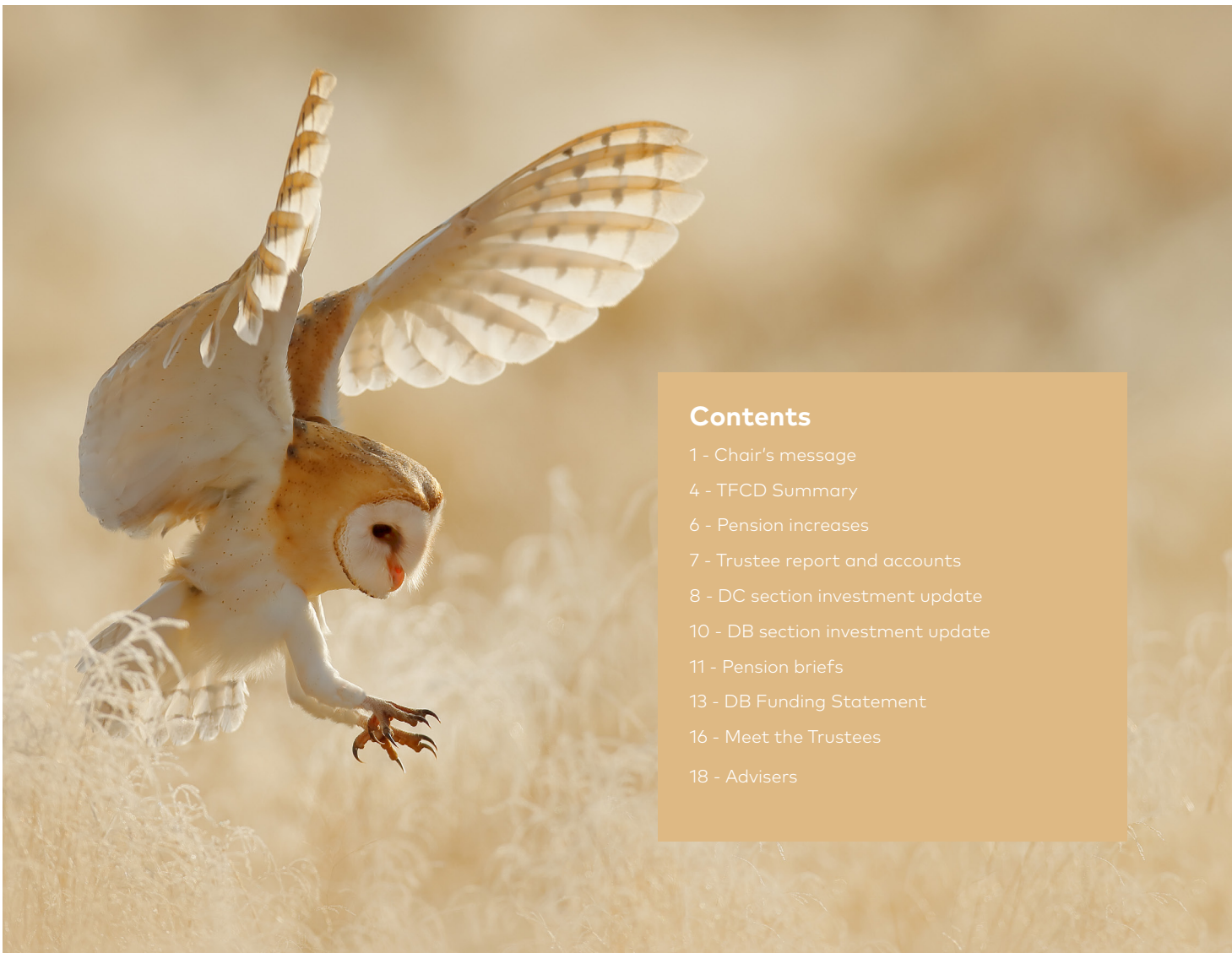


Pension News

Issue Nº 9
Winter 2024

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Chair's message...

Welcome to the 2024 edition of Pension News, the annual newsletter for members of the Wood Pension Plan.

Dear Members,

As we look back on 2024, I'd like to take this opportunity to update you on the key developments within the Wood Pension Plan, as well as the broader geopolitical and economic landscape that has shaped the year.

A Year of Challenges and Resilience

The global economy has faced continued headwinds in 2024, with lingering inflationary pressures, interest rate adjustments, and political uncertainties dominating the landscape. While there have been signs of stabilisation in financial markets, challenges remain. Despite this, the Wood Pension Plan has stayed on course, delivering strong governance and maintaining the security of your pension.

Defined Contribution (DC) Section Update

We are pleased to report significant progress in enhancing the DC section this year. A new investment strategy has been implemented for the default fund, transitioning to target-dated funds that provide higher exposure to equities in earlier years to maximise growth potential. As members approach retirement, these funds gradually shift to safer investments to protect your savings.

The process to move to this new strategy went smoothly, with no disruption to members. This change aligns with our commitment working to provide the best outcomes for your retirement savings.

GMP Equalisation Project Progress

The Guaranteed Minimum Pension (GMP) equalisation project continues, ensuring fair treatment for all members. This year, the project focused on pensions earned before 1997 in the Foster Wheeler and John Wood schemes, which have now been equalised and converted.

Looking ahead, the project will address members who transferred their benefits out of the Plan. This work demonstrates our dedication to maintaining fairness and compliance with regulatory requirements.

Defined Benefit (DB) Section Strategy and Covenant Update

The DB section remains in a strong financial position, with a healthy surplus ensuring that all members' pensions are secure.

You may be aware that in recent weeks, shares in the sponsoring employer, Wood Group, have fallen significantly. While this kind of volatility can be concerning, it's important to emphasise that the Plan is not currently dependent on the Company for its funding. The DB section's surplus provides a significant cushion against market fluctuations.

To ensure we remain vigilant, the Trustees work closely with our covenant adviser, who monitors the financial health of the sponsoring employer. The covenant reflects the employer's ability to support the Plan if needed, and we will continue to review this situation carefully to protect members' benefits.

Looking to the future, the Trustee is reviewing the long-term strategy for the DB section, in consultation with the Company. The Trustee is considering whether to continue to run the DB section for an extended period of time, with the objective of generating further surplus that could benefit members and the Company, or alternatively entering into a transaction as soon as practicable to secure member's benefits with an insurance company. The Trustee is considering thoroughly all the relevant issues. No decisions have yet been made and the Trustee will be guided, as always, by its view as to what is in members' best interests.

The Wood Pension member Website

woodplc.com/ukpensions

Why not take a look at our website? It has lots of valuable pension information and education material to help you understand the types of pensions you have.

You can also log in to view your member account, where you will find all the information you need about your individual pension, here:

woodplc.compendiahosting.co.uk

If you need help logging in, please contact us.

Sustainability and TCFD Reporting

We are proud to share that our second Task Force on Climate-related Financial Disclosures (TCFD) report has been published and is available on the Plan's website. This report outlines how we manage climate-related risks and opportunities within the Plan. A summary of the report is included in this newsletter on page 4.

Welcome to Our New Trustees

This year, we were joined by two new Trustees, Jo Myerson and Daren Smith, who bring valuable expertise to our Board. Jo and Daren replace Claire Yule and Fraser Leith, whose contributions over the years have been greatly appreciated.

To help you get to know the people managing your pension, we've included short biographies of all our Trustees in this newsletter. You can read more about Jo and Daren on page 16.

Thank you for your continued trust in the Wood Pension Plan. We remain focused on safeguarding your pensions and achieving the best possible outcomes for all members.

If you have any questions or feedback, please don't hesitate to get in touch.

From my fellow Trustees and me, have a wonderful Christmas,



Mervyn Walker
Trustee Chair



TCFD Report Summary

The Wood Pension Plan's TCFD report for 2023/24 outlines the trustees' approach to managing climate-related risks and opportunities, consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

What is Climate Change and Why Does It Matter for the Pension Plan?

We've all heard of climate change in the press. Increasing CO₂ levels from the burning of fossil fuels, deforestation, farming and waste will have a significant effect on the climate such as hotter temperatures, melting sea ice and rising seas stronger storms to name a few. But how does this impact your pension, and how can your pension impact climate change?

The TCFD was established to promote transparent reporting on the impact of climate change on financial systems. UK pension plans are required to align with TCFD regulations to identify and manage climate risks effectively.

Climate changes will impact businesses and the economy, which may affect how much your DC retirement savings grow and whether there are enough DB funds to pay pensions in the future. The Trustees of the Wood Pension Plan want to make sure investments grow, no matter what happens with the climate.

How the Plan Protects Your Money

The Trustees are working hard to understand and prepare for the risks of climate change.

The Trustee Board oversees all climate-related risks and opportunities affecting the Plan', for consistency with Chair's message.. Key actions include:

- Maintaining a Statement of Investment Principles (SIP) updated annually, that incorporates Environmental, Social, and Governance (ESG) factors.
- Engaging with investment managers and advisors to integrate climate considerations into decision-making.
- Monitoring climate metrics, including carbon emissions and alignment with global climate targets.

The Trustees use this information to set and meet climate targets.

What are the Climate Scenarios we Face and the Biggest Risks?

Transition Risks:

This happens when companies fail to adapt to market threats and opportunities on climate change. For example, if a company doesn't reduce its pollution, revenue may reduce and it may face fines.

Physical Risks:

These include things like floods or storms damaging buildings and land resulting in loss of business revenue. Higher insurance costs and repairing the damage will affect companies and the economy, which will affect the pension plan.

The effect of these risks on the Plan can vary according to timescale. Temperatures can rise slowly or fast; a transition to net zero can be orderly or disorderly. We also need to consider if the "net zero" by 2050 target set by the Paris Climate Agreement is not met and global temperatures rise by more than 2°C.

Over the short term, transition risks dominate, while physical risks grow more impactful over the long term (40+ years). Members' retirement savings are most at risk under a failed climate transition scenario.

What is the Plan doing to mitigate these risks?

Defined Benefit (DB) Section

- **Assets:** The DB section has £2.2 billion of assets as of December 2023.
- **Key Risks:** Investments face transition risks (e.g., stricter climate policies) and physical risks (e.g., extreme weather events). Scenario analysis suggests that the greatest risk arises in a disorderly transition to net zero by 2050.
 - Actions and Targets:
 - Improved data quality for climate metrics.
 - Set a target to increase data quality annually.
 - Engaged with investment managers to address climate risks within funds, focusing on carbon footprint and temperature alignment.

Defined Contribution (DC) Section

- **Assets:** Approximately £650 million is invested with Scottish Widows across various funds. Most members are invested in the default fund.
- **Key Risks:** For DC members, short-term risks are dominated by transition risks (e.g., policy shocks). Over the long term, physical risks (e.g., extreme weather) become the biggest threat, with potential to reduce retirement savings by nearly one-third in a failed transition scenario.
- **Key Targets:**
 - By 2050, default investments should produce net zero emissions (this means not adding more pollution to the air than we can remove).
 - By 2030, cut pollution from investments by 45% compared to 2019.
- **Key Actions**
 - Invest more money into companies and projects that help the environment, like renewable energy (wind and solar power).
 - Avoiding businesses that don't plan for a greener future, like ones that rely too much on coal or oil or are based in places that will physically be impacted by climate change.

Member-Focused Impacts

Climate risks have direct implications for members' pension outcomes:

- For DB members, robust funding levels and liability hedging strategies help mitigate climate risks to pensions.
- For DC members, sustainable investment strategies aim to maximize retirement savings while reducing carbon footprints.

By aligning investments with long-term climate goals, the Trustee seeks to balance financial returns with environmental responsibility, ensuring security for members' retirements while contributing to a sustainable future.

Our TCFD report is available on our website* and shows how the pension plan is working hard to manage risks, take advantage of green opportunities, and protect your retirement savings for the future.

*https://www.woodplc.com/_data/assets/pdf_file/0023/271580/Annual-TCFD-Report-2024.pdf



Pension increases

Former Amec DB Section - Pensions to rise in January 2025

The Trustee has approved the rate of increase for pensions in payment and deferred pensions under the former Amec DB section. The increase is effective from 1 January 2025.

Pre-1997 pensions have been equalised (for gender) and converted into two elements of pension:

- A fixed pension, which does not increase
- An increasing pension, which increases each year by a fixed 5%. (Pensions for a small number of members have not yet been equalised and converted, specifically pensions for members who retired in late 2024 will be converted in 2025.)

The Plan rules provide for pension earned post April 1997 and prior to 1 January 2008 to be increased by price inflation up to a maximum of 5% a year and pension earned since 1 January 2008 to be increased by price inflation up to a maximum of 2.5% a year. Active members who left or retired from the Plan during 2024 receive a pro-rotta increase.

The rate of increase is set by reference to the Retail Prices Index (RPI) for the 12 months ending September 2023. The RPI published in October 2024 showed an increase in price inflation of 2.7% for the year ending September 2024.

| | Pre January 2008 | Post January 2008 service |
|---------------------|------------------|---------------------------|
| Pensions in payment | 2.7% | 2.5% |
| Deferred pensions | 2.7% | 2.5% |

Former Foster Wheeler DB Section - Pensions to rise in April 2025

For the former Foster Wheeler DB section, increases are effective at 1 April 2025. Increases are applied to the pension in the following way:

- The rate of increase is set by reference to the Consumer Prices Index (CPI) for the 12 months ending December 2024. This figure will be published in January 2025.

Pre-1997 pensions have been equalised and converted and into two elements of pension:

- A fixed pension, which does not increase unless a discretionary increase is granted with the agreement of the company.
- An increasing pension, which increases each year by a fixed 3%. (Pensions for a small number of members have not yet been equalised and converted specifically pensions for members who retired in late 2024 will be converted in 2025.)

Pension accrued between 6 April 1997 and 5 April 2005 is increased in line with CPI up to a maximum of 5% Pension accrued after 5 April 2005 is increased in line with CPI up to a maximum of 2.5%.

Former John Wood Group DB Section - Pensions to rise in April 2025

For the former John Wood Group DB section, increases are effective at 1 April 2025. Increases are applied to the pension in the following way:

- The rate of increase is set by reference to the Retail Prices Index (RPI) for the 12 months ending September 2024.

Pre-1997 pensions have been equalised and converted and into two elements of pension:

- A fixed pension, which does not increase unless a discretionary increase is granted with the agreement of the company.
- An increasing pension, which increases each year by a fixed 3%. (Pensions for a small number of members have not yet been equalised and converted, specifically pensions for members who retired in late 2024 will be converted in 2025.)

Pension accrued between 6 April 1997 and 30 June 2005 is increased in line with RPI up to a maximum of 5%. The RPI published in October 2024 showed an increase in price inflation of 2.7% for the year ending September 2024 so the increase will be 2.7%.

Pension accrued after 1 July 2005 is increased in line with RPI up to a maximum of 2.5%. The RPI published in October 2024 showed an increase in price inflation of 2.7% for the year ending September 2024 so the increase will be 2.5%.

Trustee report and accounts

The Trustee Report and Accounts for 2024 and previous years are available on the Wood Pension Plan internet site: www.woodplc.com/ukpensions

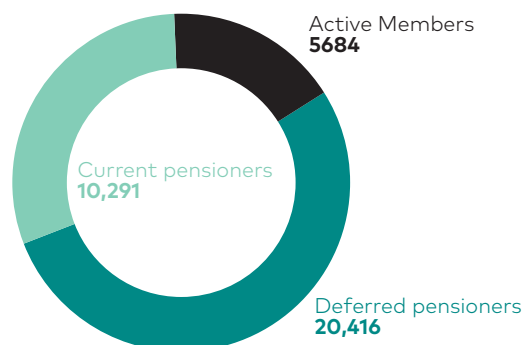
The Trustee Report and Accounts is an annual document that provides a comprehensive overview of the Plan's financial position, performance, and key activities over the year. It is an essential part of the governance of a pension plan, ensuring transparency and accountability to members, employers, and regulatory bodies.

What Does It Contain?

The report and accounts include:

- **Financial Statements:** These outline the Plan's assets (the funds available to pay benefits), liabilities (what is promised to members), income (contributions and investment returns), and expenditure (benefit payments and administrative costs).
- **Trustee's Report:** This section describes the key developments during the year, such as changes in investment strategies, updates on regulatory compliance, and significant projects like GMP equalisation.
- **Investment Performance:** A review of how the scheme's investments have performed, including details about returns, asset allocation, and any changes to the strategy.
- **Membership Information:** A summary of membership movements, such as new joiners, retirees, or those transferring benefits out.
- **Auditor's Statement:** Independent auditors review the financial statements to confirm their accuracy and compliance with relevant laws and standards.

Membership Statistics as at 30 September 2024



Why Is It Required?

1. **Legal Obligation:** Pension schemes must prepare and publish an annual report and accounts as required by UK law, including the Pensions Act 1995 and 2004, to ensure members' benefits are safeguarded.
2. **Transparency and Governance:** The report allows members and stakeholders to understand how the scheme is being managed, providing confidence that their pensions are secure and being handled responsibly.
3. **Regulatory Compliance:** The report demonstrates that the scheme is meeting all relevant regulatory requirements, including funding and investment standards.
4. **Decision-Making:** For Trustees, the report provides a valuable tool to assess the scheme's health and guide future decisions about funding, investments, and member benefits.

Summary Fund Accounts

| For the year ended 31 March 2021 | | | | |
|---|------------------|-----------------|------------------|------------------|
| | DB | DC | Total | Total |
| | £'000 | £'000 | 2024 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Contributions and benefits | | | | |
| Employer | | 55,925 | 55,925 | 80,123 |
| Employee | | | | |
| Transfers in | - | 3,868 | 3,868 | 886 |
| Other Income | - | 2,108 | 2,108 | 1,524 |
| | | 61,901 | 61,901 | 82,533 |
| Benefits paid or payable | (114,781) | (6,915) | (121,696) | (111,197) |
| Payments to and on account of leavers | (1,400) | (20,706) | (22,106) | (31,501) |
| Administrative expenses | (3,348) | (271) | (3,619) | (4,080) |
| | (119,529) | (34,009) | (85,520) | (146,778) |
| Net (withdrawals)/additions from dealings with members | (119,529) | 34,009 | (85,520) | (64,245) |
| Returns on investments | | | | |
| Investment income | 58,347 | 77 | 49,036 | 49,286 |
| Investment management expenses | (4,217) | - | (4,217) | (3,457) |
| Change in market value of investments | (88,943) | 48,840 | (40,103) | (727,391) |
| Net returns on investments | (34,813) | 49,014 | 14,201 | (681,812) |
| Transfers Between Sections | 2,622 | (2,622) | - | - |
| Net (decrease)/increase in the fund during the year | (151,720) | 80,401 | (71,319) | (746,057) |
| Net assets of the Plan at start of year | 2,292,339 | 524,939 | 2,816,732 | 3,562,789 |
| Net assets of the Plan at end of year | 2,140,619 | 604,794 | 2,745,413 | 2,816,732 |

DC section - investment update

DC Section - Investment Update

The Wood DC section helps members grow their retirement savings by offering flexible contributions for active members and a variety of investment options.

The Wood Pension Trustees are supported by Mercer Workplace Savings as the Plan's fiduciary manager and Isio, the appointed DC Investment Consultant.

For Active members - Contributions: Building Your Pension Pot

Employer and Member Contributions: Both you and your employer make regular payments into your pension. In the year ending March 2024, the Plan received £55.9 million in contributions. This includes:

- **Employer Contributions:** Often higher, forming the majority of payments.
- **Member Contributions:** These can be made directly or through salary sacrifice, which can reduce your tax and National Insurance.
- **Additional Contributions (AVCs):** You can add extra money (called Additional Voluntary Contributions) to grow your savings faster.

Why This Matters:

- The combined contributions provide a solid foundation for building your retirement savings over time. Salary sacrifice can also boost your contributions while saving on tax.

Investment Options: Tailored to Your Needs

Default Fund: These are designed for simplicity and adjust automatically as you approach retirement:

- Early on, they focus on growth by investing in shares and other high-return assets.
- Closer to retirement, they shift to less volatile investments like bonds and cash to protect your savings from market dips.

Self-Selected Funds: If you prefer to manage your investments, you can choose funds that align with your values or goals, such as:

- **Sustainable/Ethical Funds:** Focus on environmentally friendly and socially responsible companies.
- **Global Equity Funds:** Aim for high growth by investing in companies worldwide.
- **Bond Funds:** Provide stability with lower volatility.

Why This Matters:

- You have flexibility to let the Plan manage your investments automatically or take control by picking funds that match your financial goals and values.

Performance: Tracking Growth

Investment funds are regularly reviewed by the Trustee to ensure they are delivering expected returns. Some highlights from the year ending March 2024 include:

- **Passive Global Equity Fund (self-select):** Returned 22.9%, reflecting strong performance in global stock markets.
- **Multi-Asset Growth Fund (part of default):** Delivered 8.4%, balancing higher-growth assets with more stable investments.
- **Cash Retirement Fund:** Achieved 5.0%, providing safety while still earning modest returns.

Why This Matters:

- Positive investment returns mean your savings grow faster, helping you reach your retirement goals sooner. For more information about the performance of your investments, you can find individual fund factsheets through your account on the Wood Pension Portal.

Monitoring and Oversight: Protecting Your Savings

The Plan's investments are managed by Scottish Widows.

- The Trustee reviews fund performance regularly to confirm they are meeting their objectives and remain suitable for members.
- Costs are reflected in fund prices, meaning you can see their impact on your savings directly.

Why This Matters:

- Regular oversight ensures your money is invested wisely and protected from unnecessary risks.
- In summer 2024, the Trustee made significant changes to the default fund, moving to Target Dated Funds with higher allocations to equities to improve the expected return on investments.

Flexibility: Adapting to Your Life Goals

Access Anytime: You can log into the member portal to check your savings, switch funds, or run retirement estimates.

Retirement Options: When you retire, you can choose from several options:

- Take a lump sum (up to 25% tax-free).
- Purchase an annuity for guaranteed income.
- Keep your money invested and withdraw as needed (drawdown).

Why This Matters:

- The Plan adapts to your changing needs, letting you make decisions about how to save and how to use your pension when you retire.

Fee Transparency: the Yearly Fund Charge for the default fund in the growth phase is: 0.207% These are the charges that are deducted within the unit price. Fees and further information about your fund is available on the fund fact sheet through the Wood Pension Portal.



DB section - investment report

The investment strategy for the Wood Pension Plan's DB Legal Section is designed to ensure the security of member benefits while efficiently managing the fund's assets and liabilities. Here is an overview of its key elements:

Funding and Financial Position

- As of the latest valuation (March 2023), the DB section reported a surplus of £133 million, with a funding level of 106% based on technical provisions.
- The Plan is closed to future accruals, meaning no additional employee contributions are required to fund future benefits, although provisions are in place for Company contributions should certain triggers occur.
- The latest Pension Protection Fund (PPF) assessment (a statutory requirement) indicates the DB section is 118% funded, exceeding the minimum required for member compensation in the event of insolvency.

Investment Strategy

- Matching Assets (LDI): A significant portion of investments is allocated to matching assets such as fixed-income securities, including leveraged and index-linked gilts. These assets align closely with the Plan's liabilities, minimising funding volatility from interest rate and inflation changes.
- Buy and Maintain Credit: The remaining investments focus on purchasing high-quality bonds with the intention of holding them until maturity. This approach is commonly used in pension funds and other long-term investment portfolios to generate stable income and match liabilities.
- The Plan engages seven investment managers, ensuring diversification and professional oversight of its investments. Performance is regularly reviewed to align with stated objectives.

Risk Management and Governance

- The Trustee Board oversees all aspects of the Plan's management, including investment performance, risk, and compliance.
- Regular assessments of the sponsoring employer's ability to meet its obligations.
- Comprehensive due diligence is conducted, and investments are structured to mitigate economic and regulatory risks.
- This strategy balances stability with growth, ensuring the long-term security of members' benefits.

| Company | Asset Class | Asset Allocation % | Fund Return % | Benchmark Return % |
|---------------------------------------|-------------|--------------------|---------------|--------------------|
| Equities | | 0% | | |
| Property | | 1.6% | | |
| LaSalle Core Property | Property | 1.1% | -6.3% | -1.0% |
| ALaSalle Inflation Linked Property | Property | 0.5% | -26.9% | 7.8% |
| Credit | | 52.8% | | |
| AXA IM Buy & Maintain Credit | Credit | 18.1% | 6.1% | 6.1% |
| Royal London UK Buy & Maintain Credit | Credit | 16.0% | 6.9% | 6.1% |
| PGIM Buy & Maintain Credit | Credit | 18.6% | 6.7% | 6.1% |
| LDI | | 45.5% | | |
| BlackRock LDI | LDI | 45.5% | -8.9% | -8.9% |
| Total Assets | | 100% | | |
| Cash | | 0% | | |

*The remaining property was marked down in the accounts to reflect the likely sale price and is currently in the process of being sold. The overall performance of the DB Section investments over one-year and three-year periods ended 31 March 2024 was as follows:

| | Year to 31 March 2024 | 3 Years to 31 March 2024 |
|-----------|-----------------------|--------------------------|
| Scheme | -1.5% | -8.2% |
| Benchmark | -1.1% | -9.1% |

Pension briefs

Latest Pension Changes from the Budget and Mansion House Speeches

The recent announcements from the UK government in the Budget and Mansion House speeches reveal significant changes and plans for pensions, aimed at boosting both savers' returns and the economy.

The 2024 Autumn Budget introduced some key updates to pension policy which included Inheritance Tax changes for DC Pensions:

Starting from April 2027, Defined Contribution (DC) pensions left to beneficiaries will be subject to inheritance tax, removing their previous inheritance tax-free status. We believe that this will not affect death-in-service life assurance benefits. This change may affect higher-value estates and means some individuals might need to revisit estate planning strategies. Consulting with a financial advisor is strongly recommended.

The positive news for those who have not yet taken their retirement benefits is that the 25% tax-free lump sum remains unchanged, alongside other tax-efficient features of pensions. However, changes to the Lifetime Allowance may mean lump sums are restricted.

The Mansion House reforms aim to consolidate smaller UK pension schemes, such as Local Government Pension Schemes (LGPS) and defined contribution (DC) funds, into larger "megafunds." This approach is inspired by systems in Canada and Australia, where larger funds achieve better returns by investing in infrastructure, private equity, and high-growth businesses. The government expects these changes to unlock up to £80 billion for productive UK investments by the end of the decade, boosting pension savers' returns and contributing to the economy. The reforms also include improved governance standards and consultations on investment strategies to ensure better outcomes for members.

These reforms signal a significant shift in the role of pensions in the UK economy and could lead to higher returns for savers, though careful monitoring of risks and implementation will be key.

There is no direct impact on the Wood Pension Plan from the Mansion House reforms as yet, but we continue to monitor the changes in governance requirements which are likely to be put in place by the Government.

What is the Lifetime Allowance?

The Lifetime Allowance (LTA) is the limit on the amount you can save in pensions over your lifetime without facing additional tax charges. Historically, savings above this threshold were taxed at up to 55% when accessed.

Recent Changes

- In the Spring Budget 2023, the government announced the abolition of the LTA tax charge from April 2023, removing penalties for exceeding the limit.
- From April 2024, the LTA itself was fully abolished.
- A new cap has been introduced on tax-free lump sums, limiting them to 25% of the previous LTA threshold which equates to (£268,275). Previously, tax-free cash could grow in line with pension savings, but this is now fixed regardless of further growth. If 25% of a member's pension is valued above the tax-free lump sum allowance, members will have the option to restrict their cash or incur the tax charge.

Pension Scams

How to Stay Safe and Spot the Signs

Every year, we remind you of the dangers posed by pension scams, and from our conversations with you, it's clear that many of you are already aware of some of the risks. However, it's always worth refreshing our knowledge to ensure you remain vigilant. Staying informed helps you recognise the warning signs and protect your hard-earned retirement savings from fraudsters.

Scams are an ongoing concern, with criminals targeting savers to exploit the complexity of pension rules and access their retirement savings. Both the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR) are urging individuals to stay vigilant as scammers increasingly take advantage of financial uncertainty and cost-of-living pressures.

"Pension Scam fraudsters stole £17.7 million from UK savers in 2023"

How Pension Scams Work

Scammers often use the following tactics:

- **Cold Calls or Unexpected Contact:** Approaching individuals out of the blue via phone, email, or social media.
- **Promises of High Returns:** Offering guaranteed or unrealistic returns from unusual or unregulated investments like overseas property or crypto schemes.
- **Early Pension Access Offers:** Claiming they can help you withdraw money before age 55, which can result in hefty tax charges from HMRC.
- **Time Pressure:** Using high-pressure tactics, such as limited-time offers, to rush decisions without proper consideration.

Warning Signs

1. Free pension reviews or advice.
2. Guarantees of better investment returns.
3. Pressure to act quickly or sign documents.
4. Unusual or complex investment schemes.
5. Claims to bypass standard pension rules, such as early access.

Protect Yourself

- **Verify the Adviser or Firm:** Use the FCA's Financial Services Register to ensure they are authorized.
- **Seek Impartial Guidance:** Contact MoneyHelper or Pension Wise for free advice.
- **Report Suspicious Activity:** If approached by someone suspicious, report them to the FCA's ScamSmart site or Action Fraud.

The FCA and TPR are actively addressing scams through public campaigns like ScamSmart, which educates savers about common tactics used by fraudsters. Trustees are also being trained to identify red flags during transfer requests and required to intervene if a scam is suspected. These efforts aim to strengthen consumer protections and reduce the risk of fraud.

Transferring your pension savings in or out of the Wood Pension Plan

The Plan accepts transfers in for, active members and deferred members can transfer their DC benefits out at any time. You can obtain the forms required from the Wood Pensions Portal.

However transfers can take a long time for the following reasons:

Due Diligence and Regulatory Checks

- Pension providers are required by law to conduct thorough checks to ensure the transfer request is legitimate and to protect savers from pension scams. This involves verifying the receiving scheme's legitimacy and compliance with regulations, especially after increased pension scam activity.
- These checks can include confirming the registration of the receiving scheme with HMRC and assessing its Pension Scheme Tax Reference (PSTR) number.

Administrative Processes

- The transfer process involves multiple steps, including issuing discharge forms, completing member questionnaires, and obtaining specific details from the receiving provider. Any missing or incomplete information can delay the process.
- Disinvestment from the current pension scheme, also takes a few days to complete.

Legal and Member Protections

- Providers must ensure that members are fully informed about the transfer, including the risks involved, particularly for transfers involving defined benefit (DB) pensions where guarantees may be lost.

Coordination Between Parties

- Transfers require communication between the transferring provider, the Wood administration team, and you, the member. Delays in communication or processing at any point in the chain can slow progress.
- Errors or discrepancies in the paperwork, such as missing signatures or incomplete forms, often lead to further back-and-forth, adding to the timeline.

High Volumes of Requests

- Providers including the Wood administration team may experience backlogs due to high volumes of transfer requests or limited administrative resources. This is especially common during periods of economic uncertainty when members review their financial plans.

Additional Scrutiny for Incentives or High-Risk Schemes

- If the receiving scheme offers incentives (e.g., cash bonuses) or involves investments considered high-risk, additional checks are required to ensure compliance with the Pension Schemes Act 2021.

Typical Timelines

While many transfers are completed within 1-3 months, complex cases or incomplete information can extend this. UK pension regulations require that statutory transfers are processed within a "reasonable period," usually interpreted as six months from the transfer request being accepted.

How You Can Help Speed Things Up

1. Ensure all forms are completed accurately and submitted promptly.
2. Respond quickly to any requests for additional information or documentation.
3. Confirm that the receiving scheme has provided all necessary details to the transferring provider.

These steps help streamline the process and minimise delays.

DB Summary funding statement

Why have you sent me this Summary Funding Statement?

The Trustee of the Plan looks after the Plan on behalf of you, its members. We are sending you this statement to tell you about the financial security of the Plan. We recommend you take some time to read it, since the Plan's financial security could affect the benefits you will ultimately receive. We will send you a similar statement each year to keep you up to date; this will usually be as part of the December Pension News.

How is the Plan's financial security measured?

The estimated cost of providing the pensions you and other members have earned to date is known as the Plan's "liabilities". This includes the pensions of members who have left the Company or retired.

The Plan holds assets that are invested to help provide your pensions. The money is held in a communal fund, not in separate funds for each individual.

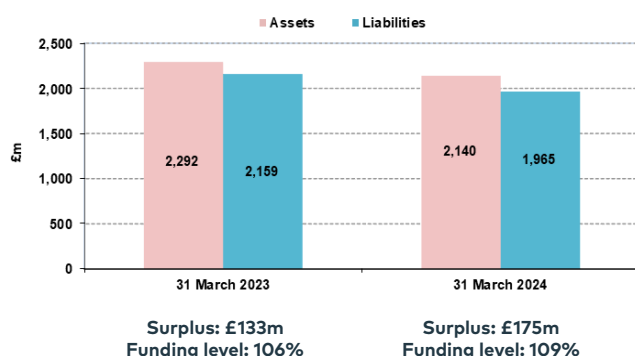
To check the Plan's financial security, we look at its financial position and compare the value of its liabilities to its assets. If the Plan has lower assets than liabilities, it is said to have a "shortfall". If the assets are more than the liabilities, there is said to be a "surplus".

We carry out an in-depth look at the Plan's finances at least every three years. This is called an actuarial valuation. We ask a qualified, independent professional, known as an Actuary, to do this. We also ask the Actuary to review the financial position of the Plan more regularly and in years when a full actuarial valuation does not take place we receive an actuarial report from the Actuary on the Plan's finances. This statement provides the results of the 31 March 2024 Actuarial Report.

What is the Plan's financial position?

In the chart below, we have included:

- The financial position at 31 March 2023, being the Actuary's previous Actuarial Valuation (as shown in the last year's Summary Funding Statement); and
- An update of the financial position at 31 March 2024 from the Actuary's latest Actuarial Report.



How has the Plan's financial position changed over the year to 31 March 2024?

Since 31 March 2023, there has been further improvement in the funding position of the Plan with the funding level increasing from 106% to 109% and the £133m surplus as at 31 March 2023 now having increased to a surplus of £175m as at 31 March 2024.

The Plan holds assets that are highly correlated with movements in the value of the liabilities. The value of the liabilities, and hence the value of the assets, fell over the period. The improvement in the Plan's funding position compared to that expected is because the assets fell by a lesser amount than the value of the liabilities, due mainly to favourable returns from the Plan's asset holding in corporate bonds.

Developments since 31 March 2024?

Since March 2024, market conditions have remained volatile, marked by an increase in gilt yields and rising inflation. The Plan holds assets that are intended to move closely in line with the value of the Plan's liabilities and as a result, the Plan's funding position is well protected against this volatility. The funding position has shown a small improvement over this period and the Plan continues to be in surplus at the date of writing.

We will provide an update on the financial position of the Plan as at 31 March 2025 in the next Summary Funding Statement, which will be issued in late 2025.

What types of assets does the Plan invest in?

We invest contributions in a broad range of assets, limiting the amount invested in a particular class of assets. As at 31 March 2024, this was as follows:

- Private Equity <0.2%
- Property 1%
- Bonds 94%
- Cash and other 5%

How does the Trustee know what contributions should be paid into the Plan?

Following each actuarial valuation, the Actuary advises us what contributions should be paid into the Plan so that we can expect to be able to continue to pay people's pensions. We then agree a level of contribution for the Plan with the Company and record this in a document called the Schedule of Contributions.

As the Plan is in surplus, no contributions are payable by the Company at the present time. The Trustee monitors the funding level regularly and this position will be kept under review by the Trustee.

We review and update the Schedule of Contributions at least each time the Plan has an actuarial valuation.

The valuation and Schedule of Contributions follow standards we have set out in a Statement of Funding Principles. This document describes how we will manage the Plan with the aim of being able to continue to pay people's pensions.

The Pensions Regulator has legal powers to make any directions as to any of:

- The level of pensions available from the Plan going forward;
- The method or assumptions used to calculate the liabilities or the length and structure of the recovery plan;
- The contributions that should be paid under the schedule of contributions.

The latest valuation was as at 31 March 2023 and as part of the valuation the Trustee and Company agreed the method and assumptions to be adopted and no contributions to be paid. The Regulator has not used these powers in relation to the Plan and not issued any directions.

The law requires us to tell you whether there have been any payments made from the Scheme to the Company. We can confirm that no such payment has been made during the period covered by this statement.

Is my pension guaranteed?

Our aim is for there to be enough money in the Plan to pay pensions now and in the future, but this depends on the Company carrying on in business and continuing to pay for the Plan.

If the Company goes out of business or decides to stop supporting the Plan, it is expected to pay the Plan enough money to secure all the pensions built up by members with an insurance company. This is known as the Plan being "bought-out" and "wound-up".

The comparison of the Plan's assets to the cost of buying the benefits with an insurance company is known as the "solvency position".

What happens if the Plan is wound up and there is not enough money to pay for all my benefits?

If the Plan winds up without enough money to buy all the members' pensions with an insurance company then, unless the Company can afford to pay the difference, you are unlikely to receive the full pension you were expecting. To help members in this situation, the Government set up the Pension Protection Fund (PPF). The PPF pays a legally defined level of pension to members of eligible UK pension schemes in certain situations where the scheme does not have enough money to cover the cost of buying this level of pension for members with an insurance company and the company is insolvent and so cannot provide extra finance.

If the Plan were to be wound up and go into the PPF, the pension you would receive from the PPF may be less than the full pension you have earned in the Plan, depending on your age and when your pension was earned.

Further information and guidance is available on the PPF website at www.pensionprotectionfund.org.uk. Or you can write to the Pension Protection Fund at PO Box 254, Wymondham, NR18 8DN.

Is there enough money in the Plan to provide my full pension if the Plan is wound-up?

The actuarial valuation at 31 March 2023 showed that the Plan's assets could not have paid for the full pensions of all members to be provided by an insurance company if the Plan had wound up at that date.

The liabilities if the Plan were to be wound up were **£2,378 million**

The Plan's assets were **£2,292 million**

This means that there was a shortfall of **£86 million**

The fact that we have shown the solvency position does not mean that the Company is thinking of winding up the Plan. It is just another piece of information we are required by law to provide and which we hope will help you understand the financial security of your pension.

The Trustee monitors the funding level regularly and the Actuary has advised that at the date of writing, his assessment of the solvency position would be that the Plan had sufficient assets for full pensions of all members to be provided by an insurance company if the Plan had wound up at that date.

Can I leave the Plan before I am due to retire?

If you leave Wood before you are due to retire, your pension will be based on your service to the earlier of your date of leaving and the date the DB section closed to accrual. Your pension benefits may then be left in the Plan to be paid at retirement or transferred to another pension arrangement.

Similarly, if you have already left the Plan and have "paid-up" benefits you can, if you wish, transfer your benefits to another pension arrangement prior to retirement which is currently available from age 55 onwards.

If you are thinking of transferring your pension out of the Plan for any reason, you should consult a professional adviser before taking any action. The law prevents us from providing you with financial advice.

Climate Change Governance and Reporting

The Trustee has published its report on climate change governance and reporting in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021. The report sets out the Trustee's identification, assessment and management of climate change risk and can be found at the following website address woodplc.com/__data/assets/pdf_file/0023/271580/Annual-TCFD-Report-2024.pdf

Where can I get more information?

Documents which provide further information are listed below. These are available on the Wood Member website.

Additional documents available on request**The Statement of Funding Principles**

This explains how the Trustee plans to manage the Plan with the aim of being able to continue to provide the pensions that members have built up.

The Statement of Investment Principles

This explains how the Trustee invest the money paid into the Plan.

The Schedule of Contributions

This shows how much money is being paid into the Plan by the Company and includes a certificate from the actuary showing that it is sufficient to meet the requirements set out by law.

The Annual Report and Accounts

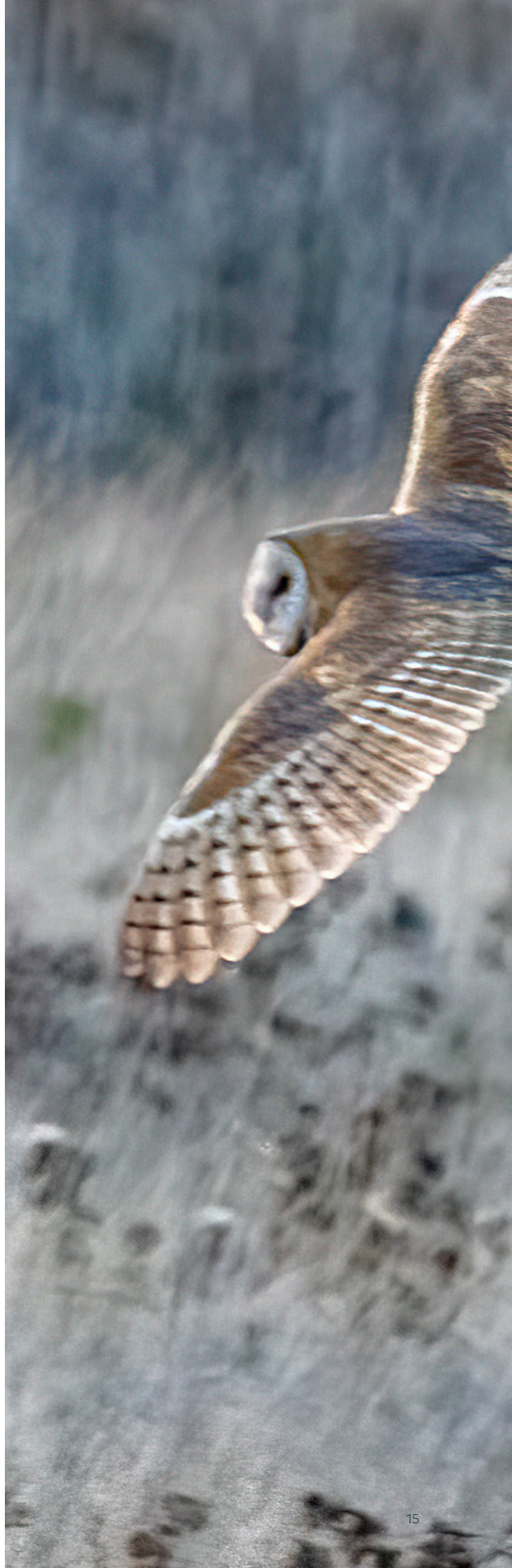
This shows the Plan's income and expenditure in the year ended 31 March 2024.

The Formal Actuarial Valuation Report as at 31 March 2023

This contains the details of the actuary's check of the Plan's situation as at latest formal actuarial valuation date.

The Actuarial Report as at 31 March 2024

This contains the details of the actuary's check of the Plan's situation as at latest actuarial valuation date.

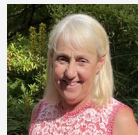


Trustee Board



Mervyn Walker
(Independent Chair)

Mervyn joined the Trustee Board as Chair in 2006. He is also the Chair of the Royal Institution of Chartered Surveyors' Pension & Assurance Scheme, a former Chair of the British Airways defined benefit pension schemes and a former Trustee Director of the LifeSight pensions master trust. Mervyn is a lawyer by background. His executive career included working as HR Director for three FTSE 100 companies and his previous non-executive roles include acting as the Chair and Lead Non-Executive at HMRC.



Carolan Dobson
(Independent)

Carolan is a career-long investment expert, who is currently Chair of Brunner Investment Trust plc, Blackrock Latin American Investment Trust plc, an Independent Non-Executive Director of M&G Securities Ltd and owner of Investment Trustee and Adviser Ltd, a company specialising in pension trusteeship and providing advice. She also spent four years on the Board of NEST Corporation, the UK's largest workplace DC pension scheme set up by the UK Government and chaired their Investment Committee.



Jo Myerson
(Independent)

Jo is Trustee Director at Independent Governance Group (IGG) Jo is a former lawyer and is an experienced professional trustee with deep expertise in all areas of pension scheme life. She sits on the Boards of a diverse portfolio of schemes, including other multi-billion pound and hybrid schemes like Wood's.



Bill Setter
(Company Nominated)

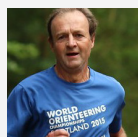
Bill is Wood's Group Financial Controller and President of Tax. He was previously the Chair of the John Wood Retirement Benefits Scheme. Bill joined the Wood Pension Plan Board following the merger of Wood and Amec and Foster Wheeler pension arrangements in 2016.



Garry Lloyd
(Company Nominated)

Garry is a Pensioner Member and former Director Retirement & Pensions of for Wood.

Garry joined AMEC on 1 April 2004 in the newly expanded role of Corporate Pensions Manager. Garry previously worked for the French-owned UK Group, Rhodia, comprising the former chemicals division of Rhone-Poulenc, May and Baker and Albright & Wilson businesses, where he held the post of Pensions Manager. His initial pension career started in 1984 with Lucas Industries plc and subsequently with The Boots Company plc, where he was Deputy Head of Group Pensions with specific responsibility for UK Pension administration.



Roger Thetford
(Member-Nominated)

Roger is a Pensioner (DB) and Deferred Member (DC) of the Wood Pension Plan. In 1997 Roger was elected as Member Nominated Trustee for the AEA Technology pension scheme. Before joining AMEC in 2012, he served for 13 years as Member Nominated Trustee in the AEAT and Serco pension schemes, so now has well over 20 years' experience as a pension trustee. He takes a keen interest in the financial mathematics behind investment and funding decisions, and in clear and accurate communications.



Matthew Reading
(Member-Nominated)

Matthew is an Active Member of the Wood Pension Plan and is currently employed by Wood as a Technology Architect.



Phil Gladman
(Member-Nominated)

Phil is a Pensioner Member of the Wood Pension Plan having previously worked for Foster Wheeler. Phil has been a Member Nominated Trustee since 2011, initially with the Foster Wheeler Pension Plan and subsequently with the Amec Foster Wheeler and Wood Pensions Boards.



Daren Smith
(Member-Nominated)

Daren is a Deferred Member of the Wood Pension Plan and was formerly employed by Foster Wheeler. Daren was previously a Trustee and Chair for SABIC UK Pensions Ltd for over ten years.



Advisers

Advisers

Elaine Hanna
Vice President Retirement, Wood

Amanda Reid
Pension Scheme Secretary

Michael Kelly
Actuary, Mercer

Karen Hancox
Auditor, Grant Thornton

Ben Gold
DB Investment Adviser, XPS

George Fowler
DC Investment Adviser, Isio

Richard Black
Legal adviser, Gowling WLG LLP

Kris McNair
Covenant adviser, PWC

Committees

The Trustee has a Benefits Committee, the members of which are Phil Gladman, Matthew Reading and Amanda Reid. All other Trustee business is conducted through the full Trustee Board.





The authors or contributors to Pension News are solely responsible for any opinions expressed and publication in Pension news does not necessarily imply that such opinions are in accordance with those of the Trustees.

Information is believed to be correct at the time of going to press but no liability is accepted for errors or omissions.

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