

**First Bus**

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## **Outcome of Consultation on the proposal to move the Defined Contribution (DC) Section out of The First UK Bus Pension Scheme (“the Scheme”) into a new pension arrangement called First Bus Retirement Savings Plan (“the new DC Plan”); formal notice of asset transfer and confirmation of reduction in annual management charges**

We wrote to you on 31 May 2023 to tell you about a change that the Company is proposing to make which would result in you, as either a Bronze or Lifetime Savings Plan member of the Scheme, becoming a member of the new DC Plan.

Since we wrote to you, in line with pensions legislation, we have been consulting over a 60 day period with active and prospective members of the Scheme to obtain feedback on our proposals. We would like to thank everyone who took the time to ask questions and provide feedback during the consultation which formally ended on Friday 4 August 2023.

Following careful consideration of the feedback received we have decided to proceed with our proposal to move members to the new DC Plan. The new DC Plan will be identical to the Scheme, including the fund range.

### **What will happen next?**

#### **In relation to your future pension contributions:**

- You will become a member of the new DC Plan on 24 September 2023. The section names of the plan have been changed – **the Bronze Section will now be called “Plan 1” and the Lifetime Savings Plan will now be called “Plan 2”**.
- The contributions you and First Bus currently make into the Scheme will instead be paid to the new Plan from 24 September 2023.
- The administration of the new DC Plan will be undertaken by Aegon and as such the administration will move from Mercer to Aegon on 24 September 2023.

### **Annual management charge (AMC) reductions**

We're pleased to announce that Aegon will reduce the AMCs for the Aegon BlackRock LifePath funds in the Scheme ahead of the transfer of your savings to the new DC Plan. This will take effect from September 2023, and the lower charges will also apply to the new DC Plan.

### **What is an AMC?**

The AMC is a fixed percentage applied to each fund. This represents the percentage that will be deducted from the value of the fund each year. The AMC includes the cost of managing the investments

of the fund, the costs of administration, and other services such as maintaining a record of your account and calculating the value each day. Your account value reflects the amount of money in your account after charges have been deducted. Aegon review the charges regularly and may change them in future.

### **What does this mean for you?**

A reduction in AMC means that it costs less for you to invest in the Aegon BlackRock LifePath funds. You'll notice the changes on your Aegon statements, in literature and on Aegon's website.

A list of the Aegon BlackRock LifePath funds, including the new reduced charges, is included in Appendix 1. You'll be able to view more information on the funds, including fund fact sheets, by visiting Aegon's TargetPlan website – [aegon.co.uk/targetplan](https://aegon.co.uk/targetplan).

If any of your pension account is invested in the funds detailed in Appendix 1, your savings will be automatically switched into the new AMC rate for that fund as detailed in Appendix 1. You'll, therefore, see a sell and buy of the units for your funds. The value will remain the same; however, you will see a change in the number of units purchased as each different AMC has a different unit price. There is no cost to you for Aegon to make these changes.

### **What you need to do?**

**You don't need to do anything;** Aegon will apply the reduced charges automatically. However, please note that Aegon will need some time move you into the lower AMC funds, this is known as a freeze period. This will be from **29 August 2023 until 14 September 2023**, during this time will not be able to make any changes to your account - such as taking your retirement benefits or switching your investments. Please make sure you plan any changes before or after these dates.

If you have any questions on the changes detailed in this letter, please contact Aegon on 01733 353496 or by email on [my.pension@aegon.co.uk](mailto:my.pension@aegon.co.uk)

If you would like more information, please speak to a financial adviser. If you're looking for a financial adviser, please visit [moneyhelper.org.uk](https://moneyhelper.org.uk).

### **In relation to your accumulated pensions savings:**

FirstBus has requested that the Trustee of the Scheme agree to transfer all members' accumulated Bronze and Lifetime Savings Plan pots into the new DC Plan, and the Trustee, having taken appropriate advice, has agreed.

### **Transfer of savings from the Scheme to the new DC Plan**

- Aegon will need some time to transfer your existing savings from the Scheme to the new DC Plan, and there will be some temporary restrictions placed on your account.
- From 9 October 2023 to 27 October 2023, you will not be able to switch any of your investments or change your target retirement age.
- From 27 October 2023 to 14 November 2023, you will not be able to make **any** changes or transact on your account, such as taking your retirement benefits or switching your investments.


- Please make sure you plan any changes around these restrictions.
- Aegon will complete the transfer of your existing savings on a like-for-like basis from the Scheme to the new DC Plan on 14 November 2023.
- The transfer will not incur any costs, or out of market risk.
- Shortly after your existing savings have been transferred you will receive a welcome letter from Aegon confirming your new account details, the value of your transfer, and a new Account Number, which will enable you to access your Target Plan account online for the new DC Plan

**What should I do now?**

**You do not need to do anything;** however:

- If you are planning to retire before 27 October 2023, please contact Aegon on 01733 353496 or by email on [my.pension@aegon.co.uk](mailto:my.pension@aegon.co.uk) as soon as possible.
- If you are planning to transfer your savings from the Scheme to another pension arrangement before the freeze period, please contact Mercer as soon as possible on 0370 850 0712 or by email on [FirstPensions.UK@mercer.com](mailto:FirstPensions.UK@mercer.com).

Yours sincerely



Muntazir Hadadi  
Head of Pensions – First Bus

On behalf of The Trustee of The First UK Bus Pension Scheme:



Richard Soper  
Co-Chair



Martin Carroll  
Co-Chair

**Funds with a reduction in AMC (Appendix 1)**

<b>Fund name</b>	<b>Old before 2023 (%)</b>	<b>AMC Sept</b>	<b>New after 2023 (%)</b>	<b>AMC Sept</b>
AGN BLK LifePath Flexi (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2022-24 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2025-27 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2028-30 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2031-33 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2034-36 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2037-39 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2040-42 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2043-45 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2046-48 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2049-51 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2052-54 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2055-57 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2058-60 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2061-63 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2064-66 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2067-69 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2070-72 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2073-75 (BLK)	0.41		0.36	
AGN BLK LifePath Flexi 2076-78 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2022-24 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2025-27 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2028-30 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2031-33 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2034-36 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2037-39 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2040-42 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2043-45 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2046-48 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2049-51 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2052-54 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2055-57 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2058-60 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2061-63 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2064-66 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2067-69 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2070-72 (BLK)	0.41		0.36	
AGN BLK LifePath Cptl 2073-75 (BLK)	0.41		0.36	
AGN BLK LifePath Capital 2076-78 (BLK)	0.41		0.36	
AGN BLK LifePath Retirement (BLK)	0.41		0.36	
AGN BLK LifePath Retire 2022-24 (BLK)	0.41		0.36	

AGN BLK LifePath Retire 2025-27 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2028-30 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2031-33 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2034-36 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2037-39 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2040-42 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2043-45 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2046-48 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2049-51 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2052-54 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2055-57 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2058-60 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2061-63 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2064-66 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2067-69 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2070-72 (BLK)	0.41	0.36
AGN BLK LifePath Retire 2073-75 (BLK)	0.41	0.36
AGN BLK LifePath Retirement 2076-78 (BLK)	0.41	0.36

As with all investments, the value can fall as well as rise and the final value of your pension account may be less than the amount paid in. For more information on investment funds please take a look at the fund factsheets on TargetPlan – [aegon.co.uk/targetplan](http://aegon.co.uk/targetplan).