

**BRADFORD &
BINGLEY PENSIONS
LIMITED**

TRUSTEE OF BRADFORD &
BINGLEY STAFF PENSION
SCHEME

Private & Confidential

Pensions Administration H61

Deloitte Total Reward and Benefits Limited
Lincoln Building
27-45 Great Victoria Street
Belfast
BT2 7SL

T 0113 292 1948
bandbpensions@deloitte.co.uk

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Dear Member

**Bradford & Bingley Staff Pension Scheme (the “Scheme”)
Important news about the Scheme**

In his Spring Budget, the Chancellor, Rishi Sunak MP, announced the government’s intention to legislate to transfer Scheme members to a new statutory, public service pension scheme.

The timing for setting up the new public service scheme is dependent on a parliamentary slot becoming available, but the government’s current expectation is for the new statutory public sector scheme to be in place and providing members’ Bradford & Bingley pension benefits by 2023-2025.

This policy decision marks the next step in the management of the Scheme which last year saw sponsorship for the Scheme transfer from Bradford & Bingley plc to UK Asset Resolution Limited (**UKAR**), which is 100% owned by Her Majesty’s Treasury (**HM Treasury**). This next step would see the government assume direct responsibility for all the Scheme’s liabilities, including the payment of pensions.

Please be assured that this announcement will not affect your existing pension promise. The Trustee Board will remain in place until the new statutory public service scheme has been established to protect members’ interests. The Trustee Board will also continue to oversee the administration of benefits by the Scheme’s current pension administrators, Deloitte Total Reward & Benefits Limited.

Further information about what the announcement means for members is detailed below.

Recap on current Scheme sponsor

The current sponsor of the Scheme is UKAR, the holding company that was established by the government in October 2010 to bring together Bradford & Bingley plc and NRAM Limited.

Currently, as the sole shareholder, HM Treasury provides funding directly to UKAR to enable it to meet its obligations, including to the Scheme. Many other of the government’s arm’s length bodies are funded the same way.

Current Scheme structure

At present, your pension benefits are held in the Scheme, which is a trust fund separate from the assets of UKAR and managed by the Trustee, Bradford & Bingley Pensions Limited.

As you know, the Trustee is responsible, amongst other things, for investing the Scheme's assets and paying pension and death benefits in accordance with the Scheme's Trust Deed and Rules.

Setting up a new statutory public service scheme

The Chancellor's announcement heralds the start of a process to move the obligation for paying Scheme pensions from the Trustee (out of the trust fund) to the government (from public funds).

The statutory public service scheme will be paid for directly by the government and will provide pensions and lump sums on retirement and death to current members of the Scheme and their dependents.

The liabilities of the new scheme will be met directly from government income, instead of being met from a managed pension fund. This is how many government-backed public sector schemes are set up, including the Civil Service Pension Scheme and the NHS Pension Scheme.

The government will bring forward legislation in Parliament to establish the powers necessary to set up the new scheme and for members of the Scheme to be transferred into it. Members' benefit promises are likely to be set out in secondary legislation, which would set out equivalent scheme rules.

Once the new statutory public service scheme has been set up, we anticipate that members' benefits will be transferred into it automatically by operation of newly enacted pension law and the existing Scheme will then be wound up.

In summary

Ever since Bradford & Bingley plc was taken into public ownership and the decision taken to run down its balance sheet, there has been the possibility that, at some point, the Scheme would be moved into government ownership to secure the future of members' pensions.


The first part of that process took place last summer when the sponsorship of the Scheme transferred to UKAR. The second part of the process, as announced in the Budget, is to establish a new statutory public service scheme and transfer members into it.

Next steps

HM Treasury will be working closely with the Trustee Board over the next couple of years to facilitate the setting up of the new statutory public service scheme and the documentation of Scheme members' existing benefit entitlements. Periodically, we will communicate with you to update you on progress.

If you have any immediate questions then please do not hesitate to call the Scheme administrators, Deloitte Total Reward and Benefits Limited, on 0113 292 1948 or email bandbpensions@deloitte.co.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Burnard', with a long horizontal stroke extending to the right.

Sean Burnard
Chair of Trustees
Bradford & Bingley Pensions Limited