Boots Pension Scheme

2026

SUMMARY FUNDING STATEMENT

SECURING YOUR BENEFITS

As you know, all members' pensions in the Scheme have been fully secured with an insurance policy held with Legal & General (L&G).

As part of the transaction with L&G, the Company committed to fully fund the insurance cost, paying additional contributions to the Scheme in August 2025. These additional contributions made good the shortfall (shown in the table below), and the insurance policy now in place means that your benefits are more secure than ever, as they are backed by a leading insurer.

Although members' benefits have been secured with L&G, the Trustee is still required to continue to monitor the Scheme's funding using what's called the 'technical provisions' basis, which should match the Scheme's investment approach.

The Trustee has recently completed the Annual Actuarial Report as at 1 April 2025, which compares the funding position with the formal actuarial valuation as at 1 April 2024 (which is required every three years) and gives a broad indication of how the position has changed since that date.

The Annual Actuarial Report as at 1 April 2025 uses the same overall approach and assumptions as the 1 April 2024 valuation, updated only where necessary to reflect the later date and changes in market conditions.

As noted in last year's update, at the 1 April 2024 valuation, the Trustee and Company agreed to update the assumptions to reflect the estimated cost of buying annuities from an insurer, following the L&G policy purchase. Since insurers have to hold higher reserves, this increased the calculated value of the Scheme's liabilities compared to valuations calculated before this date.

The table shows how the funding position of the Plan has developed over recent years:

	1 April 2025 update	1 April 2024 valuation
Assets	£4,118m	£4,753m
Liabilities – insurance basis	£4,377m	£4,999m
Shortfall	(£259m)	(£246m)
Funding level	94%	95%

Note: Company contributions were paid after 1 April 2025.

The figures shown in the table are based on formal valuation dates and accounting rules, and therefore do not reflect the full impact of the additional contributions paid after those dates.

During the 12 months since the valuation, the Scheme's technical provisions funding level remained broadly stable, reducing from 95% to 94% and the shortfall increasing by around £13 million. This was due to interest on the shortfall over the period and payment of Scheme expenses. This movement does not affect the security of members' benefits, which are now backed by the L&G insurance policy.

SOLVENCY POSITION

The Trustee is also required to assess the Scheme's funding level on a solvency basis (also known as an insurance buyout basis). As the ongoing funding basis and the solvency basis are now set equally, the solvency shortfall at 1 April 2024 was £246 million, which is a funding level of 95%. This shortfall has since been addressed by the additional contributions from the Company, and the Trustee is satisfied that there are sufficient assets to meet the cost of members' insured benefits in full.

RECOVERY PLAN

The Trustee and Company agreed a Recovery Plan to remove the shortfall shown at the 2024 valuation.

The Recovery Plan provided for the additional funding committed as part of the original L&G transaction and was originally expected to be paid by December 2025.

However, these payments were made ahead of schedule in August 2025, and all contributions needed to secure the insurance arrangement are now complete.

PAYMENTS TO THE COMPANY

We can confirm that there have been no payments to the Company out of Scheme funds.

THE PENSIONS REGULATOR

We can confirm that the Pensions Regulator has not needed to intervene in the running of the Scheme.

PROTECT YOUR PENSION

Pension scammers appear professional and it's becoming increasingly hard to spot a scam. Please be wary of unexpected contact about your pension, along with offers of free pension reviews or promises of high/guaranteed returns. If it sounds too good to be true, it probably is. Make sure that anyone offering you services or advice is authorised and regulated by the Financial Conduct Authority. For more details, go to **stopthinkfraud.campaign.gov.uk**

STAY IN TOUCH

If you have any questions about the Scheme or your benefits, please contact the Scheme administrator, L&G.

DEFERRED MEMBERS

Call: 0345 077 8778

Email: dbretirements@landg.com

Write to: Legal & General Assurance Society Ltd
PRT Retirements Team
City Park
The Droveway
Hove BN3 7PY

PENSIONER MEMBERS

Call: 0345 766 0813

Email: paymentservices@landg.com

Write to: Legal & General Assurance Society Ltd
Customer Payment Services
PO Box 809
Cardiff CF24 0YL

L&G member portal: legalandgeneral.com/my-account

Please tell us if you change your address so we can keep in touch with you and pay your benefits when they're due.

Scheme website: the-boots-group-pensions.co.uk