

Nuffield Health PLAS

Summary Funding Statement- 31/03/2023

This statement is issued on behalf of the trustee board of the Nuffield Health Pension and Life Assurance Scheme (the Scheme) and aims to provide information about the Scheme's funding position. The trustees have a duty to provide this information to all members of the Scheme.

Funding Position

An actuarial valuation is an exercise to compare how much money the Scheme has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Scheme's assets are more than its liabilities, there is a 'surplus'; if they are less, there is a 'shortfall' or 'deficit'. Full valuations usually take place every three years and the last one was carried out as at 31 March 2021. Less detailed annual funding updates were carried out on 31 March 2022 and 31 March 2023, the results of which are shown in the table below, along with the valuation results:

	Report 31 March 2023	Report 31 March 2022	Valuation 31 March 2021
Value of assets	£394.9m	£523.6m	£513.0m
Value of past service liabilities	£392.7m	£515.0m	£523.7m
Surplus/(Shortfall)	£2.2m	£8.6m	(£10.7m)
Funding levels	101%	102%	98%

Change in the funding position since the last Summary Funding Statement

Between 31 March 2022 and 31 March 2023, the funding position decreased from a surplus of £8.6m to a surplus of £2.2m. This is mainly due to investment returns on the Scheme's assets being lower than expected. This has been partially offset by contributions from Nuffield Health and changes in market conditions placing a lower value on the Scheme's liabilities.

Summary of the deficit recovery plan

The trustees have agreed with Nuffield Health a deficit recovery plan that is expected to eliminate the shortfall reported at 31 March 2021 in not more than seven years, i.e. by 31 March 2028. This will be reviewed as part of the actuarial valuation as at 31 March 2024.

Funding position if the Scheme had wound up

If the Scheme had wound up on 31 March 2021, it was estimated that the amount required to buy out the Scheme benefits in full with an insurance company was £645.4m. This is equivalent to a shortfall of £132.3m. These figures are just estimates which we are required to provide and are not meant to imply that the trustees or the employer are considering winding up the Scheme.

What would happen if the Scheme started to wind up?

If the Scheme winds up in the future, you might not get the full amount of pension you have built up in the DB section, even if the Scheme is fully funded under our ongoing funding objective. However, whilst the Scheme remains ongoing, even though funding may be temporarily below target, benefits will continue to be paid in full.

The employer would be required to pay enough into the Scheme to allow benefit to be completely secured with an insurance company. If the employer became insolvent and was unable to pay this amount in full, the

Pension Protection Fund ('PPF') might be able to take over the Scheme and pay compensation to members. Further information and guidance are available on the PPF's website at www.ppf.co.uk.

Payments to Nuffield Health

There has not been any refund of surplus to the employer out of the Scheme's funds since the last Summary Funding Statement.

The Pensions Regulator

In certain circumstances the Pensions Regulator can:

- Direct how the Scheme's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of Company contributions to be paid
- Change the way members build up benefits in the future

None of these things have happened in the Scheme.

What is the Scheme invested in?

DC section accounts are invested as members elect. The trustee policy for the DB section assets is to invest in a broad range of assets, including company shares, government securities, corporate bonds and liability hedges. More information on the asset allocation can be found in the Trustee Report & Accounts.

Transferring out of the Scheme

If you are thinking of transferring your benefits out of the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action. You can find one local to you at www.unbiased.co.uk

Where can I get more information?

Further information about the Scheme is available by writing to the pensions team. A list of more detailed documents that provide further information is set out on the right. If you want us to send you any of these documents, let us know but please note that in some cases, there may be a small charge for doing so.

Additional documents available on request

- Statement of Funding Principles – sets out the Scheme's funding plan.
- The Recovery Plan – explains how the funding shortfall is being made up.
- Statement of Investment Principles – explains how the trustee board invests the Scheme's money.
- Schedule of Contributions – shows how much money is being paid into the Scheme.
- Annual Report and Accounts – shows the Scheme's income and expenditure in each year up to 31 March.
- Full report on the actuarial valuation – the actuary's check of the Scheme's situation as at 31 March 2021.
- Annual valuation reports – the actuary's review of the Scheme's situation as at 31 March 2023 (most recent version).
- Member's booklet – sets out the various benefits provided by the Scheme.
- Annual benefit statement – provides details of the benefits you are likely to receive when you retire.