



NTL Pension Plan (‘the Plan’)

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Dear Member, I’m writing to you to let you know what’s been happening recently on the **ntl Pension Plan (‘the Plan’).**

Coronavirus/Covid19

We have sought reassurance from our service providers (**Virgin Media payroll team** and **XPS Administration**) as to their resilience in the event of staff sicknesses and/or travel restrictions resulting from the virus. We are assured that they have robust processes to enable business critical functions to continue without undue disruption. Other time-critical functions such as the management of cash liquidity in the face of potential volatility are also robust with good fall back plans.

The virus (or more accurately the actions of governments and commercial organisations aimed at inhibiting its spread) have caused some material movements in investment markets. Whilst the Plan will have been affected by these events we have two things working in our favour:

- *We are very well protected against the impact of falling interest rates, which will have increased the value of our liabilities but caused matching increases in the value of our matching assets; and*
- *Our exposure to equity markets is limited as a result of recent de-risking actions. 10% of the fund is directly exposed to equity markets, but with protection against sharp downside movements. Another 12% is in multi-asset funds of which a bit more than half is in global equities.*

January Payslip issue

If you’re already receiving your Plan pension you may have noticed that you received two payslips in January. Unfortunately, the first one issued didn’t reflect the **January 2020** pension increase, although the payment itself was correct. The payslip error was picked up straight away and new payslips issued. Virgin Media’s payroll department apologises for their mistake and for any confusion this caused.



Member options

In September we wrote to the majority of members not yet in receipt of their pension within the Plan, to let them know what options (if any) were available to them and to offer them access to free advice from an IFA about these. The advice was funded by our sponsor **Virgin Media Limited**.

We were pleased to see a high level of interest in the options, as members were keen to find out more information about their benefits.

We note that most members decided to take no action, although some did take up the options having considered their own personal circumstances.

We are very pleased that members value their Plan benefits and that, for the few whose personal circumstances meant that greater flexibility was a priority, they had access to free impartial advice by a reputable firm of pension specialists to ensure that they were making the best decision for their own personal circumstances.

Benefit corrections made in January 2020

A number of members who are in receipt of their pension in the Plan received a letter in December advising them of a correction being made to their benefits from **1 January 2020** as a consequence of an historic administration issue. This issue only affected some members of the Plan and if you were impacted you will have received a letter detailing the increase to your pension from **1 January 2020** and any arrears the Plan owed you, including interest. These amounts were paid within the January pensioner payroll.

We are conscious this is a complex issue, so if you would like any further information regarding the correction you received, or you have any questions about your benefits, then please contact **XPS Administration** (details at the bottom of the page) who will be happy to assist you. There is also further information on our new website www.mypension.com/ntlplan (see back page for details).

Further benefit corrections

There are further corrections to be made to pensions in the Plan, as the Trustees have to eliminate any differences in benefits for men and women arising from the Plan having an element of **Guaranteed Minimum Pension (GMP)** for benefits earned before **April 1997**. This correction has become necessary as a result of a recent high profile High Court case.

We expect these corrections will be applied in **2021** but please note that this will only impact some members' benefits and for most members that are affected, any benefit corrections will be small. Your pension can only increase as a result of this matter.

There will be a further letter sent to you later in the year about this.



Securing your benefits via an annuity (buy-out)

We told you last year that we were hoping to purchase an insurance annuity contract in **2020** and the Trustees and our advisers have been working hard to get the Plan ready for this to happen. This was well in advance of our long-held target for purchasing such a contract in **2026/27**.

We requested quotations from a number of specialist insurance companies and these were received towards the end of last year. Whilst we were pleased with the degree of engagement from the insurance market, unfortunately the pricing was higher than we and our advisers had expected. This means that the transaction is unlikely to happen during **2020** and possibly not for a number of years. However, we will be staying in touch with the insurers to monitor funding and pricing in the future, so that they are in the best possible position to go ahead with the transaction when circumstances allow.

Despite this delay to our expected buy-out timetable, please be assured that your benefits remain very secure as the Plan is well-funded, with a strong and supportive sponsoring employer in **Virgin Media Limited**. Our original target of purchasing an annuity by **2026/27** remains and a formal valuation will be undertaken as at **31 December 2020** to assess what additional contributions might be required from Virgin Media Limited to help us achieve this objective.

MNT ballot

You will have received a letter regarding elections for one of our **Member Nominated Trustee (MNT)** positions.

We can confirm that there was only one nomination and that was for Dick Buckle, the **incumbent** current Trustee. This means that Dick's term of office is renewed with immediate effect. Dick has been a Trustee for many years and is looking forward to continuing this work.

The future of RPI

You may have read in the press that the **UK Statistics Authority** and the Government are consulting on a change to the **Retail Prices Index (RPI)**, to take effect at some point between **2025** and **2030**. The intent is to harmonise this index with a version of the **Consumer Prices Index (CPIH)**, as both parties have concluded that RPI is no longer 'fit for purpose'. We are actively considering whether and how this may affect both your future pension increases and the value of the assets in the Plan, which include significant exposures to assets contractually linked to **RPI**. It is unlikely this will be resolved quickly, so we may not be able to tell you much more for some time.



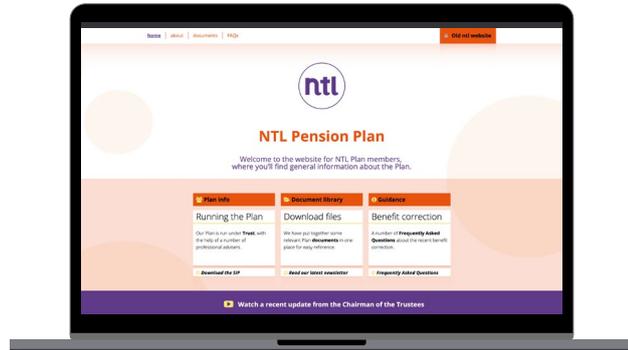
New website

If you've not already done so, why not check out our new website?

www.mypension.com/ntlplan

On the website you can find:

- Useful information about the Plan
- Documents
- Helpful FAQs
- Contact details



Services available to members

If you have any questions or need to change any information held on your pension records there are two appropriate sources:



XPS Administration – have access to your individual records and a good knowledge of the Plan benefits should you have any questions. Amongst other issues they can assist with questions relating to retirement, tax treatment of pensions or updating your personal details. Questions about the level of pension you are receiving should also be directed to them. Their contact details are at the bottom of the page.



Virgin Media Employee Services – provide the payroll facility for the Plan pensioners; their contact details appear on your payslip and they will be able to assist with other questions you have regarding the information shown on your payslip. The contact centre will not have direct access to your records but will be able to record your query and contact details and pass these to the Pay & Reward team to provide a response.

Yours sincerely

Ross Russell
Chairman of the Trustees
NTL Pension Plan