

Reckitt Benckiser Pension Fund



DB UPDATE

WINTER 2025

RETIREMENT ADVICE AT NO COST TO YOU
ANNUAL PENSION INCREASES
INVESTMENT UPDATE



CHAIRMAN'S UPDATE



Dr Brian Bentley
Chairman of the Reckitt Benckiser Pension Fund

WELCOME TO YOUR LATEST FUND NEWSLETTER.

Funding latest

There is no Summary Funding Statement in this issue as the Scheme Actuary is currently working on the latest in-depth actuarial valuation to establish the Fund's financial position at 5 April 2025. We'll report on the outcome next year.

As a reminder, at 5 April 2024, the Fund's position remained strong with a funding level of 112.2%. In other words, the Fund had assets sufficient to meet 112.2% of the benefits earned by members.

Paid-for financial advice at retirement

Are you age 55 or over and yet to retire? If so, did you know that you can get impartial financial advice at retirement at no cost to you? The Fund's appointed independent financial adviser is Isio Wealth Planning. See page 3 for more information.

Wider news

In general pensions news, we provide updates on a range of topics including pension payments and inheritance tax, the Pensions Dashboards Programme and the State Pension Age.

Keeping us up to date

Please remember to let us know if any of your contact details change so that we can continue to update you about the Fund and your benefits. Equally, if you're receiving a Fund pension, please inform us if you change your bank or building society account to avoid any potential delay in you receiving your pension payments.

Moving to digital communication

To help reduce the Fund's carbon footprint, we're moving towards digital communications. If you have an email address, please share it with the Fund Administrator, Trafalgar House whose details are below. Please ensure you quote your member reference number and date of birth. This will allow them to send you a secure link to the online administration system, where you can view your pension record and update your personal details easily. Alternatively, you could use the link below to verify your email address on the Trafalgar House website.

Reckitt Benckiser Pension Fund - Trafalgar House

Feedback

If you have any feedback on this newsletter or if there's a subject you'd like us to cover in a future issue, please contact the Fund Administrator.

FUND ADMINISTRATOR

If you have a query about the Fund or your benefits, please contact the Fund Administrator, Trafalgar House, using any of the details below.

☎ 020 7330 0703

@ Reckitt@thpa.co.uk

🌐 www.myworkpension.co.uk

✉ Trafalgar House, PO Box 119, Blyth NE24 9EN



FINANCIAL ADVICE AT NO COST TO YOU

For deferred members only

When the time comes for you to retire, there are lots of options open to you – which is good news – but that does mean there's a lot for you to consider. Indeed, deciding how to take your Fund benefits could be one of the most important financial decisions of your life.

We want you to fully understand your options so you can make the right choices for your circumstances.

If you're age 55 or over and you haven't yet started to receive your Fund pension, you have access to one session of paid-for impartial financial advice from Isio Wealth Planning. Reckitt will pay Isio's fees – there will be no cost to you.

This is a valuable benefit – financial advice can typically cost several thousand pounds. We encourage you to take advantage of this offer when the time is right.

You can book a retirement guidance session with Isio at any time, but we recommend doing so when you are seriously considering retirement.

Their advisers have been fully trained on the Fund and have years of experience advising people on retirement.

To book a guidance session:



020 3727 9799



rbpfadvice@isio.co.uk



<https://engage.isio.com/login> you will need to insert the Client code **dQodLf** when logging into the portal.

We'll remind you of this opportunity in your retirement pack, which we'll send to you around four months before your Normal Retirement Date, or if you ask for an early retirement or transfer quote.

www.isio.com/what-we-do/wealth/member-advice.



FUND NEWS

INSURED ANNUITIES POLICY TRANSFER

In 2020, we purchased a bulk insurance policy with Scottish Widows, which insured the pensions for a group of the Fund's membership (see page 5).

On 11 June 2025, following the sale of Scottish Widows' bulk annuity business to Rothesay Life plc, the buy-in policy with Scottish Widows was transferred to Rothesay, the UK's largest pensions insurance specialist. The terms and conditions of the policy remain the same.

The transfer to Rothesay does not change our obligations to you as a member of the Fund and there will be no change to:

- your level of benefit,
- the timing or frequency of pension payments, or
- any benefits payable to your beneficiaries on your death.

Your data

In addition to the pension benefit details, Scottish Widows has provided Rothesay with the personal data that they need to administer our buy-in policy.

Rothesay's privacy notice provides full details about how and why they process personal data. It also explains members' rights under data protection laws.

It is available on Rothesay's website at:

www.rothesay.com/data-protection/privacy-notice-for-scheme-members

DEFERRED AND PENSIONER INCREASES

Pensions that had been in payment for a full year were increased in April 2025 by 3.5%. This was in line with December 2024's Retail Price Index (capped at 5%), as required by the Fund Rules.

No discretionary pension increase was awarded in 2025.

Deferred members received a 3.5% increase on their excess over Guaranteed Minimum Pension (GMP) benefits. Any GMP increased at the statutory rate as notified in your annual pension increase letter.

For dependants and pensioners aged under 65 (male) and 60 (female), the pension increase was applied to the whole pension in payment.

For dependants and pensioners over 65 (male) and 60 (female), the increase was applied to the pension in excess of any GMP.

Any GMP built up after 5 April 1988 received an increase at 6 April 2025 of 1.7% based on the Consumer Price Index from the previous September capped at 3%.

Any GMP built up before 6 April 1988 received no increase from the Fund.

Pensioners who had been retired for less than one year received a proportionate increase.

GMP was built up between April 1978 and April 1997 as a result of contracting-out of the State Earnings Related Pension Scheme (SERPS). See right for more information about GMP.

GMP EQUALISATION UPDATE

What is GMP?

At one time the Fund was 'contracted out' of part of the old State pension. This means the Fund promised you a pension at least equal to the State pension you would have built up if the Fund hadn't been contracted out between 1978 and 1997. This part of pension is known as Guaranteed Minimum Pension (GMP).

What is GMP equalisation?

A High Court ruling in 2018 confirmed that all UK pension schemes like ours need to adjust ('equalise') pension benefits to make up for any unequal GMP between men and women.

This affects all members (including dependant members) with a Fund pension that was built up between 17 May 1990 and 5 April 1997. It also affects former members of the Fund with benefits built up during these dates who since transferred out.

If you built up a GMP during this period, it's possible you might receive a small increase to your benefits. No benefits will reduce as a result of GMP equalisation.

Latest

This work is hugely complex and we're continuing to work with our advisers behind the scenes, calculating what adjustments are needed. Please be assured that we'll write to you individually with full details if you're affected and any increases due will be backdated as necessary.



DB SECTION IN NUMBERS

THE ACCOUNTS

The table below summarises the accounts for the DB Section for the year ending 5 April 2025. The Fund's auditors have confirmed that these are accurate. If you would like a copy of the full Report & Accounts, please contact the team at Trafalgar House (see page 2).

	£000	£000
Value of the DB Section of the Fund at 6 April 2024		892,503
Contributions and related income	2	
Investment income	17,576	
Total income		17,578
Pensions and other benefit payments	(43,340)	
Investment and administration expenses	(1,448)	
Total expenditure		(44,788)
Change in market value of investments		(44,094)
Value of the DB Section of the Fund at 5 April 2025		821,199

THE MEMBERSHIP

This table shows how the membership changed over the year.

DB SECTION	Deferred pensioners	Pensioners / dependants
6 April 2024	1,140	3,605
Opening adjustments	(2)	2
Retired	(65)	65
Trivial commutation	(1)	(5)
Transfers out	(2)	-
Death in deferment	(2)	-
New widows and dependants	-	45
Pensioners / dependants died	-	(177)
End of child pensions	-	(4)
5 April 2025	1,068	3,531

In addition, at 5 April 2025, there were 50 deferred members entitled to small amounts of 'Equivalent Pension Benefit' provided for them when contracted out of the old Graduated Pension Scheme.

At 5 April 2025, 1,245 (2024: 1,266) of the pensioners' / dependants' benefits were secured under the bulk annuity policy purchased in 2020.



INVESTMENT UPDATE

STRATEGY

The Trustees' overall investment aims are:

- To buy suitable assets that will generate sufficient income and growth to meet, together with Company contributions, the cost of all members' benefits.
- To ensure that the Fund is able to meet the short-term cost of members' benefits as they fall due, by limiting the risk of the assets failing to meet the long-term cost of members' benefits.
- To minimise the long-term costs of the Fund by maximising the return on assets, while keeping the above objectives in mind.
- To allocate a portion of the Fund's assets to a Liability Driven Investment (LDI) strategy to protect against future interest rates and inflation risks.
- To allocate a portion of the Fund's assets to 'buy-in' investment strategies to protect pensioners' benefits against market and life expectancy risks.

To achieve these aims, the investments are split into two categories:

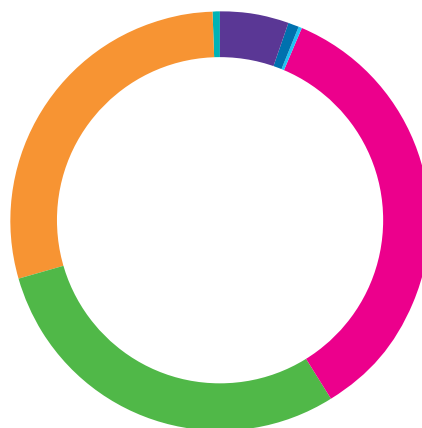
- Return-seeking assets which aim to achieve growth. These invest in higher-risk assets such as equities. (We now hold very few assets in these investments as you can see from the table below.)
- Matching assets which aim to match how the liabilities (the total value of members' benefits in the DB Section) change in value. These invest in lower-risk investments such as bonds.

During the year, we notified M&G of our intention to switch the Fund's investment in the M&G All Stocks Bond Fund to the M&G All Stocks Sterling Credit Fund. A transfer was completed on 20 March 2025.

As we reported last time, we are in the process of liquidating the Fund's property mandate with CBRE. This is an ongoing process which we expect to be complete over the next few years.

Asset allocation at 5 April 2025

Asset class	Actual (% of total fund)	Target (% of total fund)
Global equities	5.5	
Property	0.8	
Cash and other investment balances	0.1	
Total 'return-seeking' assets	6.4	5.0
LDI investment	34.9	
Bulk Annuity	29.2	
Corporate Bonds	28.9	
Liquidity	0.5	
Total 'matching' assets	93.6	95.0



Figures may not sum due to rounding

The Trustees' overall investment strategy is to hold assets with the aim of preserving a stable funding position and therefore maintaining the security of members' benefits. Over the year, this objective was achieved.

Performance over the short and mid-terms was negative and below the agreed benchmarks.

AVC Funds

If you have AVCs in the DB section of the Fund you should have received a statement earlier in 2025 detailing the value of these Funds.

MORE DETAIL ONLINE

We set out our agreed investment approach in the Fund's formal Statement of Investment Principles (SIP). You can find the latest SIP, as at July 2024, online at www2.myworkpension.co.uk/SchemeNoticesRECK.



NEWSROUND

PENSIONS AND INHERITANCE TAX UPDATE

Last time we reported on the Government's plans to bring 'inherited pensions' within the Inheritance Tax regime from 6 April 2027.

The change will impact any cash sum that becomes payable to dependants or beneficiaries if a member dies shortly after retiring. From 6 April 2027, any such cash sum will form part of members' estates and be subject to inheritance tax.

However, the Government has since indicated that lump sums payable from registered pension schemes (such as the Fund) if a member dies in service will **not** form part of the member's estate. Spouse and dependants' pensions will remain subject to existing tax rules, i.e. they will be taxed as income and **not** form part of the member's estate for inheritance tax purposes.

PENSIONS DASHBOARDS LATEST

We also reported on the Pensions Dashboards in our previous issue. This is the online framework being developed that will enable savers to keep track of all their pensions in one place, including the State Pension.

We're currently working with our administrators, Trafalgar House, to make sure your pension information is ready to be available on Pensions Dashboards. We're carrying out thorough testing to ensure everything works smoothly.

Dashboards will allow you to view all your pension details in one secure place. All UK pension schemes must connect to the system by 31 October 2026.

You can expect to see lots of awareness campaigns in the media when it's made available to the public. This will be through MoneyHelper initially, but the expectation is that multiple organisations will eventually provide access to it, including pension providers and banks. For more information on pension dashboards please see the link below.

www.pensionsdashboardsprogramme.org.uk



STATE PENSION AGE TO RISE NEXT YEAR

If you were born after 6 April 1960, the age you can start to receive your State Pension will change next year. The State Pension Age is currently 66, but it will rise to 67 between April 2026 and April 2028.

You can use the Government's online calculator to check when you'll reach State Pension Age and how much your State Pension might be.

www.gov.uk/check-state-pension



PENSION FRAUD WARNING

Your Fund benefits are valuable, which means they could be a target for scammers. We encourage you to know the warning signs and remain vigilant.

Be especially careful if anyone contacts you unexpectedly and asks for your personal details (including your email address) or information about your finances (such as pension scheme or bank account details).

Criminals often try to disguise their request to look like it's coming from a legitimate organisation, such as the Government, your bank, a utility provider or leading retailer.

No one involved with the Fund, or any other genuine organisation, will ever ask you out of the blue for your personal details.

The MoneyHelper website contains more information about pension scams and how to keep your benefits safe.

www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam



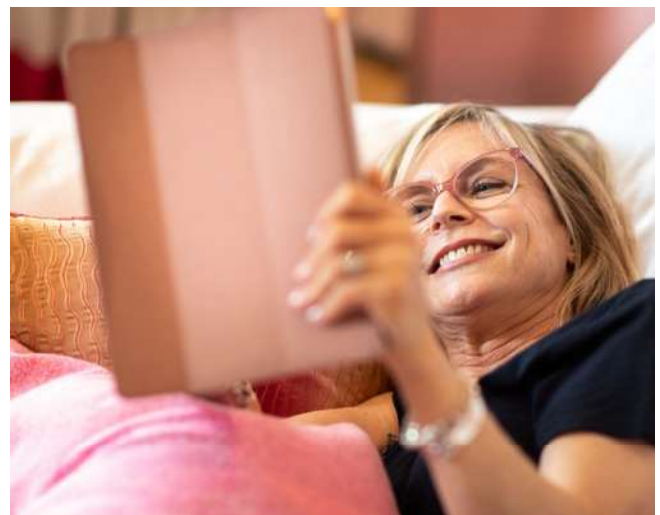
THE GROWTH OF AI

Artificial intelligence (AI) is featuring in the news more and more these days, as the technology develops and industries identify the benefits it can deliver (and the risks it can pose).

As part of our ongoing governance of the Fund, we're monitoring the growth of AI carefully, particularly how it's being (and will be) used in the world of pensions.

You can be assured that we will be cautious when it comes to using AI in any way, and not do anything to put the Fund or members' data or benefits at risk.

We also recognise that robust and effective use of AI may have real benefits and efficiencies for members and the Fund in the future. We'll keep you updated if there is further news.



MANAGING YOUR FUND

The Fund is made up of the DB Section only and its assets are established under a single legal Trust, which means they are kept separate from those of the Company.

The Trustees are legally bound to protect members' interests and ensure that the Fund is managed in line with its own Rules and wider pensions law.

There are currently seven Trustees. Four are appointed by the Company and three are Member-Nominated Trustees (MNTs).

The Trustees, in collaboration with the Company and our legal advisers are currently reviewing the MNT policy. Should a change to the Trustee Board be required, we will write to members inviting nominations.

YOUR TRUSTEES

Company-appointed Trustees

Brian Bentley (Chairman)
 Yuanita Field
 Richard Greensmith (resigned 11 July 2025)
 Kavan Stewart (appointed 11 November 2025)
 Mark Lawson

Member-Nominated Trustees

Shaun Ash (Reckitt employee – former DC member)
 Craig Hughes (Reckitt employee – former DC member)
 Martin Keeley (pensioner member)

Secretary to the Trustees

Anna Batterley



Brian Bentley



Yuanita Field



Kavan Stewart



Mark Lawson



Shaun Ash



Craig Hughes



Martin Keeley



Anna Batterley

OUR ADVISERS

Actuary	Mrs Alison Barnes FIA, Willis Towers Watson Limited
Administrator	Trafalgar House Pensions Administration Limited
Auditor	Grant Thornton UK LLP
Legal Advisers	Slaughter & May Travers Smith LLP
Banker	Lloyds Bank plc
Investment Consultant, Defined Benefit Section	Willis Towers Watson Limited Aon Solutions UK Limited (for Additional Voluntary Contributions)
Investment Managers, Defined Benefit Section	BlackRock Investment Management (UK) Limited CBRE Global Investors Legal & General Investment Management Limited M&G
Annuity policy	Scottish Widows up to 10 June 2025 Rothesay Life Plc from 11 June 2025
AVC Providers	Utmost Life & Pensions Aegon Aviva
Custodian	Northern Trust
Independent Financial Adviser	Isio Wealth Planning

MORE INFORMATION

If you would like more detail about the Fund, you can request a copy of the following formal documents by contacting Trafalgar House (see page 2). There may be a small charge to cover administration expenses.

- Annual Report & Accounts – shows how much money has gone in and out of the Fund for the reporting year.
- Statement of Funding Principles – explains the Fund's funding arrangements.
- Actuarial reports – provides regular updates on the Fund's financial developments.
- The Trust Deed and Rules – governs how the Fund is run.

The Fund's Statement of Investment Principles and Climate Change Report are available online (see page 6).

Important:

This newsletter is provided for general information only. It does not override any of the provisions in the Fund's Trust Deed and Rules. The Trustees and Reckitt reserve the right to alter or remove access to an employer-funded financial advice session at retirement, or any other arrangement for accessing financial advice, at any point in the future.