

ELECTRICITY NORTH WEST GROUP OF THE ESPS (THE GROUP)

RECOVERY PLAN

Introduction

This recovery plan has been prepared by the Trustee to satisfy the requirements of Section 226 of the Pensions Act 2004, after obtaining the advice of Chris Vaughan-Williams, the Scheme Actuary, and after obtaining the agreement of the Employer.

It follows the actuarial valuation of the Group as at 31 March 2022, which revealed a funding shortfall (technical provisions minus value of assets) of £19.4 million.

Steps to be taken to ensure that the statutory funding objective is met

To eliminate this funding shortfall, together with the additional shortfall arising after the valuation date on account of contributions paid versus benefit accrual, the Trustee and the Employer have agreed that additional contributions (i.e. contributions over and above those payable towards benefits being earned) will be paid to the Group by the Employer, and will total:

£1,666,700 each month from April 2022 to March 2023 inclusive

In accordance with the schedule of contributions, contributions will be paid by Electricity North West Limited or any other Employer that participates in the Group.

Period in which the statutory funding objective should be met

Under this recovery plan, if the assumptions made are borne out in practice the funding shortfall will be eliminated in 1 year from the valuation date, which is by 31 March 2023. The assumptions are:

- technical provisions will continue to be calculated according to the method and assumptions set out in the statement of funding principles dated 31 March 2023, with financial conditions unchanged from those at the valuation effective date;
- Group experience will be in line with the assumptions underlying the technical provisions, except that the investment return during the period will be equal to 0.35% per year above the discount rate for members not covered by the pensioner buy-in policy, on both existing assets (excluding the pensioner buy-in policy) and future contributions.

Signed on behalf of the Trustee of the Electricity North West Group of the ESPS

Signed:

Name:

Position: Trustee Director

Date: 31 March 2023

Signed:

Name:

Position: Trustee Director

Date: 31 March 2023

(This is the date the recovery plan was “prepared” for the purposes of Scheme Funding Regulation 8(6)).

Signed on behalf of Electricity North West Limited

Signed:

Name:

Position:

Date: 31 March 2023

Note: Electricity North West Limited has been nominated by the Employers as their representative for this purpose.