

BAL SCHEME NEWS

CHANGES TO THE RETIREMENT OPTIONS FOR DEFINED CONTRIBUTION FUNDS AFTER 30 SEPTEMBER 2025

Following the completion of the buy-in transaction with Legal & General (L&G) in December 2024 which we told you about in the last newsletter, the Trustee and TUI Group have reviewed the retirement options available for members who have defined contribution funds in the BAL Scheme. The objective of the review was to ensure that the options given to members in future are compatible with the buy-in policy and can be aligned with the payments received by the Trustee from L&G.

The members who have defined contribution funds fall into several groups as follows:

- Members of the Pre-2008 Defined Contribution Section
- Members of the Post-2008 Defined Contribution Section
- Members of any of the Defined Benefit Sections who have paid additional voluntary contributions (AVCs)
- Members of any of the Defined Benefit Sections who have a DC Top-up Account.

What are the changes?

It has been decided that after 30 September 2025, two changes will be made to the Trustee's retirement options policy as follows:

1. Increased tax-free cash flexibility

You can choose to use the full value of your defined contribution funds when calculating the maximum tax-free cash lump sum that is permitted, within HMRC limits, when you retire. For any members who previously had a 25% limit on the defined contribution funds that could be used for this purpose, the restriction will be removed from 30 September 2025.

2. No scheme pension option

If you prefer to use your defined contribution funds to buy a pension, or if there are excess defined contribution funds after you have taken the maximum tax-free cash allowed by the HMRC limits, the funds must be used to buy an annuity on the open market. For any members who were previously able to use defined contribution funds to buy a scheme pension, the option to do this is being removed from 30 September 2025. You will receive a letter explaining this in a little more detail if this change affects you.

You will have the opportunity to select an annuity and an annuity provider. Different annuities have different features and you should consider taking financial advice about this important decision.

Some important reminders

(i) Hargreaves Lansdown annuity purchase service for members

The Trustee has previously appointed Hargreaves Lansdown to provide an annuity purchase service for members. The Hargreaves Lansdown website is available for you to obtain estimated quotations about the level of pension you may be able to buy in the market. More information about this is available from www.retirementsservice.co.uk/bal

(ii) Your transfer option is unchanged

Your option to transfer your defined contribution funds to one or more different pension providers is unchanged. This option allows you to access the flexibilities introduced in 2015 to take your pension as cash in stages, or flexi-access drawdown.

As different pension providers offer different options in relation to what you can do with your defined contribution funds, it is sensible to consider shopping around. The different options will have different features, different rates of payment, different charges and tax implications.

(iii) Guidance and advice

Free and impartial advice is available to help you understand your options in relation to what to do with your defined contribution funds. Pension Wise is a service set up by the government and the contact details are [Pension Wise: free pension guidance | MoneyHelper](#)

You should access the pension guidance offered by Pension Wise and consider taking independent financial advice before making important decisions of this nature.

(iv) Contact details for more information and questions

If you have any questions or would like more information about the changes explained above, please contact the Equiniti team at balpensions@equiniti.com or call 0371 384 2744.

Please note, all benefits from the Scheme are subject to the provisions of the Scheme Rules. The content of this notice is a summary of the relevant provisions and in the event of conflict with the Scheme Rules, the Rules will prevail.