

**Private and Confidential**

**Old British Steel Pension Scheme**

**Member Id**

September 2022

## An update from Open Trustees

We last wrote to you in December 2021 to let you know that the Scheme had exited its assessment period for the Pension Protection Fund (PPF) and that we're working towards completing the move to Pension Insurance Corporation plc (PIC) through a buy-out.

This letter is to let you know we're continuing to make progress towards completing the buy-out, but we now expect completion to be later than initially planned.

### Why is the buy-out delayed?

We previously said that we expected to complete the buy-out by late summer 2022. We now expect completion by April 2023.

This is due to the same legal ruling we mentioned in the December 2021 announcement. There continues to be uncertainty in the pensions industry on how the ruling should apply to pension benefits and this means we haven't been able to complete the final calculations.

However, we're now in a position where we can work with our advisers to complete this additional work and finalise benefits. We want to assure you we don't expect any further delays in completing the buy-out and, importantly, your benefits will continue to be paid as they are now until the process is completed.

### Letting you know what your benefits will be

As a reminder, benefits are currently being paid at PPF levels. For most members, PPF level benefits are less than full Scheme benefits. When the buy-out happens, these members will see an increase to their current level of benefits, so they'll receive more than PPF levels. All other members will see no change to their current level of benefits as a result of the buy-out.

**The delay in completing the buy-out will not impact the way in which increases to your benefits are determined and any increases will be backdated.**

We'll be able to tell you exactly what your benefits will be shortly before the buy-out is completed. We expect to write to you about this in February 2023.

As we've said before, there are also other exercises happening that might affect you. These are:

- checking member data and how benefits have been calculated
- adjusting benefits where necessary so they're at the correct level
- increasing benefits where required by the recent legal rulings mentioned above.

Some members might see their benefits change as a result of these exercises. If you're affected, we'll tell you more about it when the final calculations have been made.

### **Tell us if you have Lifetime Allowance protection**

If you have enhanced or fixed protection from the Lifetime Allowance (LTA) from HMRC, please contact our administrators (details below). Most people don't need to apply for this tax protection and so won't have it.

If you do have LTA protection – or if you intend to apply for it – and we don't know about it, an increase to your benefits could result in an extra tax charge. So it's important that you tell our administrators. There's more about this in the FAQ section of our website.

### **Latest information and contacting us**

For news and answers to frequently asked questions, please go to the Scheme website at [www.oldbritishsteelpension.co.uk](http://www.oldbritishsteelpension.co.uk)

Yours sincerely

*Jonathan Hazlett*

Jonathan Hazlett

**Managing Director of Open Trustees Limited**

**Open Trustees are the trustee of the Old British Steel Pension Scheme**

If you have any questions about this letter, please contact our administrators, Barnett Waddingham:

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