

PRIVATE AND CONFIDENTIAL

April 2020

[Title] [Initials] [Surname]
[Address 1]
[Address 2]
[Address 3]
[Address 4]
[Address 5]
[Post code]
[Country]

Dear [Title Surname]

Old British Steel Pension Scheme ('the Scheme')

An update on what is happening with your pension

You're a member of the Scheme. As the trustee, it's our job to oversee the running of the Scheme and make sure that you receive the right benefits.

We have explained in previous letters that the Scheme is currently being assessed by the Pension Protection Fund (PPF). The PPF is a safety net that the government set up to look after schemes like ours that no longer have an employer to support them.

When the Scheme first entered PPF assessment, we had thought that the PPF would eventually take on responsibility for paying your benefits. This was because there was not enough money for the Scheme itself to pay benefits above PPF levels. If the PPF took on this responsibility, they would look after the Scheme's money and pay you your benefits directly, and the Scheme would cease to exist.

We are looking at a new way forward

We now know that when the Scheme entered PPF assessment, its funding was in a better position than expected. As a result of this improved funding, our Scheme might be able to move to an insurance company instead of moving into the PPF. This is known as a 'buy-out'.

In many ways, moving to an insurance company is the same as moving to the PPF. They would pay you your benefits directly and the Scheme would cease to exist. The main difference is that the insurance company might be able to pay you higher benefits than the PPF would. We are legally required to explore the possibility of a buy-out, but none of the details are certain yet.

If we can secure a buy-out, we estimate that it would be completed by the end of 2021. If we can't secure a buy-out, the Scheme will still be protected by the PPF and would eventually transfer into it. Whatever happens, we will work hard to make sure we get the best possible outcome for members.

We have created a new website (www.oldbritishsteelpension.com) that has the latest information on it, and some questions and answers that you might find useful.

You don't need to do anything

This letter is just to tell you that we're starting to talk to insurance companies to see if a buy-out is possible. If you are currently receiving your pension from the Scheme, your payments will continue at the same level for now. They might increase if we secure a buy-out.

We'll write to you again once we know more.

Yours sincerely



John Bacon

For Barnett Waddingham on behalf of Open Trustees Limited, trustee of the Old British Steel Pension Scheme

For general questions about the Scheme, to notify us of a change to your address, or to update us about your personal situation, please contact our administrators Barnett Waddingham:

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