General Mills UK Pension Plan

Independent Governance Group

Money Matters

Your Plan's financial roundup

Welcome to your member newsletter.

During the past year, you received a notification informing the Plan moved administrators from MUFG to LCP.

This change does not affect how your benefits are managed, but it should improve the service members receive. LCP's contact information is on page 6.

The yearly Summary Funding Statement enclosed provides a breakdown on how the Plan is doing financially. As Trustee, we regularly check how much money has been built up in the Plan, and how much might be needed in the future to make sure there's enough money to cover the pensions of both current and future retirees.

Your pension news roundup

Upcoming changes to Inheritance Tax

The Government has announced significant changes to how inheritance tax (IHT) will apply to pensions from April 2027.

At the moment, most unused pension funds and death benefits sit outside your estate for IHT purposes. This means they can usually be passed on to your beneficiaries free from inheritance tax. From 2027, however, the rules are set to change so that any unused pension funds will be included in the value of your estate. As a result, they could become subject to IHT at the standard rate (currently 40%) if the total value of your estate exceeds the IHT thresholds.

There will be some key exceptions. Pension death benefits paid to a spouse, civil partner, or charity will remain exempt from IHT, and registered death-in-service benefits are expected to stay outside these new rules.

These changes could mean that more estates fall within the scope of IHT, and beneficiaries may face additional steps before pension funds can be paid out.

Now is a good time to review your financial plans. Check that your expression of wish form is up to date, take stock of the overall value of your estate, and consider speaking with an independent financial adviser if you think you might be affected.

While the reforms are still being finalised, getting to grips with them early can help you plan ahead and make confident, informed decisions about your legacy.

Stay safe from pension scams

In 2023 alone, reports show that over £17 million was lost to pension scams, with £47,000 being the average amount stolen – which is often a big chunk of someone's life savings.

Fraudsters are using more sophisticated tactics – including fake pension dashboards, AI-generated voices, and social media messaging – to steal life savings. To protect yourself, follow three simple steps: Stop. Start. Secure.

Stop and think before responding to unexpected contact about your pension. Scammers create urgency to rush you into bad decisions. If someone promises guaranteed returns or early access to your money, it's almost certainly a scam.

Start taking control of your pension. Know who your provider is, what your pension is worth, and where it's held. The new government-backed Pensions Dashboard will help you keep track when it launches over the next few years.

Secure your future by staying cautious. Only deal with FCA-authorised firms, and never share personal or financial details unless you're sure who you're speaking to.

Sources for more detailed guidance include **www.moneyhelper.org.uk** and **www.actionfraud.police.uk**. You can ring Action Fraud on **0300 123 2040** for help.

Stop the scam. Start asking questions. Secure your retirement.

Staying informed about your pension

Personal communications specific to you, such as benefit quotations, will continue to be sent to you directly by email or post. If you have registered on the member website, these communications will be made available to you through the secure 'My Pension' area of the site, and you will be notified to make you aware that your communication is available online.

If you do not wish to access general communications about the Plan via the website, or would prefer that these are posted to you, then please confirm this to LCP your Plan Administrator in writing.

Get familiar with the finances

How's the Plan doing?

To help us keep things on track, the Plan undergoes a full valuation every three years, with annual checks that take place in between.

These valuations and yearly checks are done by our Plan Actuary, who gives us a detailed financial health-check of how the Plan's doing.

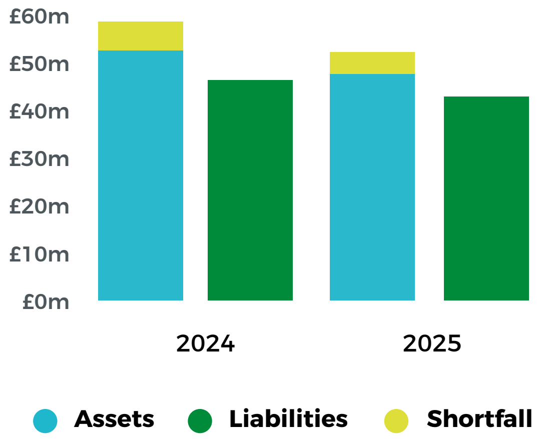
Here's the breakdown of the Plan's financial health at the latest funding update, and how this compares with its recent annual checks.

	5 April 2024	5 April 2025
Assets The value of the Plan's investments	£52.5m	£47.6m
Liabilities The estimated costs of providing members' benefits	£46.3m	£42.9m
Shortfall The difference between the assets and liabilities	£6.2m	£4.7m
Funding level The assets as a percentage of the liabilities	113%	111%

To check how the Plan is doing, we compare the value of our liabilities to our assets. If we have more assets than liabilities, then we're in surplus and the funding level will show 100% or more. If we have less assets than liabilities, we're in shortfall and the funding level will show below 100%.

A copy of the full valuation is available on request.

The Plan's financial position



It's worth remembering that these valuations are only a snapshot in time. As the market changes, it's perfectly normal for the funding level to change from time to time.

Our last full valuation was carried out on 5 April 2023. The next full valuation is due on 5 April 2026, and we'll share the results with you as soon as they're ready.

The Plan's in surplus...

As at 5 April 2025, the Plan had a funding level of 111% which means it was in a great financial position with enough funds to pay our members their pensions when they become due.

The funding level position decreased slightly over the year due to the impacts of the changes in financial markets. The reduction in the value placed on the Plan's liabilities was less than the decrease in the value of the Plan's assets, leaving the Plan in a well-funded position.

Protecting your benefits

As your Trustee, we always aim to have enough money in the Plan to pay pensions and other benefits to members and beneficiaries, with the support of the Company.

If the Company goes out of business or decides to stop paying into the Plan, it's expected to pay the Plan enough money to secure or buy all the benefits built up by members with an insurance company. This is known as the Plan being 'bought-out' and 'wound-up'.

As part of the full valuation, the Plan's Actuary works out how much money the Plan would need if the Company could no longer support it, and the Plan was wound up.

So for example, if the Plan had wound up on 5 April 2023 it would have needed £64.8m to buy the necessary insurance policies, resulting in a shortfall of £8.5m compared with the value of the Plan's investments on the same date. In this case, the Company would have had to make up the shortfall.

If the Plan winds up and doesn't have enough money to secure all benefits with an insurer, and the Company can't make up the shortfall, you may not receive the full benefits you were expecting.

To protect members in this situation, the Government set up the Pension Protection Fund (PPF) where it provides compensation to members of eligible UK pension schemes, like ours. If the Plan enters the PPF, the pension you receive may be less than the full amount you earned under the Plan. The amount of compensation you receive depends on your age and when your Plan benefits were built up. You can find out more about the PPF on their website **www.ppf.co.uk**

Including this information doesn't mean that we, or the Company, are thinking of winding-up the Plan – it's simply required as part of our report.

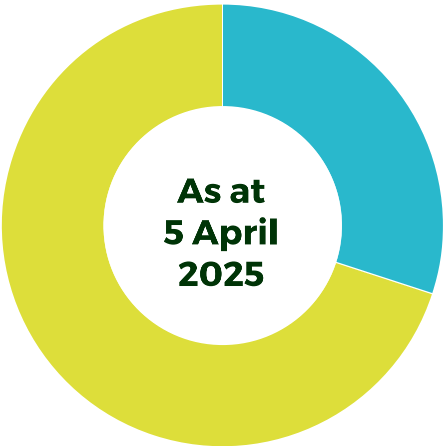
The legal bit

Legally, we must let you know that the Company has not taken any surplus payments out of the Plan in the last 12 months and that there has been no intervention from The Pensions Regulator to use its powers to modify the Plan, or to impose a direction, or a schedule of contributions.

Our approach to investing

To help get the most out of our investments, we've appointed specialist advisers to help us establish and follow a clear investment strategy. When developing an investment strategy, we work with our advisers to take into account environmental, social and governance issues, along with climate related risks and opportunities.

More information about our investment strategy is published in our Statement of Investment Principles but in the meantime, we've summarised below how the Plan's investments are split between different investment types. You can get a copy of all the Plan's documents by getting in touch with the Plan Administrator, or on our website **https://generalmillsukpensionplan.lcp.uk.com**



30% Diversified Growth Fund (DGF)

70% Liability matching portfolio (LDI)

Your Plan Administrator

For any questions regarding the Plan, or for copies of Plan documents, contact the administrators.

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Stay in touch

Please update your key contact information, including email address, through the Plan Administrator to ensure you do not miss important correspondence. Note that your email will be used for connecting to the Pensions Dashboard when it's launched in due course.

Your data

If you want to find out more about how we use your personal data please click through to: **https://generalmillsukpensionplan.lcp.uk.com**