

The Sun Life Assurance Company of Canada 1988 UK and Irish Employee Benefits Scheme (the “Scheme”)

Your 2023 Summary Funding Statement



Sun Life Financial
of Canada

This statement is being sent to you on behalf of the Scheme Trustees, who are responsible for administering the Scheme. As you are entitled to benefits from the Scheme, we are writing to give you an update on the Scheme's financial position. Please take a few minutes to read this statement as it provides important information about the financial health of the Scheme.

Who manages the Scheme?

As required by law, the Scheme is managed by the Board of Trustees ("the Trustees") who are legally bound to act in the best interest of all members. The Trustees are responsible for ensuring the Scheme is run in line with the Trust Deed and Rules and complies with all legislation. At the beginning of October, we wrote to all members inviting nominations for the member trustee role. I am please to announce that Mandy Perrin has been re-elected as your Member Nominated Trustee, to serve for a further term until 3 November 2028. The current Trustees are:

Capital Cranfield Pension Trustees Ltd Represented by Alison Creasy Capital Cranfield Pension Trustees Limited 42 New Broad Street, London, EC2M 1JD	Trustee Chair Independent Professional Trustee
Michael Edwards c/o Sun Life Assurance Company of Canada (U.K.) Limited Matrix House, Basing View, Basingstoke RG21 4DZ	Company Appointed Trustee
Mandy Perrin c/o Sun Life Assurance Company of Canada (U.K.) Limited Matrix House, Basing View, Basingstoke, RG21 4DZ	Member Nominated Trustee

Member forum

The Trustees encourage members to contact them. If you would like to put a point of view or suggestion to the Trustees, please contact Owen Moody, Secretary to the Trustees, who will ensure that issues are put to the Trustee Board on a regular basis.

How to contact Owen

07796696345
owen.moody@paragonpensions.com
Paragon Pension Services Ltd

Summary of the Scheme's funding position

Every three years a funding valuation is carried out by the Scheme Actuary (a qualified, independent professional). The Scheme Actuary determines the funding position by comparing the value of the Scheme's assets with an estimate of the current value of the Scheme's liabilities (which is the total value in today's terms of all members' benefits that will be paid in the future).

The funding levels below show the Scheme's valuation results as at 31 December 2022, along with the interim funding positions as at 31 December 2021 and 31 December 2020.

31 December 2020		31 December 2021		31 December 2022	
Total Assets	Liabilities	Total Assets	Liabilities	Total Assets	Liabilities
£598.0m	£556.5m	£573.1m	£557.8m	£347.2m	£341.2m
Funding level	Surplus	Funding level	Surplus	Funding level	Surplus
107%	£41.5m	103%	£15.3m	102%	£6.2m

The Scheme's funding position remains strong as although assets have fallen in value so have the liabilities. These falls are as a result of the increase in bond yields that have taken place over the last year.

The surplus at the 31 December 2022 valuation was £6.2m compared to £15.3m the previous year.

As a reminder, a large part of the reduction in funding level and surplus over 2021 was a result of the Trustees paying an insurance premium to Rothesay to secure a further portion of Scheme benefits. This reduces the future risk in the Scheme significantly.

The next full actuarial valuation will be carried out as at 31 December 2025

The funding plan

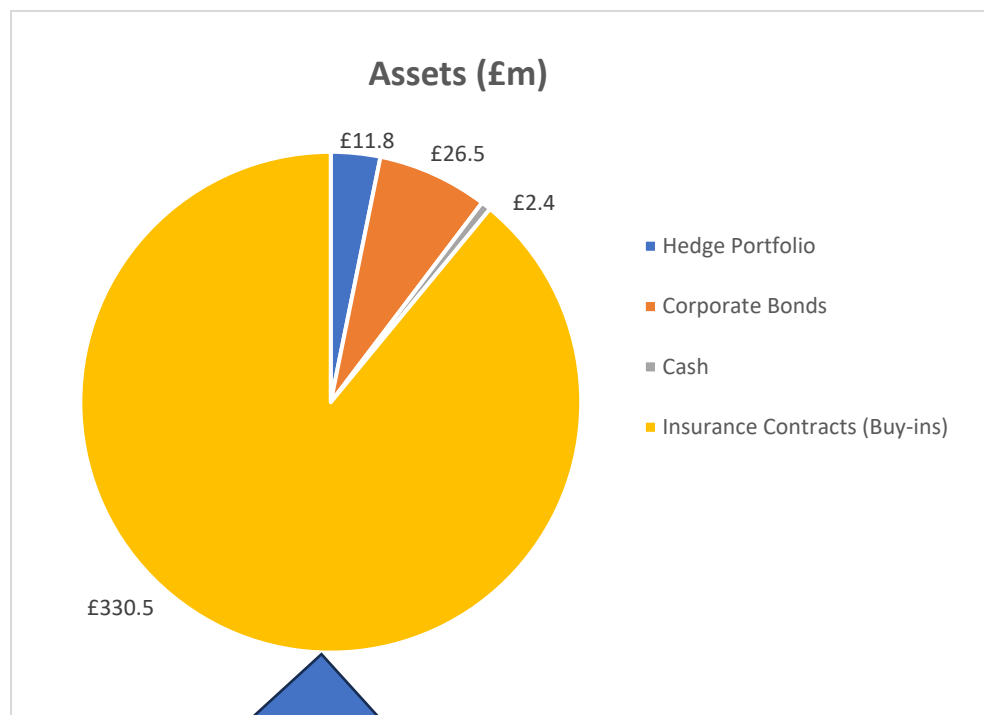
How is my pension paid for?

The employer, Sun Life Assurance Company of Canada (U.K.) Limited, is required to pay contributions to fund any deficit revealed by each formal actuarial valuation in order to ensure that the Scheme has sufficient funds to pay the promised benefits. The Scheme had a surplus at the last full valuation so no contributions are currently needed.

By law, we are also required to notify you of any refunds paid to the employer, or modifications or directions on the Scheme made by the Pensions Regulator. There have been no such refunds, modifications or directions since you were last issued with a Summary Funding Statement.

The Scheme's investment policy

The Scheme's assets are invested by the Trustees with the aim of getting a suitable return so the assets can meet member payments. The Trustees regularly review the investment strategy to ensure it remains appropriate for the Scheme.



The value of the Scheme's assets as at 31 December 2022 (as reported in the annual accounts) was

£371.2m

The asset allocation is split as shown:

Change of address

Deferred pension
statement request

Cash Equivalent
Transfer Value
request

**For all member enquiries
contact Hymans Robertson:**

sloc@hymans.co.uk

0121 212 8120

Any other
member query

Retirement
quotation
request

It is important that you let your loved ones know to contact Hymans Robertson in the event of your death even if this is difficult to talk about

If the Scheme were to be wound up

The money used to pay for your pension and other benefits is held in various investments on behalf of all members. It is not held in separate funds for each individual. As members retire, their benefits are paid from these investments. However, like all pension schemes, this Scheme contains no absolute guarantees. The Scheme promises to pay you your pension, but there are risks and it is not certain that the Scheme will be able to meet the promises in full.

If the Scheme winds up you might not get the full amount of pension you have built up even if the Scheme is fully funded under the funding plan. The extent to which the Scheme can secure benefits with an insurance company if it were to close down is known as its solvency position. This is estimated by an actuary rather than obtaining a quotation from an insurance company.

An estimate of the solvency position was included in the actuarial valuation as at 31 December 2022 when the Scheme was estimated to have 102% of the money needed to secure the accrued benefits of all members in full.

Additional documents and information available on request

Benefit Statement	If you are not receiving a pension, you can ask the Administrator for a statement that gives you an illustration of your estimated pension at retirement.
Annual Report and Accounts	Details of the Scheme's income and expenditure over the scheme year.
Actuarial Valuation Report	The Actuary's full report on the Scheme's assets and liabilities and the recommended contribution rate.
Implementation Statement	Discloses how the Trustees have followed the objectives and policies set out in their Statement of Investment Principle
Cash Equivalent Transfer Value	You are entitled to one free transfer value each year.
Scheme Booklet	You would have been given a copy of this when you joined the Scheme, but copies can be provided on request.
Schedule of Contributions	This shows how much money is being paid into the Scheme.
Statement of Funding Principles	Sets out the Trustees' policy for meeting the Statutory Funding Objectives. The Trustees must agree its contents with the Principal Employer.
Statement of Investment Principles (SoIP)	Explains how the Trustees invest the money paid into the Scheme and its existing assets. A copy of the SoIP is available on the member website.

Scheme news

Scheme membership

The total plan membership of the Scheme decreased over the year from 2,786 to 2,7436. Membership numbers at 31 December 2022 were as follows:

Deferred members	1,266
Pensioner members	1,480

Retirement options

Please let us know if you would like a retirement quotation. You can retire from age 55 (this will rise to 57 on 6 April 2028.)

If you choose to access your pension early, your pension is reduced because it is paid for longer.

Member website

A secure member website, known as PRISM, is available to all members.

Here's a reminder of what you can do:

- View and regularly check that the personal details held by us are correct.
- View your payslip and P60 (if you are receiving a pension).
- View your deferred benefits and request for a quotation.
- Submit a general enquiry.
- Set your preferred method of communication as email if you would prefer this to post.
- View Scheme documents, including the Trust Deed and Rules, the Statement of Investment Principles and the Trustees' Privacy Statement.

If you haven't logged in before, please visit the web address below to register.

<https://secure.1988onlinebenefits.co.uk>.

If you have any difficulties with the registration process please either call Hymans Roberston on 0121 212 8120 or email sloc@hymans.co.uk

Transferring your benefits out of the Scheme

If you are considering transferring your pension to another arrangement, we recommend that you take independent financial advice; you are required to do so by law if your transfer value is over £30,000.

If you need financial advice visit www.unbiased.co.uk or www.localfinancial.co.uk to find a financial adviser in your area. An adviser will charge you for the services they provide. Please note that before a financial adviser does any work for you, they must agree with you the fee for their services. We recommend you make sure you understand exactly what you will be charged and are not afraid to ask questions. For example, a 1% p.a. charge doesn't sound very much but it would be £1,000 taken from your savings every year (assuming a £100,000 transfer value).

For impartial guidance, you can get in touch with Pension Wise. It's a free service run by the government. Pension Wise can't tell you what to do with your money, but they can give you more information about how the different types of pension work, and what to look out for with taxes and fees.

You can get information online at www.pensionwise.gov.uk or phone 0800 280 8880 to talk to someone or to book a face-to-face appointment.

Nomination forms

If you are a pensioner with life cover in retirement, please remember to keep your nomination of beneficiaries form up to date. This ensures the Trustees have a better picture of your circumstances and wishes in the event of your death. If you need a form, please contact the Scheme Administrator, Hymans Robertson.

Be alert to pension scams

Pension scams are continuing and even people who are financially savvy are vulnerable to losing their pension savings to scammers. The attached leaflet has been prepared by the Pensions Regulator to help protect members. Remember, pension scammers are professional con artists and they work hard to make you believe them; so be cautious and do your homework if you are thinking about transferring out of the Scheme.

Here are some facts about early pension age change:

The minimum private pension age is due to rise from 55 to 57 in 2028.

State Pension age is increasing for men and women, and will gradually rise to 67 for those born on or after April 1960.

The government plans to increase the state pension age to 68 years old earlier than planned, possibly by 2034.

State Pension age is going to be kept under review, which means that it could change again in the future.

Don't let a scammer enjoy your retirement



Find out how pension scams work, how to avoid them and what to do if you suspect a scam.



Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

Scam tactics include:



- contact out of the blue



- promises of high / guaranteed returns



- free pension reviews



- access to your pension before age 55



- pressure to act quickly

If you suspect a scam, report it

- Report to the Financial Conduct Authority (FCA)
by contacting their Consumer Helpline on **0800 111 6768** or using the reporting form at www.fca.org.uk
- Report to Action Fraud
on **0300 123 2040** or at www.actionfraud.police.uk
- If you're in the middle of a transfer, **contact your provider immediately** and then get in touch with The Pensions Advisory Service (TPAS) at www.thepensionsadvisoryservice.org.uk

Four simple steps to protect yourself from pension scams

1

Reject unexpected offers

If you're contacted out of the blue about your pension, chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Fortunately, research shows that 95% of unexpected pension offers are rejected.*

2

Check who you're dealing with

Check the [Financial Services Register \(www.register.fca.org.uk\)](http://www.register.fca.org.uk) to make sure that anyone offering you advice or other financial services is FCA-authorised.

If you don't use an FCA-authorised firm, you also won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. So you're unlikely to get your money back if things go wrong. If the firm is on the FCA Register, you should call the Consumer Helpline on 0800 111 6768 to check the firm is permitted to give pension advice.

Beware of fraudsters pretending to be from a firm authorised by the FCA, as it could be what we call a 'clone firm'. Use the contact details provided on the FCA Register, not the details they give you.

3

Don't be rushed or pressured

Take your time to make all the checks you need – even if this means turning down an 'amazing deal'. Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

4

Get impartial information and advice

The [Pensions Advisory Service \(www.thepensionsadvisoryservice.org.uk\)](http://www.thepensionsadvisoryservice.org.uk) – Provides free independent and impartial information and guidance.

[Pension Wise \(www.pensionwise.gov.uk\)](http://www.pensionwise.gov.uk) – If you're over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options.

Financial advisers – It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of a financial adviser. If you do opt for an adviser, be sure to use one that is regulated by the FCA and never take investment advice from the company that contacted you or an adviser they suggest, as this may be part of the scam.

Be ScamSmart with your pension. Check who you are dealing with.