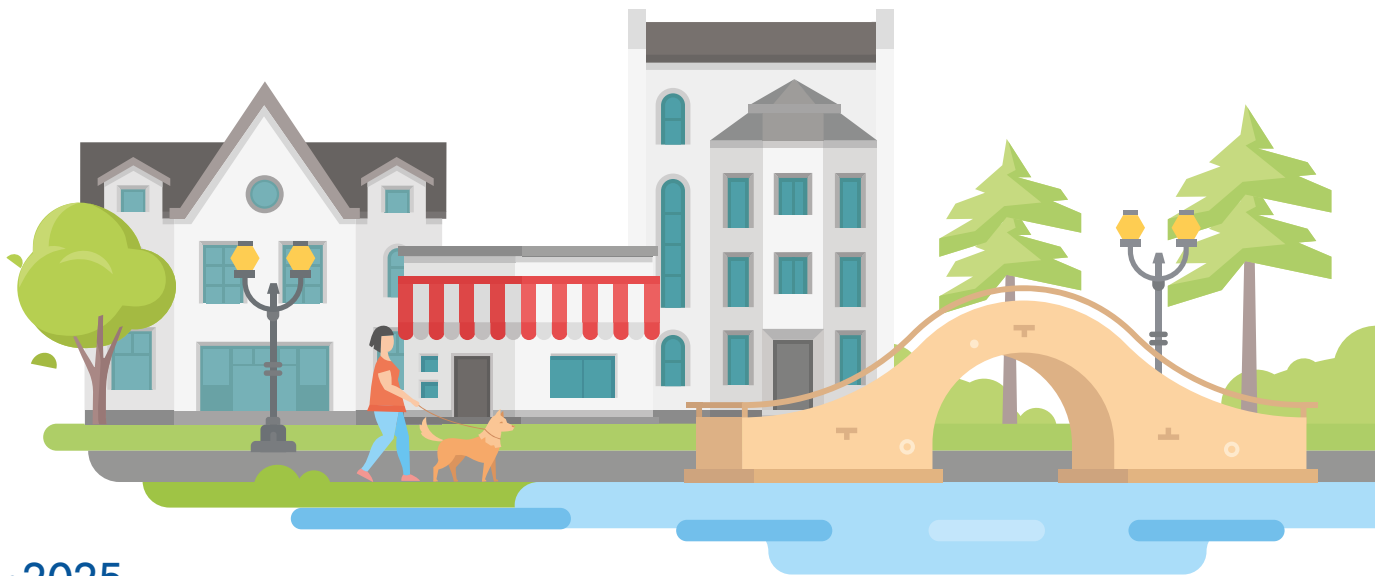


Member Update



October 2025



I'm pleased to share with you the latest *Member Update*, the newsletter for members of the Plumbing & Mechanical Services (UK) Industry Pension Scheme (the Scheme).

The Scheme celebrates its 50th anniversary this year. The Trustee is proud of the successes over the last five decades. To date, the Scheme has never required employers to pay in any additional contributions to fund a deficit and there remains a high level of confidence that all member benefits will be paid in full.

Chairman's update

The year has brought more change, and we have updated the Scheme's investment governance to try and ensure our investments are managed as effectively as possible.

Inside this Update, you'll find information about the Scheme's funding position, its accounts and how its assets are invested, along with further articles that I hope you will find helpful. For example, on page 11, we've included some useful pointers on how best to plan for retirement, and I'd encourage anyone who's not yet retired to take a look.

The team is also working on equalising Guaranteed Minimum Pensions for men and women (GMP equalisation) and has been preparing the Scheme for connecting to the Pensions Dashboards (more information on page 10).

Finally, the team is working on the new member portal, and we'll start user testing in the coming months. If you'd like to be part of this, please get in touch by emailing info@plumbingpensions.co.uk and we'll add you to the test group.

I hope this Update is useful and relevant. If you have any feedback or ideas for topics you'd like to see covered in a future issue, please get in touch using the details on the back page.

Jon Bridger

Trustee Chairman
Plumbing Pensions (UK) Ltd

A reminder: your pension

Members often tell us they find pensions difficult to understand, especially when they're receiving communications from different types of pension arrangements.

Your pension in the Plumbing Scheme is not an individual investment pot. The Scheme provides an income – a pension – that will be paid for the rest of your life in retirement. For most members, it also includes a spouse's pension if you die. The money to pay for your pension is met by the Scheme's investments, and if the investments don't cover it, then the employers are required to top up the assets by making cash contributions.

With the exception of benefits built up before April 1997, your pension receives an increase each year in line with the Scheme Rules and prevalent legislation to ensure that its value doesn't erode with time.

You can find out more about the benefits offered by the Scheme in the member guide, which is available on the Scheme's website.

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Financial health check

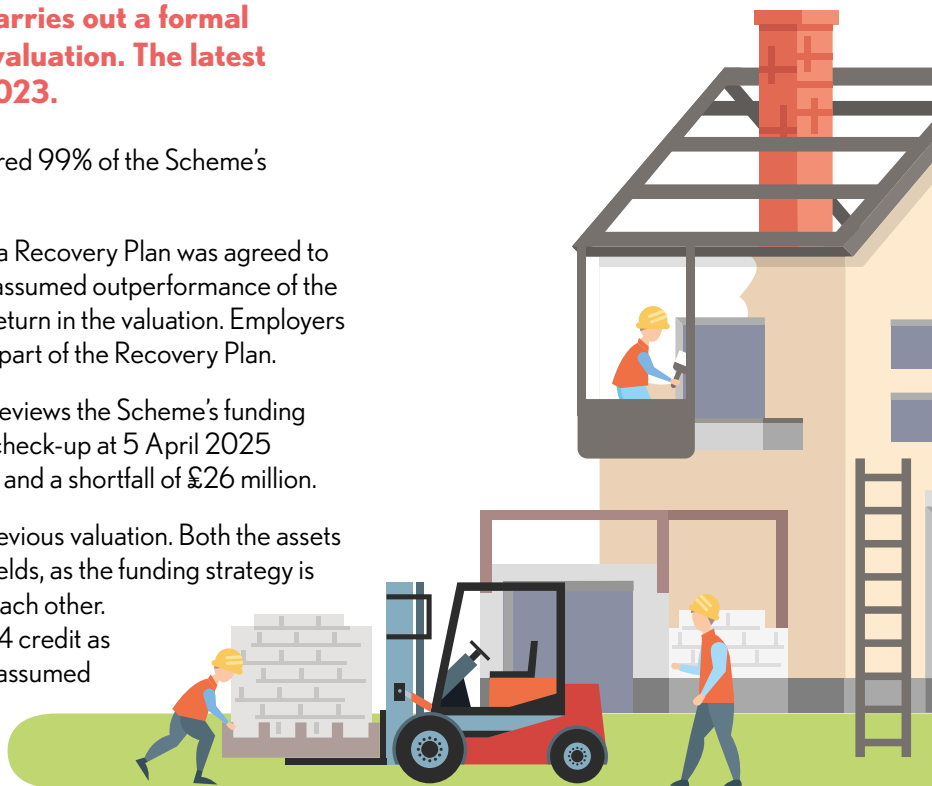
Every three years, the Scheme actuary carries out a formal financial assessment called an actuarial valuation. The latest valuation was carried out as at 5 April 2023.

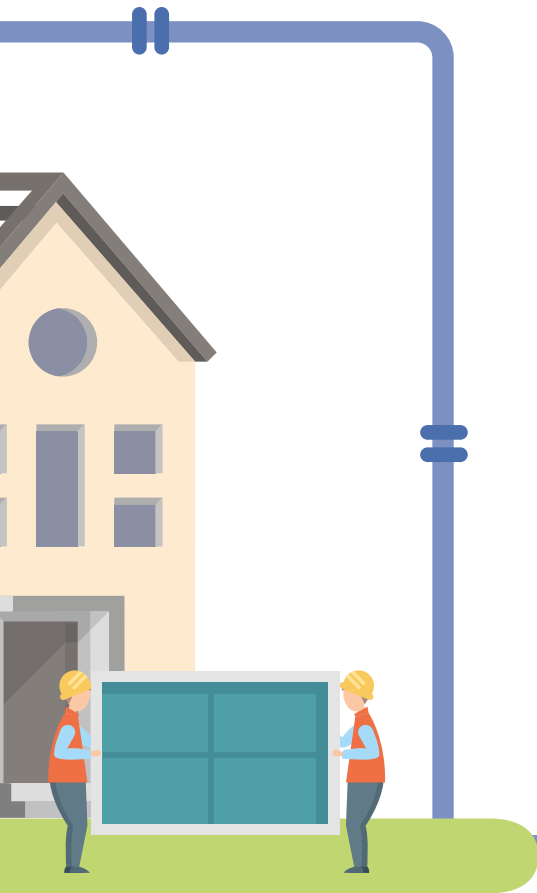
The valuation showed that the Scheme's assets covered 99% of the Scheme's liabilities, equating to a shortfall of £9 million.

The Trustee consulted the Employer Company, and a Recovery Plan was agreed to eliminate the shortfall by 5 April 2026 through the assumed outperformance of the Scheme's assets relative to the prudent investment return in the valuation. Employers do not need to pay deficit recovery contributions as part of the Recovery Plan.

In the years between formal valuations, the actuary reviews the Scheme's funding position, but these check-ups are less detailed. The check-up at 5 April 2025 showed that the Scheme had a funding level of 98% and a shortfall of £26 million.

The funding level has slightly decreased since the previous valuation. Both the assets and liabilities have fallen due to the increase in gilt yields, as the funding strategy is designed so that they will move broadly in line with each other. The pre-retirement increases to members' pre-2004 credit as required under the Scheme Rules were higher than assumed over the year, due to higher national average earnings increases.





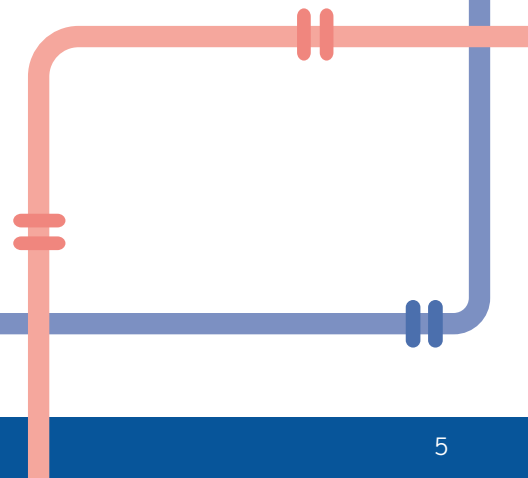
Other information

A pension scheme is a long-term arrangement. The actuary is required to look at the Scheme's financial position in the hypothetical situation that it had discontinued at 5 April 2023 and had to secure members' benefits with an insurance company. It does not imply that there is any intention to discontinue the Scheme.

On this 'solvency' basis at 5 April 2023, the assets were estimated to cover around 85% of the liabilities. This is lower than the ongoing funding level because insurers are obliged to take a very cautious view of the future and need to make a profit. By contrast, the ongoing basis assumes that the participating employers will continue to exist and support the Scheme, which can therefore adopt a less cautious investment strategy than an insurance company.

As required by law, we confirm that no changes, directions or schedule of contributions have been imposed on the Scheme by the Pensions Regulator, and that there have been no payments out of the Scheme's funds to any of the participating employers since the date of the last statement.

The Trustee will continue to monitor the Scheme's funding position, and the next formal valuation is expected in April 2026.



Summary of Scheme accounts

The information on this page is a summary of the Trustee's formal Report & Accounts for the year to 5 April.

You might notice that there is very little total income for the year. This is because members and employers stopped paying contributions when the Scheme closed in 2019. The majority of the Scheme's income now comes from investments, including a bulk annuity policy that covers most of the pensioner payroll.

The Scheme's outgoings include benefit payments of pensions, lump sums, death benefits, transfers to other schemes and payments towards the Scheme's running costs.

	£m
Fund at 5 April 2024	1,286
+ Total income for the year	3
- Total outgoings for the year	65
- Net investment losses during the year	44
Fund at 5 April 2025	1,180

Membership

As at 5 April 2025, there were 29,908 members in the Scheme.

Deferred members

2025: 15,987 2024: 16,703

Pensioners & beneficiaries

2025: 13,921 2024: 13,717

Total

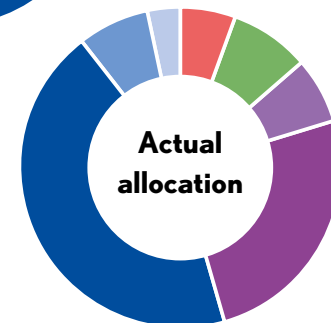
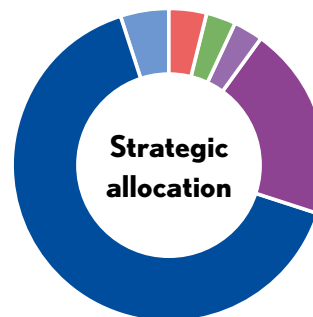
2025: 29,908 2024: 30,420

Investing the Scheme's assets

These charts show how the Scheme's assets were split between different investment types as at 5 April 2025, excluding members' additional voluntary contributions, which are held separately.

Over the year, the Scheme's assets, excluding the bulk annuity policy, achieved a return of -9.0% against a benchmark of -13.4%.

Asset class	Strategic allocation %	Actual allocation %
Public equities	4.0	5.6
Property	3.0	8.1
Illiquid assets	3.0	6.8
Credit	20.0	25.3
Liability Driven Investment (LDI)	65.0	43.9
Inflation protecting illiquid assets	5.0	7.0
Cash	-	3.3



Climate report

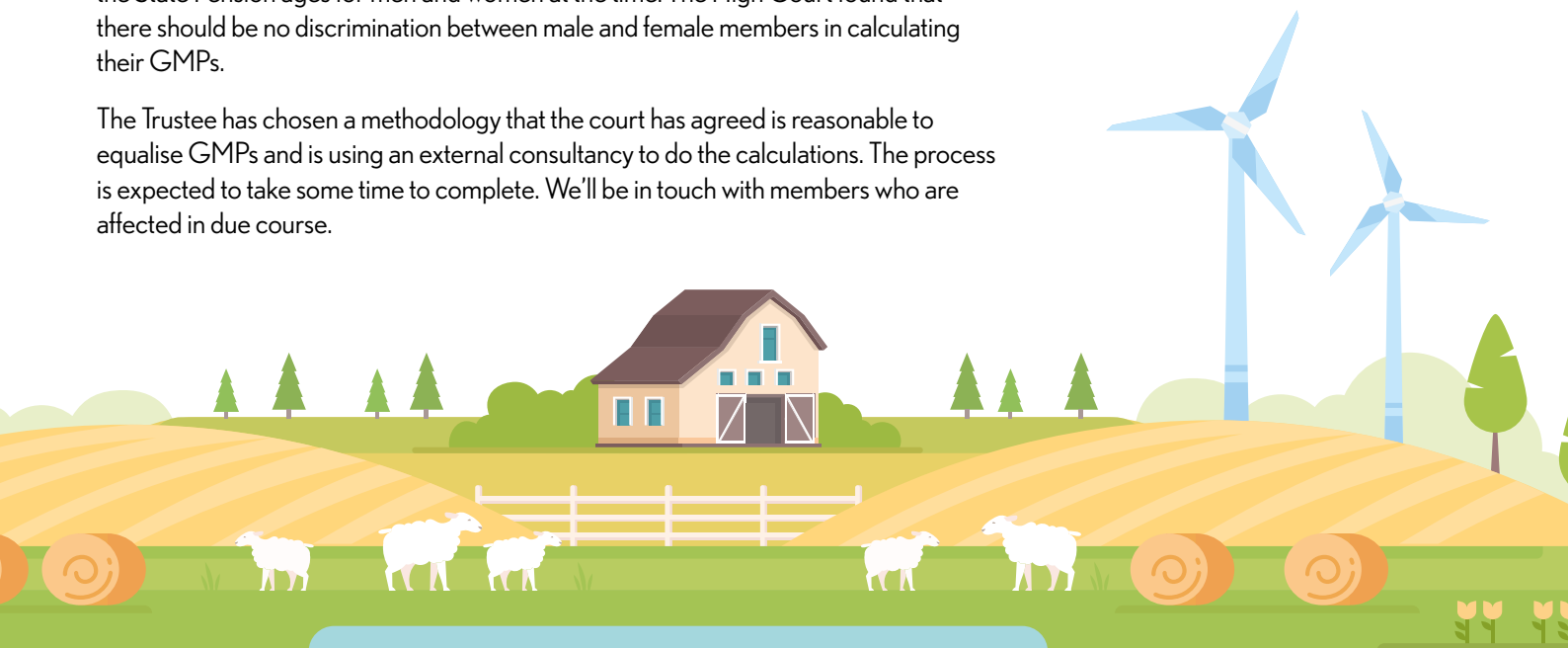
We've recently published the Trustee's third climate report, and this is available to read on the Scheme website: www.plumbingpensions.co.uk/investments

Scheme noticeboard

GMP progress

In previous editions of this Update, we told you about a High Court ruling on Guaranteed Minimum Pensions, commonly called GMPs. These GMPs were accrued at different rates for men and women and were payable at different ages, reflecting the State Pension ages for men and women at the time. The High Court found that there should be no discrimination between male and female members in calculating their GMPs.

The Trustee has chosen a methodology that the court has agreed is reasonable to equalise GMPs and is using an external consultancy to do the calculations. The process is expected to take some time to complete. We'll be in touch with members who are affected in due course.



Review your AVC investments

If you have previously paid additional voluntary contributions (AVCs), it's important to regularly review your investment choices. This ensures that you're on track to achieve the lifestyle you want when the time comes to access your retirement savings.

You can review your investments at any time through the Legal & General member website at

www.legalandgeneral.com

Celebrating 50 years of Plumbing Pensions

The Plumbing & Mechanical Services (UK) Industry Scheme celebrates its 50th anniversary this year.

The Scheme was established on 6 April 1975 by two industry trade associations, SNIPEF and APHC, with additional input and support since its formation from Unite the Union and its predecessors.

Over the last 50 years, the Scheme has provided access to high-quality, salary-related pension benefits for 58,000 individuals working in the plumbing and mechanical services sector, and over 4,500 employers have used the Scheme for their employees' workplace pension savings.

The Scheme closed to new retirement savings on 30 June 2019, owing to the changing pensions landscape increasing the cost and administrative burden of such schemes for employers. The Scheme currently has nearly 30,000 members and pays over £3m in pension benefits every month.

As we celebrate this milestone, it's a reminder of the vision behind the Scheme: to protect workers' futures and ensure they can retire with financial stability, no matter what the future holds.



Pension news

Pensions Dashboards update

Pension schemes started connecting to the new Pensions Dashboards framework from April 2025, with the largest going first.

Our Scheme's connection date is October 2025, and we'll post an update on the Scheme website once we've connected.

The Pensions Dashboards project is a government initiative to provide a single place online where you can get information about all your pension savings across all schemes, as well as track down any lost pension pots. It'll go through a period of testing now before it's launched to the public; this probably won't happen before 2027.

In the meantime, if you think you may have lost a pension pot, the Pension Tracing Service is a free government service on hand to help. You can phone the service directly on 0800 731 0175 or search 'pension tracing' on the **GOV.uk** website.

Beware of pension scams

There are many different ways that criminals may try to steal your pension, and these types of scams could mean you lose some, or even all, of your pension. If you're approached by a potential scammer, it's important that you:

-  **Stay calm:** if you get calls offering early access to your pension, don't feel rushed or pressured to respond.
-  **Don't commit:** always seek advice before making decisions.
-  **Stop the call:** if you feel pressured or if the caller won't take no for an answer, end the conversation. Don't be embarrassed to put the phone down.
-  **Listen to your doubts:** if you think an offer sounds too good to be true, it probably is.

Planning for retirement: our top tips

Retirement isn't just life without work, it's the freedom to enjoy doing more of the things you love. If you're approaching retirement, you must plan carefully to ensure your golden years are as golden as possible.

Check your Pension Certificate each year

Each year before you retire, you'll receive a Pension Certificate from the Scheme. This shows your total pension credits as at 5 April, including any bonuses awarded that year. Your Pension Certificates will give you an idea of how much pension you'll receive at retirement.

Look at the Retirement Living Standards

To help people create a better picture of what kind of lifestyle they could have in retirement, Pensions UK (formerly the Pensions and Lifetime Savings Association) have published the Retirement Living Standards. The standards show three different levels of retirement lifestyle alongside the average cost to achieve that lifestyle. You can take a look at the standards here: **www.retirementlivingstandards.org.uk**

Visit MoneyHelper

MoneyHelper provides information on savings, pensions and debt to help you understand how to manage your money. If you have AVCs or other defined contribution savings, you can book an appointment with Pension Wise, a free and impartial service offered by MoneyHelper that helps you understand the options available for your pension pot. More information is available at **www.moneyhelper.org.uk**

You can also look for an independent financial adviser using their directory service: **www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser**



Contact details

If you have any questions about your benefits in the Scheme, you can contact us using the details below.

☎ 03457 65 65 65

✉ info@plumbingpensions.co.uk

🌐 www.plumbingpensions.co.uk

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Reports and Scheme documents

If you'd like to view any of the Scheme's key reports and documents, you can find them on our website, including the Report & Accounts, the Statements of Funding and Investment Principles, the Schedule of Contributions and the annual Scheme funding reports.

Updating your details

If your personal details have changed, please let us know so that we can stay in touch with you. We have lost contact with over 1,000 members because they haven't notified us of changes. If you know any members whose contact details have changed, please remind them to let the Scheme know. We may not be able to pay their benefits on time if we don't have their correct contact details.