

ASSUMPTIONS AND ASSUMPTION CHANGES SINCE LAST YEAR

Assumptions

We make the following assumptions about your choices at retirement so that we can calculate your benefit statement:

- You will use the entire value of your DC pension pot to purchase an annuity at retirement, so no cash lump sum is taken.
- If you continue employment with L&Q, both you and L&Q will continue to maintain your current contribution rate (as a percentage of your salary) into the Plan every year between 1 January 2024 and your Target Retirement Date. If you no longer work for L&Q, no further contributions will be made.
- The pension you receive from the annuity will not increase in payment.
- Your DC pension pot continues to be invested in the same funds from now up to retirement, but allows for any planned automatic lifestyle switches (if applicable).

The key financial assumptions used to calculate your benefit statement are:

- Price inflation 2.5% p.a.
- Salary inflation 2.5% p.a.
- Interest rate on which annuity will be based (net of pension increases) 4.4% p.a.

Assumption changes since last year

From 1 October 2023, the way in which the investment return assumptions we use to calculate the value of your future pension changed, in line with new regulations. The investment return assumptions are now based on historic volatility (changes in investment prices over a certain period) of the fund(s) your money is invested in. Whereas last year, the investment return assumptions were forward-looking, and we were able to use the best estimate of how we expected different funds to perform.

In addition to this, from 1 October 2023, the following assumptions were also made, in line with new requirements:

- You take a fixed annuity which does not go up in line with inflation each year.
- You will purchase an annuity that is paid for your lifetime only i.e. won't be paid to a surviving spouse.

Please note that these new assumptions may lead to your benefit statement looking significantly different to previous years and may not reflect how you choose to use your DC pension pot when you retire.

EXPLANATORY NOTES

Every effort has been made to ensure the accuracy of the data underlying this benefit statement. This benefit statement is not binding on the Trustees if there is an error or omission. It is therefore essential that you check the details and inform the Plan Administrator if you think that any of the information is incorrect.

Your investments over the year

This benefit statement includes details of all contributions, if any, made into the DC Section of the Plan on your behalf during the 12 months ending 31 March 2024. How much you pay into the DC Section of the Plan is agreed between you and the Company and must be within the Rules that govern the Plan.

Investment balance

The fund values quoted have been based on the unit prices as at the date of the benefit statement. The value of your DC pension pot is not guaranteed and may fluctuate up or down, depending on investment returns. Past performance is no guide to the future, and you may not get back the contributions originally invested.

On retirement

You have the following options when you retire:

- You will be able to take up to 25% of your DC pension pot as tax free cash;
- You will be able to buy an annuity with the remainder of your DC pension pot after you have taken tax free cash;
- You can take a one-off lump sum, with some of this taxable at your marginal rate of Income Tax;
- You may elect to receive a series of lump sums or move to income drawdown. If you would like to take this option, you will have to transfer your DC pension pot to an external provider.

To receive free, impartial guidance on these options, go to

www.pensionwise.gov.ukhttps://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise

Early retirement

Under current regulations, the minimum age from which early retirement can be taken is 55 (rising to 57 from 2028).

State benefits

The benefits shown are in addition to any State benefits to which you may be entitled. Further details concerning your potential State retirement benefits can be obtained by contacting the Future Pension Centre on 0800 731 0175 or by completing a request online at the government's pension information website: www.gov.uk/check-state-pension .

Pension scams

You can find information about pension scams and how to avoid them in the enclosed leaflet and also at <https://www.fca.org.uk/scamsmart/how-avoid-pension-scams>