

Simply Pensions



Balfour Beatty Pension Fund - Defined Benefit Newsletter

Summer 2026 issue - **Important message
about future communications with
action required from you.**

Balfour Beatty

Artist's impression of Lower Thames Crossing in Kent



This issue features:

- Chair's welcome 4
- Moving to digital communication 5
- Investment strategy 6
- Actuarial valuation of the Balfour Beatty Pension Fund 7
- Your questions answered 8
- Help and advice 9
- Get in touch 10
- Action required: choose your preferred communication method 11

Chair's welcome



Welcome to the 2026 Balfour Beatty Pension Fund (BBPF) newsletter for members with benefits in the Defined Benefit (DB) Section of the BBPF.

This edition marks an important milestone as we move to digital communications. You can find out more about the action you need to take on page 5.

As part of our move to digital communications, we're working to improve member service, reduce costs and our environmental impact by making it easier for you to receive future communications from us. Over 5,000 of our members have now signed up to digital communications - thank you to those that have registered already!

In this issue we'll also share the latest funding status as of 31 March 2026 and update you on the results of the 2025 triennial valuation.

Finally, we're also preparing for the launch of a new member self-service portal later in 2026. This will make it easier for you to access information about your pension and we'll share more details with you about this over the coming months.

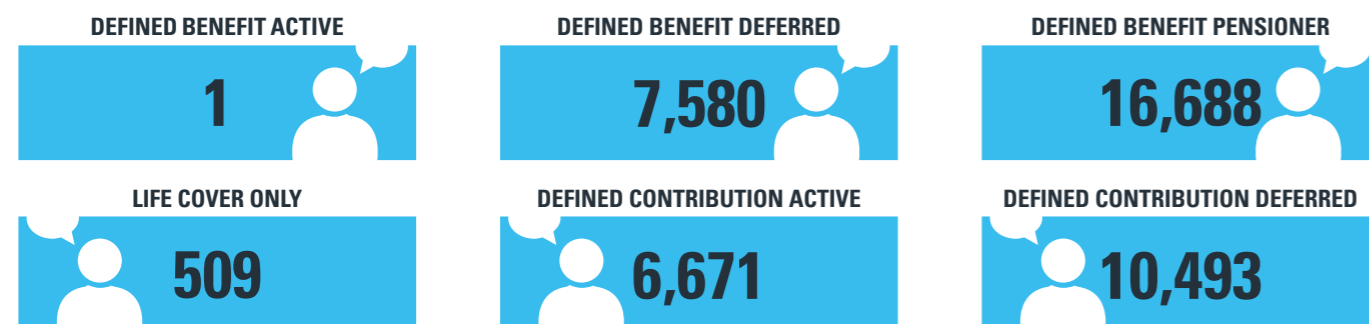
We hope you find this issue informative and as always, we welcome your feedback.

Mike Smaje

Chair

on behalf of the Trustee Board

Membership as at 31 March 2026

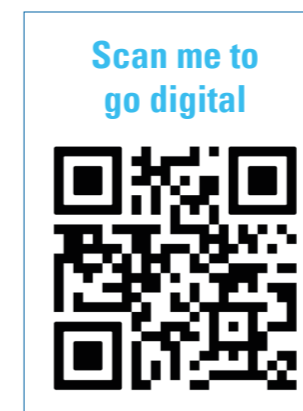


Moving to digital communication

As explained in previous editions of *Simply Pensions*, we are moving to digital communications as our default method of communication. Switching to digital communication allows us to reduce our environmental impact by cutting down on the printed materials we produce, while also helping to reduce postage costs. Going forward, all future communications will be published digitally and members who have provided their email address will be notified by email when a new communication is available.

To make sure you continue receiving communications, you need to

1. Register for digital communications (if you have not already done so). It's quick and easy to do – simply scan the QR code below or visit <https://bit.ly/2026DBNewsletter> to complete the registration form.



OR

2. Contact us using the details below to confirm you would prefer to continue receiving communications by post:

bbpensionshelpdesk@balfourbeatty.com

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

Please include your full name and date of birth, plus your member reference number or National Insurance (NI) number. Please confirm that you wish to continue receiving communications by post.

Coming soon....

We're working on a new, secure member self-service portal. It will give you easier access to your pension information online. We'll share more details later this year, so please ensure you register for our digital communications and keep an eye out for future announcements.

Did you know....

that printing our Summer 2026 newsletter produces around **1,248g** of CO₂ and costs approximately **£26,733** to post 2nd class!

Investment strategy

The Trustee regularly reviews how the assets in the BBPF's DB Section are invested. We aim to protect the financial position of the BBPF whilst ensuring the best interest of its members. We work closely with an investment adviser who looks after the day-to-day investment management of the BBPF. Further information is outlined in the Statement of Investment Principles and can be found at:

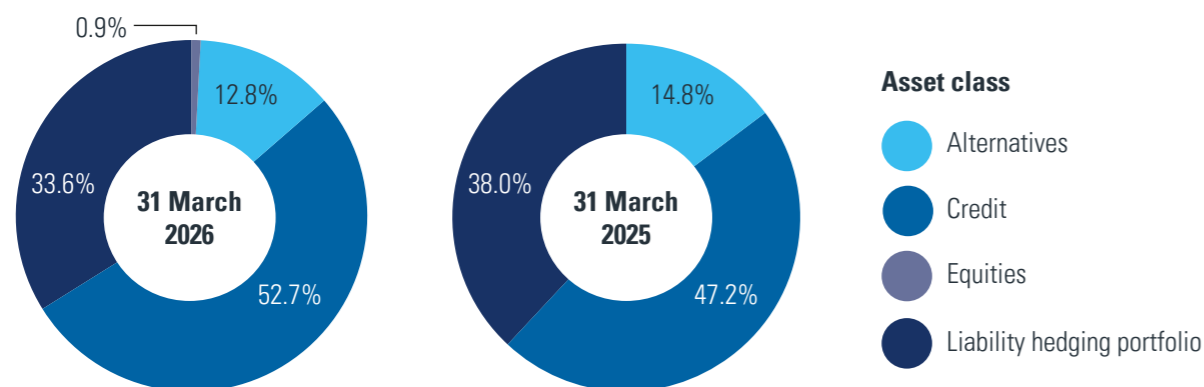
www.mypension.com/bbpf/documents/

Investment strategy

One of the Trustee's key aims is to ensure the BBPF's assets are managed efficiently. Over the past year, the Trustee has maintained the portfolio at around the agreed long-term investment return target. Given changes in market conditions over the period, this has involved a gradual increase in the allocation to credit assets whilst the Fund's allocation to alternative assets has gradually reduced.

The charts below show how the DB assets of the BBPF were invested on 31 March 2025 and 31 March 2026. A significant proportion of the assets were invested in the liability hedging portfolio. This portfolio invests in UK Government bonds and other investments which protect the BBPF from the impact of changes in interest rates 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 in the governance section of <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.

Equities

These are stocks or shares in a company.

Liability hedging portfolio

This portfolio mainly contains UK government bonds, however it also has exposure to other instruments which protect the BBPF from the impact of changes in interest rates and inflation.

Actuarial valuation of the BBPF

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

An actuarial valuation is carried out every three years to assess how much money (assets) the BBPF holds and compares it with the value of the benefits members have earned (liabilities).

The latest valuation was undertaken as at 31 March 2025 and the results are shown in the chart below, as well as the results of the 31 March 2022 valuation.

The 2025 valuation revealed liabilities slightly exceeding assets (a £7 million deficit).

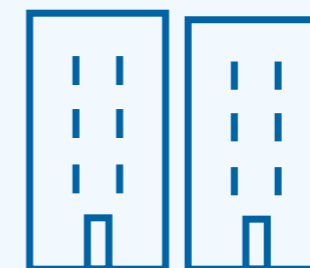
Over the period 2022 to 2025, the decrease in liabilities and assets was due to changes in market conditions, namely increases in interest rates and inflation. The reduction in the assets was partially offset by contributions from the Company.

The BBPF recovery plan

As the funding level was slightly below 100% at 31 March 2025, the Trustee and Company agreed a recovery plan where the Company made a one-off £30 million contribution to the BBPF at the end of February 2026, eliminating the deficit.

31 March 2025
actuarial review

99.8%
equivalent funding level

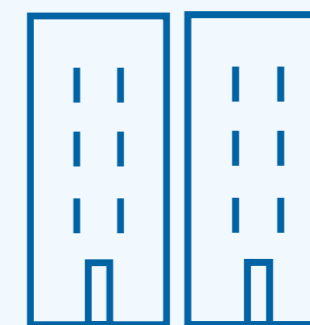


£3,062m
liabilities

£3,055m
assets

31 March 2022
actuarial valuation

100.3%
equivalent funding level



£4,414m
liabilities

Your questions answered

Are my benefits secure?

You should note that the funding level does not affect the amount of pension you receive.

Following the Company contribution of £30 million, the Fund has sufficient assets to meet all liabilities. 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 2025 the Actuary estimated that its assets would have been around 93% 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:

1. 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
2. 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.ppf.co.uk or by writing to: The Pension Protection Fund, PO Box 254, Wyomondham, 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.

Help and advice

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

Our member self-service portal launches in 2026

We're working on a new, secure member self-service portal. It will give you easier access to your pension information online. We'll share more details later this year, please ensure you are registered for digital communications and keep an eye out for future announcements.

Inheritance Tax changes

From April 2027, unused pension funds will be included when calculating Inheritance Tax. This means that pension lump sum death benefits will no longer automatically pass to beneficiaries free of Inheritance Tax but instead will be added to the value of your estate when assessing whether any inheritance tax is due.

Have you thought about making a will?

There are some practical advantages:

- A will makes sure your money and belongings go to the people you chose, reflecting your wishes and circumstances
- It can protect unmarried and non-civil partners
- You can make provision for your children, including guardianship and financial arrangements
- It may be possible to reduce your potential Inheritance Tax liability through careful estate planning, including structuring your will, making use of spousal exemptions, residence nil rate bands, charitable gifts and trust arrangements

Remember, even if you have already made a will, you may need to update it to reflect a change in your personal circumstances.

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, Prescot,
Merseyside L34 1PJ**

When contacting us, please include your full name and date of birth, plus your member reference number or National Insurance (NI) number 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/2026DBNewsletter> to complete the registration form to ensure you receive the latest pensions news quickly.

Scan me to
go digital



Action required: choose your preferred communication method

Finally, don't forget – to continue receiving communications from us you need to choose one of the following two options:

1. Register for digital communications (if you have not already done so). It's quick and easy to do – simply scan the QR code below or visit <https://bit.ly/2026DBNewsletter> to complete the registration form.

Scan me to
go digital



OR

2. Contact us using the details below to confirm you would prefer to continue receiving communications by post:

✉ bbpensionshelpdesk@balfourbeatty.com

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

Please include your full name and date of birth, plus your member reference number or National Insurance (NI) number.

Please note that 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.

If you do not choose one of the options, you will not receive further communications from us.

