

Summary Funding Statement 2025

Midcounties Co-operative Pension Scheme

This is an important document and it lets you know how the Scheme is doing financially.
We strongly recommend that you read this statement carefully





Why is it important?

The Scheme's financial health could affect the benefits you receive.

As Trustees of the Midcounties Co-operative Pension Scheme ("the Scheme") we must send you a statement following completion of each formal valuation of the Scheme, which takes place every three years, and after each actuarial report in the years in between.

If you have any concerns, please read this statement for more information or contact the Trustees using the contact details provided. The Trustees cannot provide you with financial advice so we suggest you speak to an independent financial advisor if you need advice regarding your pension benefits.

How is the Scheme doing?

|  Assets |  Liabilities |  Surplus/(shortfall) |  Funding level |
|--|--|---|--|
| The money the Scheme has now. | The estimated cost of providing benefits – now and in the future. | The assets minus the liabilities. | The assets as a percentage of the liabilities. |
| The estimated liability figures below assume that the Scheme will continue until all future benefits due are paid. These estimates depend on assumptions about what will happen in the future, such as the investment return that will be earned on the Scheme's assets and how long members will live for. | | | |
| 31 December 2021 full actuarial valuation | | | |
| £281.4m | £332.1m | (£50.7m) | 85% |
| 31 December 2023 update (the latest figures provided) | | | |
| £172.0m | £192.8m | (£20.8m) | 89% |
| 31 December 2024 full actuarial valuation | | | |
| £160.2m | £170.0m | (£9.8m) | 94% |
| Since we last provided you with an update of the funding position of the Scheme, the Trustees, with advice from their advisers, have carried out the triennial actuarial valuation of the Scheme with an effective date of 31 December 2024. This showed that the funding shortfall in the Scheme fell significantly over the prior 3-year period (as shown above). The main reasons for the change are: | | | |
| <ul style="list-style-type: none">a significant change in investment market conditions (rise in gilt yields) served to lower the values placed on liabilities and assets, which subsequently led to a lower deficit; | | | |

- deficit contributions paid by the Society to help remove some of the deficit; and
- using the latest evidence of life expectancy in setting valuation assumptions.

It is not unusual for pension schemes to have a shortfall at present. The level of the shortfall will change over time, affected by the Scheme's financial experience and the level of contributions paid by the Society.

Since we last sent you a summary funding statement, no payments have been made to the employer, and the Scheme is not subject to any directions from the Pensions Regulator.

How will the shortfall be addressed?

As part of the formal valuation as at 31 December 2024, the Trustees worked with the Society to agree the funding position, strategy and contributions for the future. There was a further improvement in the funding position since the valuation date and taking account of that improvement to correct the shortfall, the Society agreed to pay:

- £1.5m payable on or before 18 February 2026; and
- £1.0m per annum on or before 18 February 2027, 2028 and 2029.

If the assumptions do not turn out to be right, it may be necessary for further contributions to be paid for the shortfall to be eliminated by 2029. Although there is a shortfall in the Scheme as at 31 December 2025, all members who have retired are still receiving their full pension amounts.

Is there enough money in the Scheme to provide my full benefits if the Scheme is wound-up?

If the Scheme were to be wound-up, we would have to buy benefits in the insurance market, which would be much more expensive than providing members' benefits from the Scheme as shown below.

|  Assets |  Liabilities |  Surplus/(shortfall) |  Funding level |
|---|--|---|--|
| 31 December 2024 wind-up position | | | |
| £160.2m | £187.8m | (£27.6m) | 85% |

The fact that we show this position does not mean that the Society is planning to wind up the Scheme. It is just another piece of information, which we hope will help you understand the financial security of your benefits.

So how secure is my pension?

We aim to have enough money to pay pensions now and in the future, but this is dependent on contributions continuing to be paid and the investment returns on the Scheme's assets. In the event the Scheme was wound-up without enough money to buy all the benefits with an insurer, then it is unlikely you would receive the full pension benefits you were expecting. To help members in this situation, the Government set up the **Pension Protection Fund (PPF)** in 2005.

The benefits you would receive from the PPF depend on your age and your period of Scheme service. Further information and guidance is available at www.ppf.co.uk, or can be contacted by various options below:

By telephone: 0345 600 2541

By email: information@ppf.co.uk

Can I leave the Scheme before I am due to retire?

You can, if you wish, transfer your deferred benefits in the Scheme to another pension arrangement before you retire. If you are thinking of transferring out of the Scheme for any reason, you must consult an independent financial advisor before taking any action. **Legally, we cannot provide you with financial advice.**

Where can I ask questions, or get more information?

Please use the contact details below if you have questions about the content of this statement or need information.

Helen Flint-Hill, Head of Pensions:

helen.flint-hill@midcounties.coop

If you have any queries about your individual benefits, need to change your address or provide details of a spouse or dependant for your pension, please contact the Scheme's administrator, Isio, using the contact details below.

Isio, the Scheme's administrator:

Midcounties.Co-operativePensionScheme@ISIO.com

Additional documents available on request

The Statement of Funding Principles

This explains how we (the Trustees) plan to manage the Scheme with the aim of being able to continue to provide the benefits that members have built up.

The Statement of Investment Principles

This explains how we (the Trustees) invest the money paid into the Scheme.

The Schedule of Contributions

This shows how much money is being paid into the Scheme by the Society and includes a certificate from the actuary showing that it is sufficient.

The Annual Report and Accounts of the Midcounties Co-operative Pension Scheme

The Scheme's income and expenditure. The latest report is for the year up to 31 December 2024.

The Formal Actuarial Valuation Report as at 31 December 2024

The details of the actuary's check of the Scheme's financial situation as at 31 December 2024.

From the Trustees of the Midcounties Co-operative Pension Scheme