

Summary Funding Statement

Unisys Payment Services Limited Pension Scheme (iPSL Section)

Why have you sent me this Summary Funding Statement?

We are sending you this statement to tell you about the financial security of the iPSL Section. You may remember that we have sent you similar statements in the past. This statement sets out the results of the actuarial valuation as at 31 March 2023, alongside the latest update as at 31 March 2024.

We recommend you take some time to read it, since the iPSL Section's financial security could affect the benefits you will ultimately receive. We will send you a similar statement regularly to update you on this important issue.

How is the iPSL Section's financial security measured?

We carry out an in-depth look at the iPSL Section's finances at least every three years, as required by legislation. This is called an actuarial valuation. We ask a qualified, independent professional, known as an actuary, to do this. We also regularly check the financial position of the iPSL Section to allow the Trustee to keep on top of any developments.

To check the iPSL Section's financial position, we compare the value of its liabilities to its assets. The assets have been built up over the years from the transfer payments received from members' previous schemes, from contributions paid by the members and the Company and from investment returns on the assets. The liabilities represent the amount that is estimated to be needed to provide all the benefits earned under the iPSL Section of the Scheme, both by those who have not yet started to receive their benefits (known as deferred members) and by the iPSL Section's existing pensioners.

Apart from the separately invested Additional Voluntary Contributions (AVCs), the iPSL Section's assets are held in a communal fund, not in separate funds for each individual. If the iPSL Section's assets are less than its liabilities, it is said to have a 'shortfall'. If the assets are more than the liabilities, there is said to be a 'surplus'.

What is the iPSL Section's financial position?

The table below shows the position of the iPSL Section following the latest actuarial valuation on 31 March 2023, alongside the latest update as at 31 March 2024.

	31 March 2023	31 March 2024
Value of the iPSL Section's liabilities	£304.4m	£283.8m
Value of the iPSL Section's assets (excluding AVCs)	£319.4m	£287.4m
Surplus (i.e. liabilities less assets)	£15.0m	£3.6m
Funding level (assets as a percentage of liabilities)	105%	101%

These figures are calculated using the actuarial method and assumptions we adopted for the statutory funding objective, which is the legal requirement for actuarial valuations. Under the relevant pensions legislation, the iPSL Section's liabilities using this method and these assumptions are known as its technical provisions.

To calculate the amount of the surplus or shortfall, assumptions have to be made about what will happen in the future, for example, the rate at which the iPSL Section's assets will grow. If the assumptions do not all turn out to be exactly right, the surplus or shortfall will either grow or reduce. Future actuarial valuations will assess the emerging experience of the iPSL Section and provide updates on the funding position.

We are required to inform you whether a payment has been made to the Company, as permitted under Pensions Act 1995, since we last sent you a Summary Funding Statement. We can confirm that no such payment has been made to the Company. Indeed, there has never been a payment of surplus out of Scheme funds to Unisys Limited or to any Unisys Company.

How has the funding position of the iPSL Section changed since the date of the actuarial valuation?

As you may recall from our previous update, following discussions with the Company, on 17 November 2023 the Trustee took steps to secure members' benefits under the iPSL Section by the purchase of an insurance policy with Standard Life. The policy is designed to match the benefits provided by the iPSL Section for all deferred and pensioner members. The purchase of the policy required the disinvestment of the iPSL Section's assets at the time in order to meet the price of the policy.

As a reminder, the insurance policy now held by the Trustee is called a buy-in policy. This is an investment whereby an insurer makes payments to the iPSL Section that are the same as the benefits payable to current and future pensioners. The iPSL Section then continues to pay these pensions to members in the normal way. The buy-in policy removes various risks for the iPSL Section, such as the risk that a member might live longer than average.

As we have noted in our previous update, the purchase of the policy has not resulted in any changes to your benefit entitlement. Please refer to our communication dated December 2023 for more details about the buy-in and potential next steps.

In due course, the actuary will carry out a formal check on the position as at 31 March 2025 and will set out the results in an actuarial report, and we will update you in our next Summary Funding Statement. In the meantime, we can tell you that the funding level has remained broadly stable over the year to 31 March 2024.

How has the funding position of the iPSL Section changed since the last Summary Funding Statement?

The previous actuarial update as at 31 March 2022, which we told you about in last year's Summary Funding Statement, showed a surplus as at that date of £36m and a funding level of 109%. That assessment was carried out using a different set of actuarial assumptions to those used for the 31 March 2023 assessment and so is not directly comparable.

As described above, since the date of the actuarial valuation as at 31 March 2023, the Trustee has purchased an insurance policy with Standard Life.

How does the Trustee decide what contributions should be paid into the iPSL Section?

As part of each actuarial valuation, the actuary advises on the financial position of the iPSL Section and this enables us to discuss the contribution level with the Company. We then agree a level of contribution for the iPSL Section with the Company and record this in a document called the Schedule of Contributions.

As set out in the iPSL Section's current Schedule of Contributions, because the Section is fully funded, no further Company contributions in respect of members' accrued benefits are payable.

The Company meets the running costs of the iPSL Section including the levy payable to the Pension Protection Fund.

How does the iPSL Section invest its assets?

Following the purchase of the insurance policy, the assets held by the iPSL Section comprise the insurance policy with Standard Life and a small amount of other invested assets and cash held in a Trustee bank account to meet the cashflow requirements of the iPSL Section.

Is there enough money in the iPSL Section to provide my full benefits if the iPSL Section was wound up?

The actuarial valuation at 31 March 2023 showed that the iPSL Section was approximately 100% funded on a wind-up basis and therefore the iPSL Section's assets would have been expected to be sufficient to secure members benefits in full with an insurance company (known as a buyout).

All members who have retired to date have received the full amount of their pension.

What happens if the Company fails, the iPSL Section is wound up and there is not enough money to pay for all my benefits?

The Trustee considers this an unlikely scenario, but we have set out information for completeness below. The Pension Protection Fund (PPF) exists to pay benefits to members of pension schemes where their employer is insolvent and neither their scheme nor their employer has enough money to provide a specified level of benefits to members. There are certain tests that are carried out before the PPF takes a scheme over, and the amounts paid by the PPF may be less than the full benefit you have earned in the iPSL Section. The amount of compensation paid by the PPF depends on your age and when your benefits were earned.

Further information and guidance are available on the PPF website at www.ppf.co.uk

What is the Pensions Regulator's role?

The Pensions Regulator has considerable powers to intervene in schemes' affairs if, for example, it is not satisfied that the valuation assumptions have been set properly or it considers the period for the recovery plan to be inappropriate. It can impose a Schedule of Contributions on a scheme and can also require a modification of future benefits. To date, none of these powers has been exercised by the Pensions Regulator in relation to the iPSL Section.

Where can I get more information?

A wide range of Scheme documents and information is available to members on request. If you wish to obtain further information either about the Scheme generally or about your individual entitlement, you can either visit the online portal, PRISM at secure.upslpension.com or you can contact Hymans Robertson LLP, the Scheme administrator, at the address shown on the right. Otherwise, you may address queries to the Secretary to the Unisys UK Pension Trustee Limited:

c/o Pi Consulting Limited
2nd Floor, Tuition House
27-37 St George's Road
Wimbledon
London SW19 4EU

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If you are thinking of transferring your pension benefits, you should consult a professional adviser, such as an independent financial adviser, before taking any action. We are not able to provide you with financial advice.

Please remember to notify the Scheme administrator if you change address, otherwise we may not be able to contact you about your benefits. You should include your name and National Insurance number and send your changed details to the Scheme administrator at the following address:

Hymans Robertson LLP
Administration Practice
One London Wall
London EC2Y 5EA

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