



February 2024

# News about your pension

You are receiving this letter because you are a deferred member of the First UK Bus Pension Scheme (the Scheme) with Guaranteed Minimum Pension (GMP) benefits. Please see question 2 of the enclosed questions and answers document to explain what GMP is.

As Trustee of the Scheme, we need to address a historical inequality relating to GMP benefits in the Scheme. This follows the outcome of a High Court legal case which affects members of defined benefit pension schemes across the UK, including the Scheme.

**The way that we are proposing to address the inequality means that we also have the opportunity to simplify Scheme pensions.**

## Our proposal

**Before we decide how to proceed, we are consulting with you about our proposed method for addressing the GMP inequality.**

Having considered all available options carefully, and with expert guidance from our advisers, we are proposing to:

- apply a one-off calculation to equalise GMP earned between 17 May 1990 and 5 April 1997
- convert all GMP earned between 6 April 1978 and 5 April 1997 into a different form of pension.

Please see the enclosed 'Questions and Answers' document for more details. In particular, we would like to draw your attention to questions 4 and 5. These also explain how your pension may change if our proposal goes ahead.

## The key points

- **Your pension may need to change to comply with the law on equal GMP benefits.**
- **This would not result in any reduction to your expected pension at your Scheme normal retirement age, or the expected overall value of your pension over your lifetime.**
- **You do not need to do anything now, but are welcome to provide feedback on our proposals if you wish.**
- **More information will follow.**

If the Trustee proceeds with the proposal, you will receive a simplified Scheme pension that addresses the GMP inequality.

For members affected by the GMP inequality, this could result in a small increase to your expected pension at your normal retirement age.

**Compared to your current Scheme pension, the overall expected value of your Scheme pension will not be reduced over your lifetime.**

The consultation period will last for 30 days. This is your opportunity to ask questions and provide any feedback. The consultation will run from 7 February to 8 March 2024.





**We invite your feedback and will consider carefully all relevant comments we receive during this time.**

## Important

If the changes go ahead as proposed (following any feedback as part of the consultation), we plan to start sending out personalised statements confirming the impact on your pension from August 2024 at the earliest, noting this is a complex project and we expect to write to members in stages over the next couple of years. Any changes to your pension will then be expected to take effect if you retire (or pass away) from early 2025 at the earliest.

## Key dates

These dates are subject to change and assume we proceed with our proposal to address the GMP inequality.

<b>7 February 2024</b>		Consultation starts.
<b>8 March 2024</b>		Consultation ends.
<b>From August 2024</b>		We plan to start sending out personalised statements which will confirm the impact on your pension and contain the dates that apply to you. This is a complex project and we expect to write to members in stages over the next couple of years.
<b>From early 2025</b>		<p>The earliest date your new pension would take effect if you retire (or pass away) after this time.</p> <p>If you retire before the changes take effect, we will still need to address the GMP inequality and simplify your pension in line with our proposal in this letter, but this will happen later.</p> <p><i>Please note if you receive a retirement quotation pack from the administration team before the changes take effect, this will not reflect the proposed changes set out in this letter.</i></p>





## Inviting your views on our proposal

**You do not need to do anything now, but after reading the enclosed questions and answers document, if you have any questions or feedback about our proposal or you would like to make representations to the Trustee about the proposal, you can contact Mercer, the administrators:**

	<b>0370 850 0712</b>
	<b>FirstPensions.UK.GMPe@Mercer.com</b>
	<b>Mercer, Maclaren House, Talbot Road, Stretford, Manchester M32 0FP</b>

Please also contact us if you are at or near the Annual Allowance limit, or if you have applied for Fixed or Enhanced Lifetime Allowance Protection since 15 March 2023 (or plan to do so) (see question 8 of the enclosed question and answers document).

If you have a general query about the Scheme or your benefits, you can also contact the Scheme administrators using the details above.



A summary of the information in this letter and the enclosed Questions and Answers document is also on the Pension Scheme Trustee website, <http://firstbuspensionschemetrustee.co.uk>, within the 'GMP consultation' tab. We will update this information as required during the consultation period.

Yours sincerely

**Martin Carroll**  
Co-Chair of Trustee,  
The First UK Bus Pension Scheme

**Richard Murray**  
Group Pensions Director,  
FirstGroup

