

Comet Pension Scheme

Newsletter 2024

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Welcome

Welcome to your new-look newsletter from the Comet Pension Scheme (the **Scheme**). This covers the information we have previously issued in the Trustee Report and the Summary Funding Statement. We can now share this information alongside important Scheme updates, while reducing our environmental impact and cutting down on our print and postage costs.

It's been an eventful year for pensions. Following the General Election in July, the new Labour Government announced their first budget on 30 October 2024, which included a consultation on whether some pension benefits that are passed over when someone dies should be included within Inheritance Tax. This consultation is due to run until January 2025 and we will update you if any changes are confirmed.

We've also included a reminder of upcoming changes to the minimum retirement age and State Pension Age.

You will also find the Summary Funding Statement information on page 8. As reported in 2023, the overall value of both the assets and the liabilities of the Scheme has fallen as a result of market conditions. However, the Scheme continues to be well-funded, with the assets exceeding the liabilities by 14%. This is an increase on the 9% reported in 2022 and 2023.

Finally, some important changes were made to the Lifetime Allowance this year as you will see on page 10.

We hope you find this newsletter useful. If you have any feedback please contact XPS, your Scheme administrator, using the details on the back page.

Ian Edwards
Chair of the Trustee

Your Scheme

The Scheme is a final salary pension arrangement that has been closed to future build-up since 30 September 2007.

Darty Limited (formerly Kesa Electricals plc and then Darty plc) is the Scheme's Principal Employer. Darty Limited was acquired by Groupe Fnac SA in July 2016.

Significant future developments relating to the Scheme will be communicated to members through these annual newsletters and through regular updates, available on the home page of the Scheme's website at www.comet-pensions.co.uk

Your Trustee Directors

The Trustee Directors are responsible for running the Scheme and meet regularly. Their duties include:

Monitoring the administration of the Scheme	Collecting contributions from Darty Limited	Investing the Scheme's assets
Paying benefits	Maintaining records of membership and financial transactions	Monitoring the Scheme funding

At the year end, the Trustee Directors were:

Member Nominated



Ian
Edwards
(Chair)



Nick
Marsh

Company Nominated



Frederic
Jaillard



Jon
Herzberg



James
Arnold



Victoria
Milford

Professional advisers

The Trustee has a duty of care to members and must act prudently. To help the Trustee Directors fulfill their duties, they employ various professional advisers.

Scheme Actuary

Steve Leake
of XPS Group

Administrator

XPS Group

Auditors

BDO LLP

Bankers

Bank of Scotland

Covenant Advisers

Ernst & Young LLP

Fiduciary Investment Managers

Schroders

Investment Consultants

Schroders IS Limited

Solicitors

Eversheds Sutherland Ltd

Trustee Company

Secretary

Wayne Phelan

Secretary to the Trustee

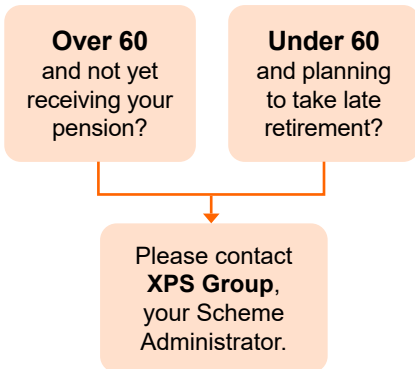
Ann Geer of Vidett
(formerly Punter Southall)
Governance Services

Scheme news

Are you over 60, and not yet receiving your pension?

Did you know that if you're over 60 years of age and haven't taken your benefits yet, you should have told the Trustee that you're intending to opt for late retirement? If you haven't, it's possible that you could forfeit some of your pension entitlement if you wait until after age 66 to start receiving your pension.

If you are over 60 and not yet receiving your pension, or under 60 but planning to take late retirement, please contact the Scheme Administrator by e-mailing cometadmin@xpsgroup.com or calling **0118 918 5098**.



Planning for retirement

How and when to take your Scheme benefits is an important decision, which can be complicated if you also have benefits in other pension arrangements. To help with this decision, you may wish to consult an impartial financial adviser.

As you may know, the Trustee has arranged for Scheme members to access impartial advice from Origen Financial Services at preferential rates. Details about this service, and how to access it, will be included in the regular communications you receive either as you're approaching retirement or if you request a transfer quote.

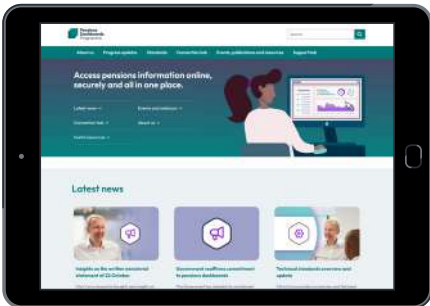
Please note that if you wish to transfer your Scheme benefits to another pension arrangement and they are worth more than £30,000, the law states that you must take financial advice before making the transfer.

Pensions Dashboards

In the autumn of 2025, the Scheme is due to connect to the Government-approved pensions dashboards. This will mean that, once the Government makes the dashboards available to the public, members that haven't taken their benefits will be able to see them on the dashboards.

The Trustee is taking steps to make sure this takes place, and you may be contacted by XPS, the Scheme administrator, asking you to update or confirm information about you and your nominated beneficiaries. This will ensure you can access the dashboards, and that your Scheme benefits are represented as completely as possible. If this applies to you, you will receive more details and instructions in due course.

For more general information on pensions dashboards go to:
www.pensionsdashboardsprogramme.org.uk



Guaranteed Minimum Pensions update

As you may know, in 2018 there was a High Court judgment that stated Guaranteed Minimum Pensions needed to be revisited to ensure they were treated equally for men and women. This affected the Scheme and nearly all similar pension schemes. In November 2020, the High Court ruled that this judgment also applied to individual transfer payments made since May 1990.

The calculations are complex and are currently being carried out. Some members may be entitled to an increase in benefits and we will contact affected members when the results are available.

Important - keep your personal details updated

If any of your personal details are changing, such as your name or address, or you would like some information about your benefits, please contact XPS Group. You'll find their details on the back page.

Scheme figures

Money in the Scheme

The incomings and outgoings of the Scheme between 31 March 2023 and 31 March 2024 were:

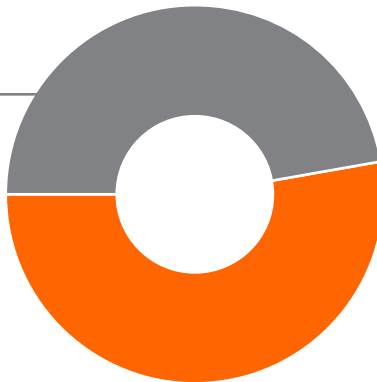
At 31 March 2023		£398,719,000
+	Change in investment value	£812,000
-	Pension payments, transfers out and other administration expenses	-£19,648,000
At 31 March 2024		£379,883,000

The Scheme's assets are kept separate from Darty Limited and are looked after by the Trustee Directors.

Membership at 31 March 2024

2,212
Pensioners

Pensioners are already being paid their pension from the Scheme

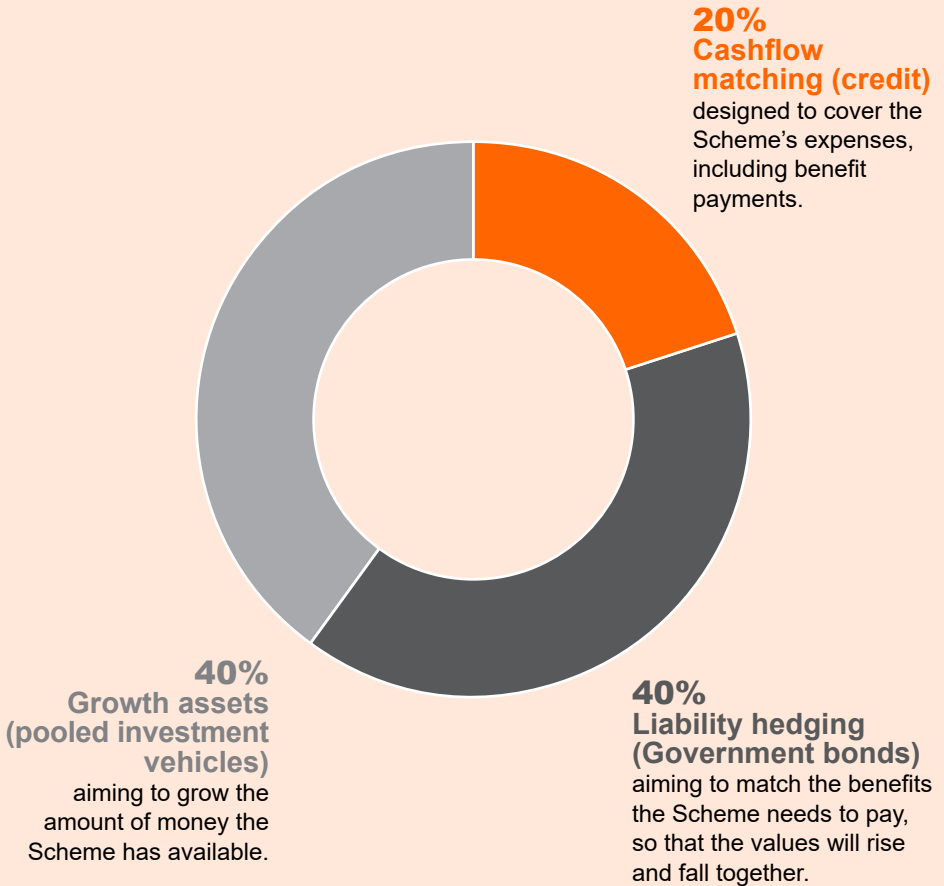


2,464
Deferred

Deferred members are not yet taking their pensions from the Scheme

How are the Scheme's assets invested?

The Trustee's policy is to invest in a broad range of assets, targeting the following splits:



A full breakdown of the Scheme's investment strategy (Statement of Investment Principles) is available on www.comet-pensions.co.uk

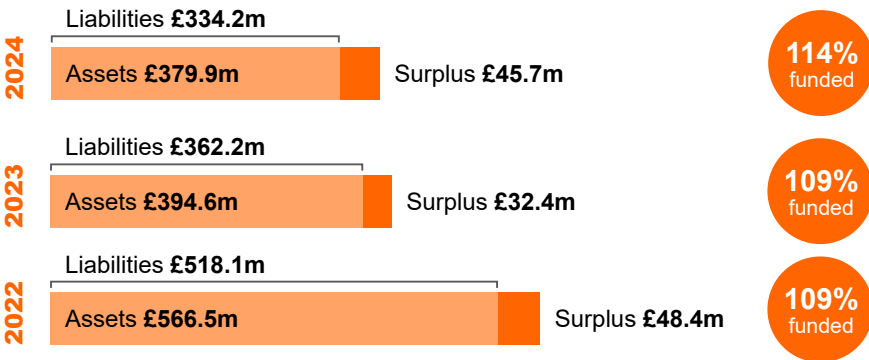
Summary Funding Statement

31 March 2024

The last actuarial update at 31 March 2024

An actuarial valuation compares how much money the Scheme has (**the assets**) with how much it needs to pay everyone their benefits as they fall due (**the liabilities**). If the Scheme's assets are more than its liabilities, there is a surplus, if they are less, there is a shortfall.

Full valuations usually take place every three years and the last one was at **31 March 2022**. There were yearly updates from the previous valuation on **31 March 2023** and **31 March 2024**.



Change in funding position since previous statement

The funding of the Scheme has improved from 109% to **114%** and a sizeable surplus remains. Due to a change in market conditions, there has been a reduction in the value placed on the Scheme's liabilities.

The assets held are chosen to move in line with the Scheme's liabilities, to protect it against large changes to the funding level as market conditions move. As expected, the assets have also fallen, but by less than the liabilities, resulting in an increase in the funding level.

How do you work out how much the Scheme needs?

As part of the three-yearly actuarial valuation, the Trustee agreed a funding plan (the Statement of Funding Principles) with Darty Limited, which aims to make sure there is enough money in the Scheme to pay for pensions now and into the future.

Payment to the Company

There has not been any payment made to Darty Limited out of the Scheme's assets since the last Summary Funding Statement.

How is my pension paid for?

The Scheme is a defined benefit pension arrangement. This means members build up benefits based on length of service and their salary. The Scheme has a pool of money (assets) to pay for these benefits as they become due; it does not hold assets separately for each individual. The Trustee's goal is for the Scheme to have enough money to pay all members their benefits, both now and into the future.

Winding up

If the Scheme winds up, the duty to pay all members' benefits may be transferred to an insurance company. In the 2022 valuation it was estimated that the amount needed to secure all the Scheme's benefits was £733.2m, which was £166.7m more than the Scheme's assets. This is just an indication and is required under legislation, it does not mean that the Trustee or Darty Limited are considering winding up the Scheme.

What would happen if the Scheme started to wind up?

Whilst the Scheme is still running, even though funding may temporarily be below target, benefits will still be paid in full. If the Scheme did start to wind up, benefits may be secured with an insurance company. If there weren't enough assets to secure all the benefits, Darty Limited would have to make up the difference. You might not get all of the benefits you have built up, especially if the Company is not there to pay for any shortfall. In this case, the Pension Protection Fund (**PPF**) might be able to take over the Scheme and pay compensation to members. Further information is available at www.pensionprotectionfund.org.uk

It is only if Darty Limited became insolvent and assets available to the Scheme were insufficient to secure PPF level benefits that the Scheme would apply for entry to the PPF.

The Pensions Regulator

In certain circumstances The Pensions Regulator can:

- Direct how the Scheme's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of contributions to be paid by Darty Limited
- Change the way members build up benefits in the future

None of these things have happened in the Scheme.

Why doesn't the Trustee aim to have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Scheme. This means the cost of securing pensions in this way is considerably more expensive than if the Scheme runs normally with the continuing support of Darty Limited. Aiming to have enough money to cover that cost would likely mean that the Scheme will have far more than it actually needs if it keeps running.

Pension news

Changes to the Lifetime Allowance

The Lifetime Allowance was the amount of pension savings you could build up in your lifetime without having to pay an extra tax charge. The Government abolished it from 6 April 2024 and replaced it with new allowances on the tax-free benefits you can take from the Scheme and other similar pension arrangements.

Lump Sum Allowance - £268,275

Members are generally able to take up to 25% of their benefits as a tax-free cash sum. The Lump Sum Allowance limits the tax-free lump sums you can withdraw from savings, across all your pension schemes. If you go over this limit, you may be charged at your individual income tax rate.

Lump Sum and Death Benefit Allowance - £1,073,100

This is the total maximum value of tax-free benefits that can be paid to, or in respect of, a member. This includes the Lump Sum Allowance above, and does not affect benefits already taken before 6 April 2024.

Overseas Transfer Allowance - £1,073,100

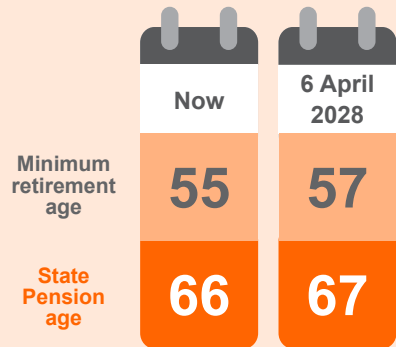
This is the maximum transfer you can make to a qualifying recognised overseas pension scheme before needing to pay a tax charge, which is a 25% flat rate tax. This allowance is separate from the other two.

Retirement ages to increase

The government is gradually increasing the State Pension age to age 67 in April 2028. You can check when your State Pension is payable at:

www.gov.uk/state-pension-age

There will also be a rise to the minimum age you can start taking your pension benefits in April 2028, from age 55 to age 57.



Watch out for pension scams

Pension scams can be devastating, with victims losing life-changing amounts of money. Scams are an increasing problem, but the Financial Conduct Authority (FCA) provides some useful tips to help you stay safe.

1 Reject any unexpected offers

Any calls about your pension that you weren't expecting will be scams – don't engage with them. If it sounds too good to be true, it probably is!

2 Check who you're dealing with

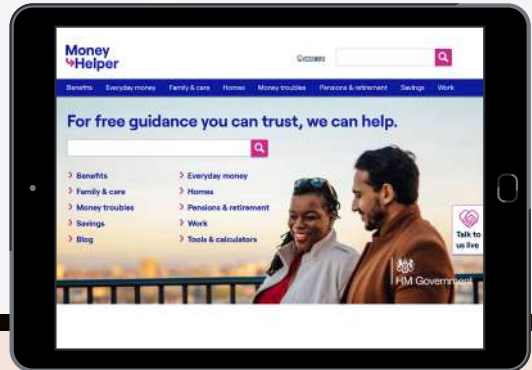
Check the FCA register to make sure that any adviser you are working with is properly authorised: register.fca.org.uk

3 Don't let yourself be rushed

No reputable business will try to pressure you for a decision, and rushing paperwork to you for a signature is a key sign of a scam. Take your time, and check everything thoroughly before you make any decisions.

4 Get impartial information or advice

Think about taking advice before making a transfer, with an adviser registered with the FCA. The Government's MoneyHelper site can help you find an adviser: www.moneyhelper.org.uk (search **Choosing a financial adviser**).



Transfer process update

Legal requirements mean certain conditions need to be met before any transfer can go ahead from the Scheme, so all transfer requests are referred to the XPS Scam Protection Service. They will then arrange a call to discuss your transfer and identify any warning signs of a pension scam. If they spot any warning signs, your case will be referred to the Trustee and you may need to provide more information, or have a call with MoneyHelper.

These extra steps can make the process take longer than you might expect, which we appreciate can be frustrating. But it's important to remember that these checks are there to help protect you from fraudulent transfers and keep your benefits safe.

Getting help

If you need any information about the Scheme or you would like a copy of the more detailed disclosure report, please refer to the Scheme's website at www.comet-pensions.co.uk or contact:

XPS Group

Scheme Administrator

cometadmin@xpsgroup.com

0118 918 5098

PO Box 562

Middlesbrough, TS1 9JA

Ann Geer

Secretary to the Trustee

comet@psgovernance.com

Forbury Works

37-43 Blagrove Street

Reading, RG1 1PZ

You can find our updated privacy notice at:

www.comet-pensions.co.uk/useful_documents_and_forms

Dispute resolution

If you have a complaint about the Scheme, this should be raised through XPS Group. If you do not receive a satisfactory response, then you should write to Ann Geer of Vidett Governance Services, who is the Complaints Procedure Officer. Ann will send you a copy of the Internal Dispute Resolution Procedure.