



## Message from the Executive Team

### Rolls-Royce Defined Benefit Pension Fund

Thank you for the feedback you have given us during consultation on the proposed changes to the Rolls-Royce UK Pension Fund (RRUKPF).

Having reviewed all your feedback, we have taken the difficult decision to close RRUKPF to future accrual from 31 December 2020, in line with our consultation proposal.

In the past, we committed to keep the scheme open until the end of 2023 other than in extreme and exceptional circumstances which are beyond our control. Unfortunately, that is the position we are now in and we are having to take very difficult actions to protect our business and secure our future. The decision to close the RRUKPF will reduce the build-up of future pension costs and liabilities, and help us to strengthen our balance sheet, improve our credit rating and invest in our future. We hope you understand why we have taken this decision, in order to safeguard the interests of all our employees and stakeholders.

The closure of RRUKPF at 31 December 2020 means that you will be automatically enrolled into the Rolls-Royce Retirement Savings Trust from 1 January 2021. We will support you through this enrolment process.

### Transition protections

We have listened carefully to your feedback on the consultation proposals and plan to implement some additional transition protections. These include:

- The ongoing provision of 'With Consent' Early Retirement factors
- Extended access to Share of Fund Transfer Values beyond 31 March 2021

These proposals are currently under consideration and we will share more detail by 13 November. In the meantime, unless you were already planning to retire from Rolls-Royce for your own personal reasons, you should not feel you have to make any big decisions on resignation and retirement now because of the closure of the RRUKPF on 31 December 2020. You should wait until final details of the transition protections are shared with you on 13 November.

### Keeping your pension safe

The current challenges, including the closure of the RRUKPF, is making you more vulnerable to approaches from scammers and rogue financial advisers. If you receive an unsolicited approach by an adviser highlighting concerns about the safety of your pension, or represents themselves as being affiliated to Rolls-Royce, please contact the FCA helpline number on 0800 111 6768 or [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk).

If you're considering your retirement options, we strongly encourage you to take up the paid for advice available from WPS Advisory. WPS Advisory are regulated by the FCA and will support you in making informed decisions about your retirement options. They were appointed jointly by Rolls-Royce, the Trustee, supported by the Trade Union Central Negotiating Committee, WPS Advisory take no commissions or charges as they are paid for the appointments they carry out and have no conflicts or financial incentives that could influence their advice. They will just give you their best views based on their extensive experience.

The RRUKPF is a well-funded and well governed pension scheme. The collective view of the Financial Conduct Authority, Pensions Regulator and the Money and Pensions Service is that transferring out of a defined benefit pension scheme is unlikely to be in the interests of most consumers.