

## Private and Confidential

11 September 2025

Dear Member,

### **Consultation on proposed changes to the London and Quadrant Housing Trust Staff Benefits Plan**

We are writing to inform you that London and Quadrant Housing Trust (L&Q) is considering moving the Staff Benefits Plan (the “Plan”) to a Master Trust arrangement. This letter marks the beginning of a formal consultation process with all employees eligible for the Plan.

If the proposal proceeds, the changes would take effect from **1 January 2026**.

#### **What is changing?**

Subject to consultation, from 1 January 2026, or such other date as notified to you, we propose that all contributions to the Defined Contribution (DC) Section of the current Plan would cease. Instead, future pension contributions would be directed to a new Master Trust arrangement.

We have worked closely with the Plan’s Trustee Board and have provisionally selected **Standard Life** as our preferred Master Trust provider. This Master Trust is a large, professionally managed pension scheme that serves multiple employers and offers enhanced services and flexibility.

Importantly, **there would be no changes to the level of contributions you or L&Q make** – only the pension arrangement itself would change.

#### **Why are we proposing this?**

The pensions landscape has evolved significantly, particularly since the introduction of new retirement options in 2015. Many of these options are not currently available within the current Plan. After a thorough review with our pension advisers and the Trustee Board, we believe moving to a Master Trust will:

- Offer value for money for you and future employees.
- Provide access to the full range of UK retirement options within the same scheme.
- Expand your investment choices, including funds aligned with Environmental, Social, and Governance (ESG) principles.
- Offer enhanced digital tools, guidance, and advice to support your retirement planning.

#### **What is a Master Trust?**

A Master Trust is a type of trust-based Defined Contribution pension scheme managed by a professional trustee board. Like our current Plan, it ensures robust governance and protection of your pension savings. However, Master Trusts benefit from economies of scale, improved services, and access to a wider range of retirement options and investment choices.

## **Consultation period**

The formal consultation period will run for a 60-day period from **15th September to 13th November 2025**. During this time, we encourage you to share your views and ask questions. This is a proposal, and your feedback is important in shaping the final decision.

We've enclosed a **Q&A document** with this letter, which provides further details and addresses common questions. We will continue to update this document throughout the consultation period on our dedicated SharePoint site.

## **Learn more about Standard Life**

We've arranged a webinar hosted by someone from their team to explain the new setup, what it means for you, and to answer any questions you might have. You can sign up through iLearn, and we strongly encourage everyone who's eligible to join. If you can't make it, the session will be recorded and shared on our SharePoint site.

- Date: Friday 19 September
- Time: 1:30pm
- Location: Microsoft Teams

## **Next steps**

At the end of the consultation period, L&Q will carefully consider all feedback before making a final decision. We are committed to keeping you informed throughout this process.

If you have any questions, please contact us at [pensionslq@lqgroup.org.uk](mailto:pensionslq@lqgroup.org.uk). We will compile and respond to common queries via our SharePoint site.

Thank you for taking the time to read this letter and for your engagement in this important consultation.

Yours sincerely,

**Tom Nicholls**  
**Executive Group Director HR**

**Ed Farnsworth**  
**Executive Group Director – Finance**

## Proposed changes to the L&Q Staff Benefits Plan – FAQs

### About the consultation

#### Why are we consulting you about this change?

Consultation is a legal requirement when proposing certain changes to employee pension benefits. Beyond the legal obligation, we're committed to making sure you fully understand the proposed changes and have the opportunity to share your views. This consultation period allows us to listen to your feedback before any final decisions are made.

#### How can I provide feedback?

You can share your feedback by emailing [pensionslq@lqgroup.org.uk](mailto:pensionslq@lqgroup.org.uk) by **5pm on 13 November**. Feedback received after this date may not be considered.

#### Do I need to take any action now?

Other than providing your feedback, or asking any questions that you have, no other action is required from you at this stage. This is purely a consultation. If the proposal proceeds, we'll provide further information to support any decisions you may need to make.

#### Am I affected by this consultation?

All employees who are eligible for the Plan are affected by this consultation. If you are a member of the Social Housing Pension Scheme (SHPS) your pension will be unaffected and will remain invested with The Pensions Trust (TPT), however, as you are eligible for the Plan we are required to notify you of the proposed changes. You can check which pension scheme you are a member of by viewing your payslip.

#### Is this a genuine consultation, or has a decision already been made?

This is a genuine consultation. While we've identified a need for change and developed a proposal, no final decisions have been made. Your feedback is important and will be carefully considered alongside our goal of improving your pension arrangements.

### The proposal

#### What is being proposed?

We propose that from **31 December 2025**, or such other date as notified, contributions to the current DC Section of the L&Q Housing Trust Staff Benefits Plan (the Plan) would stop. From **1 January 2026**, or such other date as notified, future contributions would be made to a new pension arrangement – a Master Trust, provisionally selected as **Standard Life**.

Importantly, there would be **no changes to the contribution levels** you or L&Q make.

#### Why is this change being proposed?

The pensions landscape has evolved, especially since the introduction of new retirement options in 2015 – many of which are not available under the current Plan. After reviewing the market with our advisers and the Plan's Trustee Board, we believe a Master Trust offers:

- Value for money
- Access to a full range of modern retirement options
- A broader selection of investment funds, including Environment, Social and Governance (ESG)-focused options

- Enhanced digital tools and guidance to support your retirement planning.

### **What is a Master Trust?**

A Master Trust is a type of occupational pension scheme used by multiple employers. It's overseen by an independent Board of Trustees and offers a comprehensive service including administration, investment options, and governance – often at competitive costs.

### **Selection process and governance**

#### **How was Standard Life selected?**

A Joint Working Group (JWG), including representatives from L&Q and the Plan's Trustee Board, reviewed the market. Out of 35 Master Trusts, only a few met our criteria. After a thorough selection process, including a selection day with shortlisted providers, **Standard Life** was chosen as the preferred option.

#### **What role did the Trustee Board play?**

The Trustee Board has been involved throughout the process, with representatives participating in all key discussions and decisions, including the selection of the proposed provider.

### **Impact on you**

#### **How will this affect me personally?**

If the proposal goes ahead:

- Your contribution levels would remain unchanged
- From **1 January 2026**, or such other date as notified, contributions would go into the new Master Trust
- You would gain access to more investment and retirement options
- Life assurance benefits would continue at the same level but would be administered by Aviva from **1 April 2026**.
- Any protected tax-free cash entitlements or HMRC protections would remain unaffected.

#### **What happens to my existing pension in the Plan?**

If the proposal proceeds, you'll become a deferred member of the current Plan. Your existing DC benefits would be transferred to the Master Trust around **March 2026**, unless you choose to transfer these benefits to another pension scheme. Defined Benefit pensions will remain in the current Plan.

#### **Will I be automatically joined into the Master Trust?**

If the proposal proceeds, yes, if you're an active member on **1 January 2026**, or such other date as notified. If not, you can request to join (subject to your employment terms). Members of the Social Housing Pension Scheme will not be affected.

#### **Can I opt out?**

Yes. You'll have 30 days to opt out after you have been joined into the Master Trust. However, opting out means you'll no longer receive pension contributions from L&Q.

**Can you provide financial advice?**

No, L&Q and its advisers are not authorised to offer financial advice. If you need professional support, you can find more information and locate a qualified financial adviser through [MoneyHelper](#)

**Not currently a member of the Plan?**

You would continue to have the option to join the Master Trust at any time (as you currently do for the Plan), subject to your employment terms.

**Practical details if the proposal proceeds****Will salary sacrifice still apply?**

Yes. Contributions would continue via salary sacrifice, helping you save on National Insurance.

**Will my pensionable salary still be based on 1 April earnings?**

No. Contributions would be based on your actual salary (excluding bonuses), meaning any mid-year pay changes would be reflected in your pension contributions.

**Do I need to update my expression of wish?**

Yes. You'll need to complete a new expression of wish when joining the Master Trust, you can do this in the App or Dashboard once you have registered online

**Will there be any cost to me for the transfer?**

No. L&Q has arranged for the provider to cover all transition costs.

**Can I transfer other pensions into the Master Trust?**

Yes. Once you've joined, you'll be able to transfer pensions from previous employers, but we do recommend you seek financial advice in relation to this.

**Will I still receive annual benefit statements?**

Yes. You'll receive a statement each year from the new provider.

**What if I plan to retire soon?**

You'll still benefit from joining the Master Trust, gaining access to flexible retirement options such as income drawdown, annuities, and lump sum withdrawals.

**How would my contract be varied?**

L&Q has a Recognition Agreement in place with Unison which authorises the Joint Negotiating & Consultative Committee to consult and negotiate on pensions for staff working for the L&Q Group. L&Q has consulted Unison and Unison has agreed that following consultation, if the proposal is to proceed, that L&Q can implement the change in pension provision via a variation to your contracts of employment as permitted by the variation clause within your contract of employment.

**Will I have to pay annual management charges to the Master Trust?**

Whilst you are employed L&Q will continue to pay the annual management charges on your behalf. If you leave employment, L&Q will no longer pay these charges, the amount you will be required to pay will be dependent on the investment fund you have chosen. Please review the investment options on the SharePoint site for more information about the associated charges.

**Where can I find out more about how Standard Life is run?**

You can find out more about how Standard Life is run here:

<https://www.standardlife.co.uk/about>

**Who are the Trustees of the Standard Life Master Trust?**

Details of the Trustees can be found here: <https://www.standardlife.co.uk/slmtc>

**Will I have access to a member portal and app, and what will this look like?**

Yes. Standard Life will provide a member portal (online dashboard) and mobile app, further details will be shared with you if the proposal goes ahead. These digital tools will enable you to easily manage your pension, update your details, change your investments and much more.

**When will I receive a welcome pack from Standard Life?**

If the proposal goes ahead, you will receive a welcome communication from Standard Life at the beginning of February.

**Where can I learn more about my investment options?**

For those who want a hands-off approach to investment, there will be a default investment strategy utilising Standard Life's Sustainable Multi Asset Universal Lifestyle Profile. This will automatically de-risk your investment strategy as you approach your selected retirement date. You can find a copy of the current Standard Life Master Trust Investment Guide on our SharePoint site.