

The Taylor Wimpey Pension Scheme (the "Scheme") UPDATE FROM THE TRUSTEES

On behalf of the Trustees, I hope you are well and are coping with the extended lockdown.

I wanted to update you following the last Covid-19 communication that the Trustees issued on 31st March (available [here](#)). With the lockdown being extended into May at the earliest, the disruption to Taylor Wimpey's business is likely to continue for some while yet. However, I am pleased to report that the Company has recently announced that there will be a phased return to construction in England and Wales with effect from the week commencing 4th May. Sales centres, show homes and regional offices will remain closed while the Company continues to monitor the latest guidance around social distancing. Further details are set out in the Company's recent trading statement that was issued in conjunction with its Annual General Meeting on 23rd April. A copy of the trading statement can be accessed [here](#).

Company Contributions

Whilst the Company has reported a strong order book, balance sheet and cash position, it remains focussed on cash preservation and has taken a number of steps in order to protect the business during this crisis. Further details on the measures that have been taken are set out in the two market updates issued on [24th March](#) and [1st April](#). As part of this effort to preserve cash, the Company recently approached the Trustees to request a short suspension of the monthly contributions that it pays to the Scheme. The proposal is for the next 3 months of contributions (due in April, May and June) to be postponed, a total of £10 million.

The Trustees met virtually on 17th April to discuss the Company's request. They were joined by representatives from their advisers Penfida (financial advisers), CMS Cameron McKenna (Scheme lawyers) and XPS Pensions (Scheme Actuary). The meeting was attended by the Company's Group Finance Director, Chris Carney, who explained the proposal and why it would help the Company during this difficult and unprecedented time.

Having considered all of the available information, the Trustees and their advisers are satisfied that the Company has done and continues to do everything it can to preserve cash during the current crisis whilst the ongoing restrictions affect its business. The Trustees have therefore decided to support the Company's request. In making their decision, the Trustees have followed the recent guidance issued to pension schemes by The Pensions Regulator and are satisfied that the proposal is in the best interests of all parties.

To allow for the deferral of the contributions, the Trustees have agreed a mechanism with the Company which ensures that the money is paid back into the Scheme with interest in early 2021. The Company has also agreed to regularly update the Trustees on all relevant financial developments.

The Company will continue to pay all Scheme expenses as normal (totalling £500,000 for the 3 months) and I can confirm that the £5.1 million payment from the asset-backed funding arrangement with the Company (known as the Pensions Funding Partnership) was paid into the Scheme on 14th April as expected.

Funding and Investments

As at 31st March, the funding had recovered slightly to 93.1% and the Trustees continue to monitor this closely with their Scheme Actuary and investment advisers.

Whilst the fall in funding level remains disappointing, the Scheme investments have been protected to some extent by having a diversified portfolio and a high level of hedging which protects the Scheme from adverse interest rate and inflation movements.

Member Nominated Trustee

Regrettably, Paula Wright has resigned from the Trustee Board with effect from 31st March for personal reasons. Paula has made a considerable contribution to the Trustee board and to our Audit Sub-Committee since the Scheme started in 2013, and I want to thank Paula for her valued work on behalf of the members and Trustees and to wish her well for the future.

Due to the COVID-19 crisis, the Trustees have agreed to suspend seeking nominations for a new member nominated Trustee until it is practical to do so. The Trustees will reassess the position at their meeting on 25th June and communicate the arrangements for nominations to members in due course. Meanwhile I would encourage you to think about applying for this very rewarding and interesting role.

Scheme Administration

Our administrators, Hymans Robertson, continue to do an excellent job in administering the Scheme on behalf of the Trustees and the service has continued at a high level despite the restrictions. Hymans are making it a priority to process payments, set up forthcoming retirements and respond to member enquiries.

Transfer Values and Increase in Pension Scams

During this period, transfer values continue to be quoted by the Scheme online, but the Trustees are monitoring matters monthly to ensure that members' interests are protected.

Unfortunately, the current crisis offers criminals an opportunity to approach pension scheme members, savers and investors (especially the more vulnerable in our society) who may be worried about their finances. Scams are hard to spot and are often disguised with believable websites, testimonials and materials which make them look like the real thing. If you don't spot these as scams, you could end up disclosing personal or financial information allowing the criminal to misuse your data for fraudulent purposes.

Don't let a scammer enjoy your well-earned retirement – further help and guidance is available from the [FCA](#) and the [Money and Pensions Service](#).

Communication

As the crisis continues to evolve, the Trustees will post further news and information on the Scheme website (www.taylorwimpeypensions.co.uk).

Whilst the current restrictions are in place, please can I encourage Scheme members to contact Hymans by email rather than in writing, even if you've already been in contact by post. You can also gain access to your Scheme information by registering online through the Scheme's dedicated website. Contact details are as follows:

- Email: taylorwimpey@hymans.co.uk
- Telephone: 0141 566 7578
- Online: www.taylorwimpeypensions.co.uk

Stay Home: Protect the NHS: Save Lives

Best Wishes

Anna Edgeworth
Chairman

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