter.

The notice sent in February 2025 named the default fund the L&G "Lifetime Fund". However, L&G has now decided to name the default fund "Target Date Fund". There is no change in the fund itself – only the name.

In fact, the Target Date Fund is a range of funds, each of which invests in funds designed to be appropriate for members at and in retirement, depending on their selected retirement date.

Your funds will be switched to the new funds (either the default Target Date Fund or the funds you select) within the ITB Pension Funds, shortly before the transfer is made to L&G Mastertrust. L&G will pay the costs of selling the old funds and buying the new, so your funds are not impacted by the costs of the switch at all. This process means that on the transfer date L&G reassign members funds from the ITB Pension Funds to L&G Mastertrust without any buying or selling.

Important dates in the transfer process:

23 June

L&G will have sent you a letter setting out options for making investment choices

29 July

You must reply to L&G if you want to make investment choices.

29 July to 6 August

You can't make further investment choices while L&G switches members funds into the new funds

4 August

L&G switches existing funds into the new default Target Date Fund or funds you have selected

22 August

Funds are transferred to L&G Mastertrust

27 August

L&G Mastertrust will issue a welcome letter to you



Update on the Open Fund Defined Benefit Section

You will recall that the Open Fund Defined Benefit Section had been fully “bought-in” through insurance contracts known as “buy-ins” under policies with Just Retirement (Just) and Pension Insurance Corporation (PIC). Also, that the Trustee expects to ask Just and PIC to set up individual pension arrangements (or “annuities”) in respect of each DB member’s pension and so members pensions will be paid by either Just or PIC in future.

The Trustee is now progressing the actions necessary before such a transfer to Just and PIC can take place. For example, some members will already have been contacted about the pension industry-wide requirement to equalise pension benefits for men and women to account for differences in guaranteed minimum pensions. This work needs to be completed before transfers to Just and PIC can happen. We currently expect all these actions to be completed by early to mid-2026, when the transfers to Just and PIC will take place.

Once this work is complete and transfers to Just and PIC are made, it will be these insurance companies who will be responsible for looking after the Open Fund DB members’ pension benefits. The Trustee will keep you informed well in advance of the transfer.

Changes – How am I affected?

To help you understand what the changes mean for you a series of profiles have been produced to explain the impact. It may be that more than one profile applies to you – e.g. you may be an Active DC Member and an Open DB Fund Deferred Member, so please take note of the relevant profiles.

Progress has been made since these profiles were introduced in the December 2024 Newsletter so some of the wording has changed.

I am an Active DC Member

My DC pension pot will be transferred to the L&G Mastertrust on 22 August 2025. After the transfer my pot and future contributions will be managed by L&G Mastertrust. I will keep the same internet account login details and account number, so the transition from ITB Pension Funds to L&G Mastertrust should appear seamless. Once my pot is transferred, if I have queries about my DC pension I will ask L&G Mastertrust or my employer's HR Department.





I am a Deferred DC Member

My DC pension pot will be transferred into the L&G Mastertrust on 22 August 2025.

After the transfer my pot will be managed by L&G Mastertrust. I will keep the same internet account login details and account number, so the transition from ITB Pension Funds to L&G Mastertrust should appear seamless. Once my pot is transferred, if I have queries about my DC pension I will ask L&G Mastertrust.

I can transfer my pot to a different pension arrangement after the transfer to L&G Mastertrust.

I am an Open DB Fund Pensioner or Dependant

I will receive my pension from either Just Retirement or Pension Insurance Corporation following the transfer of the DB Section. The date that this will happen is not yet decided but is likely to depend on which company my pension transfers to, perhaps early in 2026 if transferred to Just Retirement and mid-2026 if transferred to Pension Insurance Corporation. I will be told in good time the exact date and to which company I am transferring to. After the transfer, if I have queries about my pension I will ask Just Retirement or Pension Insurance Corporation.

At this time there is no change to your pension arrangement.



I am an Open DB Fund Deferred Member

The administration of my deferred pension from the Open Fund will be transferred to Just Retirement. The date that this will happen is not yet decided but is likely to be in early-2026. I will be told the exact date in good time. After the transfer, if I have queries about my pension I will ask Just Retirement.

At this time there is no change to your pension arrangement.



I am a Closed Fund Pensioner or Dependant

I will receive my pension from Pension Insurance Corporation following the transfer date. The date that this will happen is not yet decided but is likely to be mid-2026. I will be told the exact date of transfer in good time. After the transfer, if I have queries about my pension I will ask Pension Insurance Corporation.

At this time there is no change to your pension arrangement



Open Fund Defined Contribution Fund Update

Information about your own account can be viewed on the L&G My Account website www.legalandgeneral.com/existing-customers/my-account-login. L&G has now launched an improved App simply called “Legal & General”. If you have not yet registered for this website and App you are very much encouraged to do so, as they contain an up-to-date valuation of your pension pot and lots of information about your investments and options.

Recent performance of the main DC funds is shown in the table below. You can look up your own fund performance on the L&G website using the link above or installing the Legal & General App. The Default Fund growth phase performance is shown as 92% of members making contributions are invested in this fund. The growth phase is the way the fund is invested if you are 15 or more years from retirement. If you are nearer retirement the Default Fund automatically switches investments to progressively lower risk funds from 15 years before retirement to help lock in earlier returns.

If you are not in the default, your funds will not automatically switch investments to progressively

lower risk funds from 15 years before retirement, you will need to manage this yourself.

DC Fund Performance to 31 March 2025	1 Year	5 (3*) Years (pa)
Default Fund growth phase	5.5	11.6
Equity Fund (Unhedged)	4.7	7.0*
Equity Fund (Hedged)	7.4	7.0*
Future World Multi Asset Fund	3.8	6.1

*As we changed to a new equity fund in July 2021 the long-term performance for equity is 3 years.

The periods to March 2025 saw continued positive performance and over a longer period of time returns remain good. The table shows that, on average, members in the growth phase of the Default Fund have received 11.6% return each year for the last five years. Members who have selected the equity funds and the multi asset fund have also received a good return – 7% and 6.1% each year for the last five years.

The Trustee reminds DC members that the level of contributions is a key factor in determining the overall size of your pension fund and that investing in a pension is a long-term undertaking – the more you put in the more you should get out.

You can consider paying extra contributions – called Additional Voluntary Contributions (AVCs) – into your DC pension by contacting your employer's payroll department, or your employer's flexible benefits portal. Depending on your employer's arrangement, you may be able to increase your contributions at any time of the year.

When logged into the L&G My Account website, or using the L&G App, there is a retirement planning tool available to help you plan for retirement and you can lodge or update your nomination form – where you nominate who receives your pension lump sum on your death.

My Account also incorporates the Pension and Lifetime Savings Association's Retirement Living Standards, that illustrate how much you may need to live on in retirement assuming different levels of living standard. These can get you thinking about if your current pension will be enough for you when you retire.

Introducing the Legal & General app

The Legal & General app puts your workplace pension in your pocket, making it easier than ever to manage your pension whenever and wherever you need to.

Scan the QR code or search 'Legal & General' in the App Store or Google Play.



PLSA's Retirement Living Standards

The Pension and Lifetime Savings Association publishes Retirement Living Standards, that have been developed to help individuals picture what kind of lifestyle they could have in retirement and the costs involved.

The Standards are summarised by cost estimates that show how much someone may spend at retirement across three different living standards – they are an estimated expenditure, not an income. The different living standards are called Minimum, Moderate and Comfortable. They assume that you own your own home with no mortgage so you may need to add or reduce other costs depending on your circumstances, such as mortgage, rent or social care costs and any income tax on your pension. Also remember, your income may be taxed, so plan for that too.

The figures are shown using two different options – a 'two-person' household for those living with another person and having joint expenditure and a 'one-person' household for those living alone

on one income. Within the spending categories, the specific breakdown of costs and how they are shared will vary from household to household.

	Annual costs for one person	Annual costs for two people
Comfortable	£44,000	£61,000
Moderate	£32,000	£44,000
Minimum	£13,000	£22,000

The PLSA's research shows that around 70% of people retire as part of a two-person household, allowing them to share living costs and reduce expenses. The PLSA says that for many people their private and State Pension (full State Pension for 2025/26 is £11,973 per year) and other savings could go a long way towards paying these outgoings. This means, two people in receipt of the full State Pension will already have enough to cover the Minimum level costs.

Go to the PLSA's Retirement Living standards website at www.retirementlivingstandards.org.uk for more information.





Closed Fund and Open Fund Defined Benefit Sections Funding Update

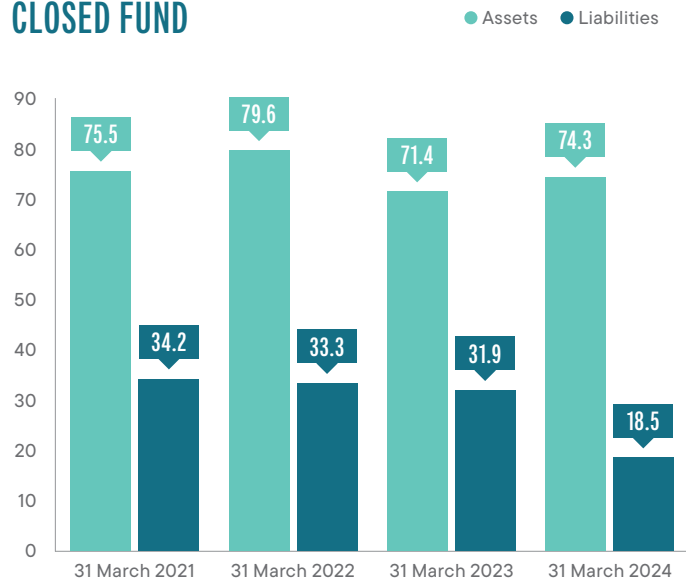
There have been recent valuations of the Closed Fund and Open Fund since the previous newsletter was issued in December 2024.

The full valuation of the Closed Fund as at 31 March 2024 showed a surplus of assets over liabilities of £56m. The liabilities are less than in March 2023 due to a reduction in reserves expenses. As part of the 2024 valuation process the Trustee decide to exercise powers in the Rules to award a discretionary increase in May 2025.

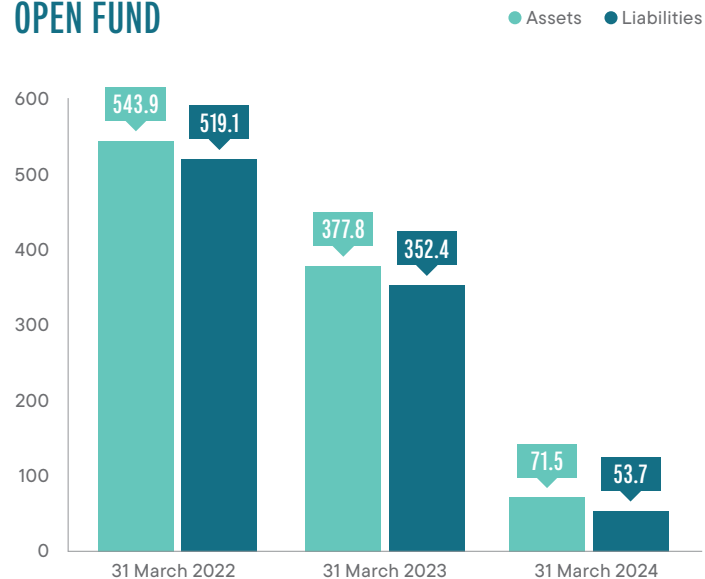
The annual update valuation of the Open Fund as at 31 March 2024 showed a surplus of £18m. The asset and liability values are lower than in March 2023, as the Fund's July 2023 buy-in assets and liabilities are not included in the valuation.

Previous annual valuations of the DB Funds showing the changes since the last full valuation are shown opposite.

CLOSED FUND



OPEN FUND



Update Us

Please use the contact details below to let us know of any changes of address or marital status.

For DC members, please remember that after 22 August 22, you will need to contact L&G to advise of changes.

Get In Touch

Please get in touch by email if you can.
If not, you can call or write to us.

✉ **Email us:** pensions@itbpen.com

☎ **Phone us:** 01923 226264

✉ **Write to us:** ITB Pension Funds,
23 King St, Watford,
Herts, WD18 0BJ

Websites and App

You can also check the information available on the websites:

For all members:

ITB Pension Funds: www.itb-online.co.uk

For DC members:

Your account information: www.legalandgeneral.com/existing-customers/my-account-login

Helpful resources:

www.legalandgeneral.com/workplace/i/itb

L&G App: “Legal & General”

L&G Mastertrust: www.legalandgeneral.com/workplace/mastertrust/

Tel: 0345 070 8686

