

Rolls-Royce UK Pension Fund Trustee statement on transfer activity

The sponsor of the Rolls-Royce UK Pension Fund, Rolls-Royce plc has suffered significant impact on its commercial operations due to Covid-19 and is progressing a programme of restructuring which includes job losses in the UK and worldwide. We understand that this has placed a lot of the Fund's members in a difficult position and the Trustee remains vigilant in the face of risks associated with an increased volume of requests, from such members, to transfer their benefits from the Fund to outside arrangements.

The Government introduced pension freedoms in 2015, allowing individuals more flexibility over how they accessed their pension and significantly increasing the volume of members transferring their pension savings.

For many years now the Trustee has worked closely with the Pensions Regulator (tPR) to protect Fund members.

In 2016, the Company and the Trustee, supported by the unions, appointed a preferred provider, WPS Advisory, to provide financial advisory support to Fund members. This service is monitored by the Company and the Trustee and is paid for out of Fund assets.

The Fund's administrators, on the Trustee's behalf, monitor the number of transfers from the Fund on a monthly basis and share this information with tPR and the Financial Conduct Authority (FCA). They report all instances of unsolicited approaches by financial advisory firms or individual financial advisers and also activity which is suspect direct to the FCA and Fund members are encouraged to do the same.

The Trustee believes that education and information are key for the Fund's members to protect themselves against fraudulent activity and to make the right choices. The Trustee provides regular communications to members on this topic supported by information from tPR, FCA and the Money and Pension Service (MaPS).

The Trustee will continue to work with the Company, tPR, FCA and MaPS to protect Fund members.

Rolls-Royce UK Pension Fund Trustees Limited