

## **Frequently Asked Questions to read in conjunction with letter dated 31 May 2023.**

### **Why is the Company proposing this change?**

Defined Contribution (DC) pension schemes are now the most common pension savings vehicle across the UK and the market is developing new and better services for lower costs. We want our DC Plan to be sustainable for the long term and keep pace with the newest developments in the pensions market. We propose to stop making contributions into the DC Section of the Bus Scheme and instead make contributions into the new First Bus Retirement Savings Plan to allow the trustees, who are responsible for the stewardship of your retirement savings, to focus solely on DC (without also needing to look after the legacy defined benefit arrangements).

### **What will the proposal mean for me if goes ahead?**

If the proposal goes ahead, the Current Plan will close to further pension contributions on 23 September 2023, from 24 September you and the Company will start to make pension contributions to the First Bus Retirement Savings Plan.

In time, it is intended, subject to the agreement of the Current Plan Trustee, that the DC savings you have already built up in the Current Plan will also be transferred over to your new Retirement Account in the New DC Plan.

Although a final decision can only be made after this consultation and closer to the point of transfer, the Trustee of the Current Plan are in principle supportive of this approach.

### **Will there be any changes to my contributions?**

There will be no changes to the contributions either you or First Bus currently make to your pension scheme.

### **What will happen to the money I already have in my DC pot?**

Your DC savings will remain invested in the current scheme until the Trustee has considered the outcome of the consultation and agreed an appropriate timeline with Aegon for transferring funds to the new First Bus Retirement Savings Plan. There will be no impact on the pension you have already built up.

### **Will there be any changes to the way contributions are invested?**

The New DC Plan will be set up with the same investment options as the Current Plan. In future, the Trustee of the New DC Plan will be responsible for overseeing the investment options and ensuring they remain appropriate.

### **I built up benefits in the Defined Benefit (DB) scheme. Can I still use my DC pot to fund tax free cash in the DB scheme?**

Yes, this option will still be available to members in the First Bus Retirement Savings Plan who have benefits in the DB scheme. If you weren't already a member of The First UK Bus Pension Scheme before March 2013, then you are unlikely to have any benefits in the DB scheme.

### **What is the Trustee's role in considering the proposed changes?**

This is a Company led proposal which is supported by the Trustee of The First UK Bus Pension Scheme.

### **Have you consulted with the trade union?**

The trade union are supportive of changes to the governance arrangements of the DC Plan. The changes outlined are intended to ensure the benefits that have been built up by First Bus employees remain secure and that good retirement outcomes for colleagues are supported.

### **Will there be any changes to service providers?**

There will be no changes to the service providers. Aegon will continue to administer the First Bus Retirement Savings Plan and provide the investment options. The Trustee of the New DC Plan will be responsible for ensuring the service providers to the New DC Plan continue to provide good service.

### **When will I receive further information regarding the proposed New DC Plan?**

If the proposal is approved, a membership pack and your new account details will be issued by Aegon once contributions to the New DC Plan commence.

### **What if I don't want to be a member of the New DC Plan?**

If you don't want to be a member of the New DC Plan, you will be able to leave by contacting Aegon by telephone on 01733 353496 or by email on [my.pension@aegon.co.uk](mailto:my.pension@aegon.co.uk).

However, as is currently the case, if you decide to leave, the Company will not contribute to any other pension arrangement you may have. Any matched contribution entitlement you may currently have will stop at the point you choose to the leave.

If you are thinking of leaving, you may wish to take advice from a regulated financial adviser before doing so. You should be aware that, even if you leave, the Company will be legally required to re-enrol you into a qualifying workplace pension scheme every three years (if you meet certain criteria at that time).

### **Is there any impact on the age at which I can take my retirement benefits?**

There will be no impact on the age at which you can take your retirement benefits.

### **I am due to retire soon, how does this affect me?**

If you are planning to retire before 4 September 2023, there will be no impact of these proposals on you. If, however, you plan to retire between 4 September 2023 and 31 October 2023, then please contact Aegon soon (by telephone on 01733 353496 or by email on [my.pension@aegon.co.uk](mailto:my.pension@aegon.co.uk)) in order to ensure there is no delay in the processing of your retirement as a result of the administration transition from the Current Plan to the New DC Plan.

### **How do I find out what my pension is worth?**

You can find out what your pension is worth by visiting the Aegon TargetPlan website using this link <https://lwp.aegon.co.uk/targetplanui/login> or by contacting Aegon by telephone on 01733 353496 or by email on [my.pension@aegon.co.uk](mailto:my.pension@aegon.co.uk).

### **Will there be any impact on death / ill health benefits?**

There will be no impact on your current death or ill health benefits.

### **Do I need to do anything and where can I find more information?**

If you are happy with the proposed changes, you don't need to do anything. If you have questions or feedback, then please submit these before the end of the consultation period on 4 August, by email to [PensionConsultation@firstbus.co.uk](mailto:PensionConsultation@firstbus.co.uk). Please note that this email address is for consultation-related questions only. For general pensions queries, please email [pensions@firstbus.co.uk](mailto:pensions@firstbus.co.uk).

A copy of this document will be hosted on the following websites which can be visited using the links below and will be updated with any further frequently asked questions received during the course of the consultation:

- Aegon website <https://lwp.aegon.co.uk/targetplanUI/login>,
- FirstGroup website Pensions website: [www.firstgrouppensions.co.uk](http://www.firstgrouppensions.co.uk)
- First UK Bus Pension Scheme Trustee website: <https://firstbuspensionschemetrustee.co.uk/>

If you are unsure of how the proposed changes might affect you, you should consider consulting a financial adviser. If you don't have one, you can find support at MoneyHelper: [moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser](https://moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser)

This document has been prepared with the help of our professional advisers but does not constitute financial advice.