



## Lloyd's Register Superannuation Fund Association

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October 2024

### An update from the Trustee of the Lloyd's Register Superannuation Fund Association

We're writing to update you on a recent development in relation to the final salary section (Defined Benefit) of the Lloyd's Register Superannuation Fund Association (the Scheme). You don't need to take any action, but please read this letter carefully.

The Trustee invested in an insurance policy (also called a "buy-in" insurance policy) to improve the security of members' benefits under the Scheme. The Trustee looked at a number of options to better secure members' benefits, taking into account the funding position of the Scheme and the views of Lloyd's Register, and concluded that an insurance contract would be the best way to proceed.

After careful consideration, the Trustee has chosen **Standard Life** as the most suitable insurer for the Scheme (the insurance contract is provided by Phoenix Life Limited, trading as Standard Life). Under the new insurance contract, the Trustee remains responsible for paying the benefits due to all members and beneficiaries (including future pension increases). These amounts are then paid back to the Trustee by Standard Life under the insurance contract. In return, the Scheme has used a large proportion of the assets of the final salary section to pay a premium to Standard Life.

This improves security for Scheme members because the payments the Scheme needs to make to members are matched by payments from the insurance contract. This significantly reduces the risks to the Scheme including fluctuations in funding level, investment volatility, or the need to pay benefits for longer due to improvements in life expectancy.

Lloyd's Register Group Limited is still the Principal Employer of the Scheme and remains, along with the other participating employers, ultimately responsible for supporting the Scheme.

#### Key points about the buy-in

1. Your benefits will now be backed by an insurance contract with Standard Life
2. The buy-in means your benefits are more secure
3. The Trustee remains responsible for the Scheme and for paying benefits
4. Your benefits will continue to be administered in line with the Scheme Rules
5. The administration of the Scheme remains the same, via XPS Group
6. Lloyd's Register Group Limited remains the Principal Employer of the Scheme
7. There is no impact on your benefits in the money purchase section or your AVCs
8. You do not need to take any action

The Trustee has taken this step to increase the security of all members' benefits over the long term and is confident that this is in the best interest of members. The Trustee considers this to be a positive step for the Scheme and its members.

## What does the buy-in mean for me?

You do not need to do anything, your benefits will continue to be administered and paid as usual. There is no change to the benefits payable to you, or on your death, as a result of the buy-in. The Trustee considers that the buy-in has improved the long term security of your benefits are now more secure, because they are backed by a regulated insurance company.

## Who is Standard Life?

Standard Life is a brand that has looked after people's life savings and retirement needs for nearly 200 years. Standard Life is part of Phoenix Group, which is the UK's largest long-term savings and retirement business. You can find out more at [www.standardlife.co.uk](http://www.standardlife.co.uk)

Standard Life is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority. In addition to the strict regulatory framework and prudent reserving requirements for insurers, the policy is also covered by the Financial Services Compensation Scheme (FSCS). This is intended to provide the Trustee with compensation equal to 100% of the insured benefits, in the very unlikely event of an insurer being unable to pay them.

## Privacy Notice

Standard Life's Privacy Notice which the Trustee is required to provide you with under the General Data Protection Regulations (GDPR) can be viewed at the following web address: [www.standardlife.co.uk/privacy](http://www.standardlife.co.uk/privacy). This sets out details of how Standard Life uses and protects the personal information it holds about members and other beneficiaries. This notice also explains members' rights in relation to their personal information.

The Scheme's Privacy Notice will also be updated to reflect the transaction with Standard Life. If you would like a paper copy of the Standard Life Privacy Notice or Scheme Privacy Notice, please contact XPS Group, using the details provided within this letter.

## Contact details and queries

If you would like any further information, please contact the XPS Group administration team using the details below or at the start of this letter.

XPS Group  
PO Box 562  
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[LRSFA@xpsgroup.com](mailto:LRSFA@xpsgroup.com)

**01245 673534**

Yours sincerely



Nicholas Godden  
**For and on behalf of Lloyd's Register Superannuation Trustees Limited**

# Frequently Asked Questions

## What is a buy-in?

A buy-in is an insurance contract that reimburses the cost of paying members' benefits. The Trustee remains responsible for paying benefits as they become due, but then gets this money back from the insurer. This is a way of removing risk from the Scheme, because benefit payments are matched by payments from Standard Life. The reliance on the Employer to underwrite the Scheme is much reduced as a result.

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## What does the insurance cover?

The insurance covers the benefits expected to be payable to each member, including dependant benefits (according to the Scheme Rules) and future pension increases.

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## Why is the Trustee doing a buy-in?

The Trustee is committed to ensuring the future security of all members' benefits over the long term. Purchasing this buy-in policy means the Trustee has increased the protection of members' benefits. The buy-in significantly reduces investment risk and longevity risk for the Scheme since the benefits paid out each month are matched by the income from Standard Life, regardless of how long members live and what happens to the market value of the Scheme's investments.

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## How do I know my benefits are secure with Standard Life?

Insurance contracts are subject to even more stringent funding requirements than pension schemes, which gives members additional protection following the buy-in. Insurers are authorised and closely regulated by both the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA), to ensure they meet the obligations of the policies issued, now and in the future.

The buy-in insurance policy is also covered under the Financial Services Compensation Scheme (FSCS) and so, in the highly unlikely event that Standard Life were to fail, the FSCS would step in to ensure that all benefits continue to be honoured and paid in full. However, no insurer writing this type of business has ever failed in the UK.

## I'm a pensioner - what does it mean for me?

We will continue to pay your pension as usual. You'll keep receiving your pension and future pension increases in line with the Scheme Rules just as you normally do.

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## I'm a deferred member - what does it mean for me?

As a deferred member (i.e. a member who is no longer paying into the Scheme but has not yet started taking their benefits), your benefits will come into payment in the same way as would previously have been the case - you don't need to do anything different. You still have the same options in relation to taking or transferring your benefits to another registered pension scheme.

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## What happens next?

The Trustee, Scheme administrators and advisers are working closely with Standard Life to finalise the terms of the buy-in policy. As part of this process, the Trustee and Standard Life will be carrying out some further checks to ensure members' details and benefit entitlements are correct. This process can take around 12 to 18 months. Once this exercise is completed, you will receive a benefit confirmation letter and have the opportunity to respond on any changes that need to be made in the data held for you.

If your contact details have changed or change in the future, please let the Scheme administrator know, to be sure you receive any information about your pension.

Please note that there may be a slight delay in our processes whilst this new arrangement 'beds in'.

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## Who should I contact for more information?

Just as before the buy-in, please contact XPS Group with any queries about your benefits. Their contact details are shown on the attached letter.