



## **TUI GROUP UK Pension Trust**

### **Purchase of a Bulk Annuity Policy with Legal and General (L&G)**

In consultation with TUI Group, the Trustee has recently decided to buy bulk annuity policies from L&G as investments of the BAL and TAPS Schemes. The policies will provide income to the Schemes relating to the benefits due from the Schemes and is sometimes known as a buy-in.

The buy-in decisions were taken after conducting a full market review and taking into account a number of factors, including the funding level and maturity of the Schemes. For the TAPS Scheme, the most appropriate investment was to purchase a bulk annuity policy which will provide matching income payments in respect of all of the members benefits. For the BAL Scheme, the most appropriate investment was a buy-in policy which covers income payments for around 60% of the pensioner liabilities. For completeness, we note that the TUI UK Scheme has a different investment strategy which reflects its funding level and scheme membership profile so a buy-in is not on the Trustee's agenda for that Scheme at the current time.

The purchase of the insurance policies from L&G is an important step in reducing risk within the Schemes and increasing the security of members' benefits (as the future payment of these benefits is no longer reliant on the investment performance of the Scheme's assets and continued support of TUI Group). In deciding the benefits to be secured by the policies, the Trustee obtained advice to ensure that they reflect those payable under the Schemes.

This decision by the Trustee does not affect any entitlements under the Schemes (which will remain the same as before). Benefit payments will continue in exactly the same way and on the same date as previously and benefits continue to be administered by the Scheme's administrators, Equiniti, although they may be funded by income payments received from L&G. The Trustee will continue to have ultimate responsibility for the payment of all pensions. You will have received a letter from the Trustee explaining this in more detail if your pension is covered by the payments received from L&G under the buy in policies.