Simplifying your benefits in the AC Nielsen (UK) Pension Plan

As mentioned in our December 2025 Trustee Report, the Trustee has been focused on its long-term plans to further increase the security of your pension benefits, as well as improve the member experience.

In February 2026, the Trustee wrote to all Section A members with details of the first of several changes: a simplification of benefits to help provide a better service and reduce volatility in funding.

You are a Section A member if you have benefits in the Old Money Purchase (also known as Defined Contribution or DC) Section – having joined the Plan before 1 January 2005, or, transferred benefits to the Plan on a Money Purchase basis.

If you do not receive a letter* about the above, we can confirm that you are not a member of Section A and therefore this change does not affect you. This includes you if you have recently transferred out of or retired from the Plan.

*This is with the exception of a small group of members for whom we have been unable to confirm their address. If you joined the Plan before 1 January 2025 or transferred benefits to the Plan on a Money Purchase basis since then, please get in touch with Capita as soon as you can - see details below.

Key points for Section A members:

- The change involves separating your Defined Benefit (DB) pension from any Defined Contribution (DC) savings.
- We believe that this change will benefit you by making your pension savings clearer and simpler to understand.
- The change does not affect the current value of your benefits. This is because we are making this change by applying a process in pensions law that includes an 'actuarial equivalence' requirement: the Trustee must ensure that the change won't reduce the current value of your Plan benefits (and the Plan's Actuary must certify that this requirement is satisfied). However, it could mean that you receive a different form and level of benefit in the future.
- See the communication we sent you in February 2026 for full details of the change, what it may mean for you and for answers to some of the questions you may have. The frequently asked questions are also included at the end of this document.
- We are required to give you notice of the change and provide you with information to ensure that you understand it.
    - If you have any feedback or would like to make a representation about the change (which isn't specifically about your individual circumstances), please email Capita the Plan administrator at **nielsen@capita.co.uk** by 17 April 2026. Please include the following 'heading': Representation February 2026.
- Read on for the FAQs included in the member communication.
- We will update later this Spring after the representation period updating you on the next steps. This will include details on how your DC savings will be managed and invested after the change. We are currently reviewing the options available (noting that our key priorities are to ensure

members have best-in-class service as well as a competitive level of choice and flexibility around their investment and retirement options).

If you have registered for Fixed Protection on or after 15 March 2023, please get in touch with the Plan administrator as soon as you can at **nielsen@capita.co.uk** or on **0333 222 0085**. This is important because the change we are making may affect your LTA Protection. You would have been involved in this process.

Frequently asked questions

For Section A members

About your current benefits

Q. How does a Defined Contribution (DC) pension work?

A. As a Section A member, you have DC savings in the Plan. This means the amount paid in (the contributions) is defined, rather than benefits you receive. However, unlike many other DC schemes (where retirement income depends on how much was paid in, investment performance, and how and when benefits are taken) because of how it was set up, you have a Defined Benefit (DB) underpin. This guarantees you a certain amount of pension. See Why do I have a DB underpin?

Q. How does a Defined Benefit (DB) pension scheme work?

A. In a DB scheme, benefits are calculated using a defined formula usually based on your salary while you were working and how long you were a member of the scheme. DB schemes pay a regular income for life which usually increases each year to help protect against inflation.

Q. Where can I find out more about how a Defined Benefit (DB) pension scheme works?

A. If we proceed with the change, we will include more details and where to find a Plan 'DB overview' in the communications you receive over the coming months.

Q. I already have a DB pension in the Plan, how is this affected?

A. This change does not affect the existing DB pensions in the Plan. If you have an existing DB pension in the Plan (separate from the DB underpin pension), this will increase after the change is made by the amount of DB underpin pension being separated from your DC funds. This increased DB pension will work in the same way as your existing DB pension in the Plan.

Q. How do I know if I have Defined Benefit (DB) or Defined Contribution (DC) benefits?

A. You've been sent a letter because you're a Section A member of the Plan. Although it's a DC scheme, you have a DB underpin pension linked to the savings you built up in the Plan.

About the Defined Benefit (DB) underpin

Q. Why do I have a DB underpin?

A. This is because you were 'contracted out' of the additional State Pension, meaning you (and your employer) paid fewer National Insurance contributions. Instead, the Plan promised to pay at least as much as the additional State Pension which would have built up instead. This minimum level of income was called a Guaranteed Minimum Pension (GMP) from April 1978 to April 1997 and a Reference Scheme Test (RST) Pension from April 1997 to April 2016. How it is paid is prescribed by legislation.

The GMP and RST Pension are calculated using a complex formula based on an individual's period of contracted-out service, contracted out National Insurance contributions and earnings.

Depending on when you joined the Plan, you may have a GMP and/or an RST.

Q. Can the Trustee legally make the change?

A. Yes, the Trustee can make the change by following certain requirements, including 'actuarial equivalence'. In simple terms, it is a concept used to work out if two benefit structures are financially equal. In this case, the requirement means ensuring there is no change to the overall financial value of members' benefits before and after the change (even if they are structured differently). The change cannot proceed if it would reduce the 'actuarial value' of your pension benefits. The Trustee must also consider more widely whether the change is in the interests of the Plan members.

Q. What does 'actuarial equivalence' involve?

A. The Plan's specialist adviser, the Plan Actuary, must certify that the pension benefits after the change are equal in value to the pension benefits before the change based on certain assumptions – the 'actuarial equivalence' test.

Q. How will the change affect me?

A. Currently your retirement benefits are calculated at retirement. The ultimate level of benefits you will receive depends on the future investment performance of your DC fund until retirement, and how this compares at that time with the cost of securing your DB underpin. Therefore, your level of retirement benefits may be difficult to predict, since it depends on future investment returns and the cost of securing pension, which are unpredictable and can be volatile. **Bringing forward the calculation of your benefits** reduces your exposure to future volatile investment markets, by assessing now how much of your DC funds are required to secure your DB underpin pension earlier that would otherwise have been the case. Equally, it may also limit your potential to benefit from any future upside in investment returns.

Q. Will I be worse off?

A. The Trustee must ensure that the change won't reduce the current value of your Plan benefits. However, the future value of your DB underpin pension and DC funds are uncertain because they're only calculated when you start to receive your benefits. So, it's not possible to know whether you would have been better or worse off after the change. The Plan Actuary will make a calculation based on certain assumptions regarding future experience without bias. However, actual future experience will inevitably differ from the assumptions made, meaning that your amended benefits on retirement might ultimately be higher or lower than they would otherwise have been if the change had not been made.

About the change

Q. Why is the Trustee making this change now?

A. To reduce the complexity of your benefits and simplify the running of the Plan. For members, this will bring greater clarity of benefits, easier retirement planning and more flexibility in retirement options. This also supports our long-term plans to further increase the security of your pension benefits.

Q. Has the Trustee taken advice on the change?

A. Yes, the Trustee has taken advice from its professional advisers and discussed it with the Company.

Q. Can I opt out of the change?

A. No, the change will apply to all members with a DB underpin pension. However, you continue to have the option to transfer your benefits out of the Plan at any time before or after the change. See **Will I be able to transfer my benefits out of the Plan before or after the change?** below.

About your options

Q. Will I be able to retire before the change?

A. Yes. You can ask to retire at any time if you're eligible. However, due to the change, there will be a temporary pause on retirement requests until June 2026. If you were intending to retire before the change and had already requested a quotation, we needed to receive all initial completed forms and documentation by 28 February 2026 as further forms from the annuity provider must be completed and returned to Capita by 7 April 2026.

Q. Will I be able to transfer my benefits out of the Plan before or after the change?

A. Yes. You'll still be able to transfer your benefits out of the Plan at any time. However, due to the change, there will be a temporary pause on transfer requests and processing while the change is being implemented. Transfer *quotations* will continue to be provided to requests received up to 7 April 2026. Transfer *requests* may only proceed by 30 April 2026 if all **correct documentation** is received by 7 April 2026 **and** where referral to the Trustee is not required. Any transfer quotations provided, but not implemented, before the change would be reviewed after the change (noting that any original guarantees will be honored if still within the relevant guarantee period).

Please note: transferring out of the Plan is an important decision, and you would lose the security of your DB underpin pension if you transferred out. By law, you must take independent financial advice if the value of your DB underpin pension is £30,000 or more. In addition, the change will mean that you have more flexibility to take your DB pension and DC benefits at different times (including the option to transfer out).

Q. Do I need to consent to the change?

A. No, **the Trustee can change the DB underpin pension as it's complying with the actuarial equivalence requirements.** Please see page 1 of this document for details of where to find out more and/or make a representation about the change if you want to.

Q. Will the change have any impact on my tax position?

A. Currently the Government restricts the amount of new benefits that individuals can pay into, or earn in, pensions arrangements each year: known as the Annual Allowance. Any pensions savings made beyond the Annual Allowance potentially incur a tax charge. The Annual Allowance is currently £60,000 for the 2025-26 tax year (although it tapers to lower levels for high earners or those who have already access their pensions).

In addition to other pension accrual over the year, you may incur a modest additional contribution towards your Annual Allowance for 2026-27 specifically in relation to the change on 15 May 2026. We cannot calculate this in advance of the change, as the amount will depend on financial conditions at the time; however, preliminary calculations based on recent conditions indicate in most cases the additional

Annual Allowance contribution will be less than £1,000, and in all cases less than £10,000 (and therefore well within the current Annual Allowance in relation to contributions made in the Plan). However, please note that contributions to any other pension arrangements you have will also count towards the Allowance Allowance). We will confirm details of this in the statement we send to you in early summer. We'll also include a reminder of how to give details to HMRC (if you need to) as part of the self-assessment tax return process.

Please also note that the change may affect the way you take your benefits. How your DC and DB benefits are taxed will depend on the pension tax rules in place when you take each type of benefit. The Trustee isn't allowed to give you financial or tax advice. If you're concerned or need more support, you should speak to an independent financial adviser.

Important: Lifetime Allowance (LTA) Protection: Please **let us know if you have registered for Fixed Protection on or after 15 March 2023** by getting in touch with the Plan administrator as soon as you can. This is important because the change we are making may affect your LTA Protection. You would have been involved in this process.

Q. Will the change affect my ability to exchange benefits for tax-free cash?

A. You will still be able to exchange benefits for tax-free cash on retirement, subject to the maximum allowable in law (noting that it will remain the case that any Guaranteed Minimum Pension (GMP) you have cannot be exchanged for tax-free cash). See the letter you received in February with more details.

Q. When will the Trustee confirm my revised benefits?

A. The Trustee will write to you again in the Spring, then again in early summer once the change has been made, to confirm your revised Plan benefits.