

Simply Pensions



Balfour Beatty Pension Fund - Defined Benefit Newsletter

Summer 2025

Balfour Beatty

UK's first living wall installed
by Balfour Beatty Living Places

Chair's welcome



Welcome to the 2025 Balfour Beatty Pension Fund (BBPF) newsletter for members with benefits in the Defined Benefit (DB) Section of the BBPF.

In this issue we'll share the latest funding status as at 31 March 2024 and update you on the 2025 triennial valuation, which is now underway. Look out for the full results in next year's newsletter.

We remain committed to reducing costs and minimising our environmental impact by making it easier for you to receive this newsletter digitally. Last year, nearly 1,000 members signed up to receive digital communications - let's see if we can beat that this year! See page 4 for further details on how to sign up.

Lastly, I wanted to let you all know Bob Gildie will retire from his position as our Pensioner Nominated Trustee later this year. Following our recent Pensioner Trustee recruitment campaign that received over 40 applications, I'm delighted to welcome Ross McDonald to the Trust Board as our new Pensioner Nominated Trustee. I'd like to thank Bob for his dedication and service as a Trustee and wish him a long and happy retirement.

Mike Smaje

Chair

on behalf of the Trustee Board

Membership as at 31 March 2025

DEFINED BENEFIT ACTIVE

1

DEFINED BENEFIT DEFERRED

8,127

DEFINED BENEFIT PENSIONERS

16,703

LIFE COVER ONLY

551

DEFINED CONTRIBUTION ACTIVE

5,757

DEFINED CONTRIBUTION DEFERRED

10,311

Moving to digital communication – what you need to know

As part of our ongoing commitment to improving how we communicate with our members, we're transitioning to digital communications.

Why go digital?

Switching to digital communication allows us to:

- Share important updates with you more quickly and efficiently
- Reduce our environmental impact by cutting down on printed materials
- Manage rising postage costs more effectively

Once you've registered for digital communication, we can communicate with you via email. Please note, payslips and P60s will continue to be posted to your home address.

How to register for digital updates

Last year, nearly 1,000 of our members made the switch to receiving digital updates from us. If you haven't yet signed up, it's quick and easy! Simply scan the QR code below or visit: <https://bit.ly/GoPensionsDigital> to complete the registration form.

Scan me to go digital



If you would like to continue receiving communications by post only and have not previously informed us, please contact our administration team via one of the following methods:

☎ 0151 482 4664

✉ bbpensionshelpdesk@balfourbeatty.com

✍ Balfour Beatty Plc Pensions Centre, Kings Business Park, Kings Drive, Prescot, Merseyside L34 1PJ

If you are contacting us by post or email, please include your full name and date of birth. This will help us update your record accurately and securely.

We handle your personal data in accordance with our privacy policy. We have recently updated our privacy notice and you can find a copy at:

www.balfourbeatty.com/pensions-privacy-notice

Did you know....

that printing our newsletter produces around **1,560g** of CO₂ and costs approximately **£32,000** to post 2nd class!

Investment strategy

The Trustee regularly reviews the investment strategy for the DB Section of the BBPF to protect its financial position while prioritising the best interests of our members. We work closely with an investment adviser who oversees the BBPF's day-to-day management. You can find out more about this in our Statement of Investment Principles, available at: www.mypension.com/bbpf/documents/

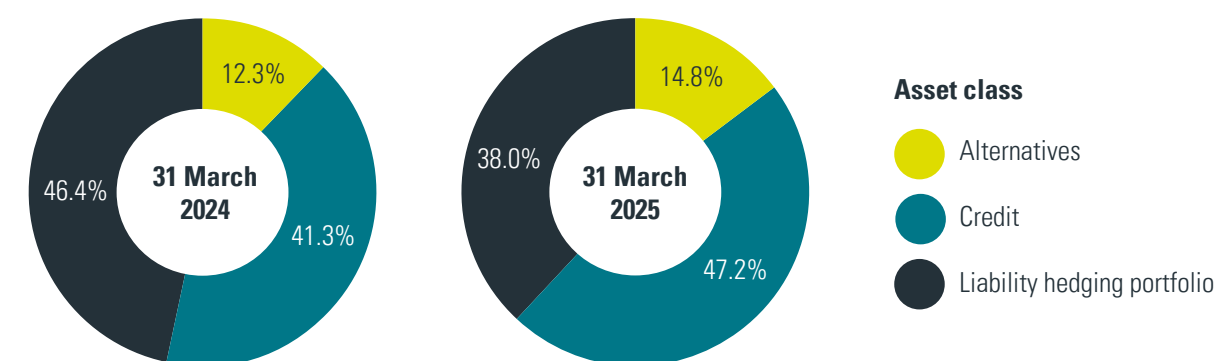
Investment strategy

A key goal of the Trustee is to ensure the BBPF's assets are managed efficiently, aiming to generate strong returns while balancing the level of agreed investment risk.

Over the past year, the Trustee has continued transitioning the portfolio towards a long-term, lower-risk investment strategy. We've achieved this by selling some of the more volatile investments and using that money to invest more in loans and bonds (Credit), which are generally more stable.

The charts below show the distribution of the BBPF's DB assets as at 31 March 2024 and 31 March 2025. A large part of the assets is invested in a liability hedging portfolio, which includes UK Government bonds and other investments. These are specifically chosen to help protect the BBPF from the impact of changes in interest rate and inflation.

The Trustee is legally required to publish formal disclosures in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). You can find a copy of the report in the governance section at: <https://www.mypension.com/bbpf/documents/>



Asset types explained

Alternatives

These are investments whose value is driven by different factors from traditional equity and credit investments, e.g. hedge funds and reinsurance.

Credit

This is typically bonds issued by public companies. However, it may also include other forms of debt.

Liability hedging portfolio

This portfolio mainly contains UK government bonds, however it also has exposure to other instruments which mimic the broad movement of the BBPF's liabilities.

Summary funding statement

This statement is intended to give members information about the funding position of the BBPF.

Actuarial valuation of the BBPF

An actuarial valuation is carried out every three years to evaluate how much money the BBPF holds (assets) and compare it with the value of the benefits members have earned (liabilities). In the years between these valuations, the Actuary conducts an annual review to check the balance of assets and liabilities.

The illustrations below show the results from the latest annual actuarial review, comparing them to the actuarial valuation as at 31 March 2022.

The decrease in liabilities and assets was due to changes in market conditions. The reduction in the liabilities was offset slightly by pension increases awarded because of recent high inflation. The reduction in the assets was offset slightly by contributions from the Company. The result of these changes was that liabilities exceeded assets in March 2024.

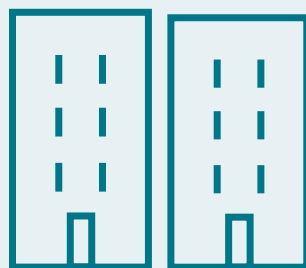
You should note the amount of pension you receive is not impacted by the funding level.

As the funding level exceeded 100% at the 31 March 2022 valuation, there was no requirement for a Recovery Plan to be put in place.

The next formal actuarial valuation is at 31 March 2025 and we will share the results in next year's newsletter.

31 March 2024 actuarial review

98%
equivalent funding level

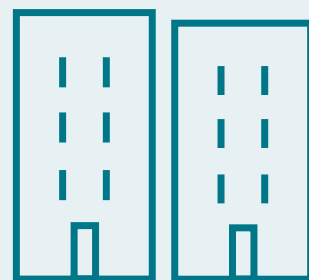


£3,339m
liabilities

£3,283m
assets

31 March 2023 actuarial review

98%
equivalent funding level



£3,426m
liabilities

£3,354m
assets

31 March 2022 actuarial valuation

100%
equivalent funding level



£4,414m
liabilities

£4,426m
assets

Your questions answered

Are my benefits secure?

Although the BBPF had a shortfall as at 31 March 2024, the strategies that the Trustee implemented at the last valuation continue to reduce the risk (see page 5) and the Company continued paying contributions into the Fund. There are regular reviews in place to ensure that the impact of any change in the funding level is recognised and addressed. The Trustee also reviews the ability of the Company to pay future contributions to the Fund, if required, by obtaining regular reports from a specialist external adviser. The latest assessment from its adviser is that the Company continues to be able to maintain its support for the BBPF.

What if the BBPF were to be wound up or discontinued?

It is a legal requirement that we provide you with an update on what the funding position would be if the BBPF were to be wound up. We would like to emphasise there is no plan to wind up the BBPF – this is for information only.

As part of the latest valuation, if the BBPF had been wound up on 31 March 2022 the Actuary estimated that its assets would have been around 88% of the amount needed to secure benefits with an insurance company.

If there were insufficient Company assets available to top up the BBPF's assets to 100% then, depending on the circumstances, the Trustee would either:

- Run the BBPF as a closed fund (which means the BBPF would be closed to new entrants, all pensionable service would cease and no contributions will be paid in respect of any member), or
- Use the BBPF's assets to secure as much of the benefits as possible with an insurance company

Alternatively, the BBPF might enter the Pension Protection Fund (PPF) and members of the DB Section would be provided with PPF benefits. A pension provided by the PPF would be a substantial proportion of your benefits built up in the DB Section of the BBPF, although there may be reductions depending on your age and when your benefits were earned. You can find out more at: www.pensionprotectionfund.org.uk or by writing to: The Pension Protection Fund, PO Box 254, Wymondham, NR18 8DN.

Defined Contribution (DC) savings are not covered by the PPF. If the BBPF were discontinued, the DC benefits would be secured separately, either by transferring them to an insurance company or to another pension arrangement.

What else do you need to know?

Under the 2004 Pensions Act, The Pensions Regulator holds the authority to intervene in the operation of pension schemes. However, the Regulator has not exercised any of these powers in relation to the BBPF. Specifically, the BBPF has not been amended, is not subject to any directives, and is not bound by a schedule of contributions imposed by the Regulator.

Additionally, we can confirm that no payments have been made from the BBPF to the Company since our previous newsletter.

Planning for retirement

Pension age for most members of the BBPF is 65, but you may be able to take your benefits earlier. If you do retire early, we will reduce your pension to make up for the fact that we will be paying it to you for longer.

When you do start taking your pension, if you want to, you can usually choose to swap some of it for a tax-free lump sum.

When you're ready to take your BBPF benefits, you have the following choices at retirement:



A full pension – a guaranteed monthly income for the rest of your life.



A tax-free cash lump sum and a smaller pension – you can exchange some of your pension for a lump sum to start your retirement. It means your annual pension will be smaller but you can take up to 25% of the value of your pension (capped at £268,275) as a tax-free lump sum. Your smaller pension is then paid to you every month for the rest of your life.



Transfer to an alternative pension arrangement to access your retirement income flexibly if under the age of 65. For example, you might want to take a number of cash withdrawals over time (this is called drawdown) or buy an annuity (i.e. a guaranteed lifetime income) that's tailored to your specific needs. While a transfer might be attractive to some members, it's not suitable for everyone. You can't change your mind once you've transferred out of the BBPF, so it's important to make sure it's right for you and your family.



How much pension do you have?

If you are not yet receiving a pension from the BBPF you can find out how much your pension may be worth at your planned retirement date by emailing your request to: bbpensionshelpdesk@balfourbeatty.com

Don't forget your other pensions and savings! If you have lost track of any previous workplace pensions you can use the Government's tracing service at: www.gov.uk/find-pension-contact-details

You can also get a state pension forecast from: www.gov.uk/check-state-pension

Retirement living standards

Given the important role that pensions play in everyone's financial future the Pensions and Lifetime Savings Association (PLSA) created the Retirement Living Standards guidelines.

The PLSA updated the amount of annual income recommended for a minimum, moderate and comfortable retirement. These reflect the price rises that households face, particularly in food and energy.

You can learn more about the retirement living standards at: www.retirementlivingstandards.org.uk

Single
43.1k
Comfortable

31.3k
Moderate

14.4k
Minimum



Couples
59k
Comfortable

43.1k
Moderate

22.4k
Minimum

Help and advice

Pension dashboards coming for all

The introduction of pensions dashboards by the Department for Work and Pensions marks a significant step forward in helping individuals keep track of their retirement savings. The dashboards will allow you to view all your pensions all in one place, making it easier to manage your financial future.

It is important to note that the dashboards will only display workplace and personal pensions that are still accumulating, but not pensions you are already receiving.

This initiative aims to improve pension awareness, reduce lost pensions and help people make informed decisions about their retirement planning. While the rollout is still ongoing, pensions dashboards are expected to become a valuable tool for millions of savers across the UK, we'll provide further updates on the rollout in our 2026 newsletter.

Stay safe from scams – quick tips!

- **Protect your information** – never share personal or banking details
- **Avoid upfront payments** – be cautious if asked to pay money upfront
- **Stay alert** – watch out for unexpected contact in person, by phone or online
- **Say no to pressure** – don't agree to payments or financial decisions on the spot
- **Be informed** – learn more about pension scams at: www.fca.org.uk/scamsmart
- **Report suspicious activity** – contact the Citizens Advice Consumer Helpline on **0808 223 1133** for guidance

Reminder about the change to the minimum pension age

From April 2028, the government is raising the minimum pension age from 55 to 57. Here's how it may affect you:

- **Born on or before 6 April 1971:** You will not be affected, as you'll already be 57 by April 2028.
- **Born between 6 April 1971 and 5 April 1973:** You can retire between your 55th birthday and 5 April 2028. After that, you'll need to wait until age 57.
- **Born after 5 April 1973:** You'll have to wait until age 57 to access your pension.

If you have a protected pension age in the BBPF, these changes may not apply to you.

Get in touch

If you have any questions, or would like an estimate of your benefits, you can contact the Pensions Helpdesk at:

✉ bbpensionshelpdesk@balfourbeatty.com

☎ **0151 482 4664**

✏ **Balfour Beatty Plc Pensions Centre,
Kings Business Park, Kings Drive, Prescott,
Merseyside L34 1PJ**

When contacting us, please include your full name and date of birth to help us identify you.

Changes to personal details

If you no longer work for Balfour Beatty, please contact the Pensions Helpdesk using the contact details above to inform us about any changes to your personal details, for example a change of address or change of name.

Communicating with you

If you haven't registered to receive digital communications yet, you can scan the QR code below or head to: <https://bit.ly/GoPensionsDigital> to complete the registration form to ensure you receive the latest pensions news quickly.

Scan me to
go digital



This newsletter is provided for information only. If there is any conflict between the information here and the Rules of the Balfour Beatty Pension Fund, the Rules take precedence.

We are not responsible for the content of any external website.

