



Good food, Good life

Your 2025 pension statement assumptions

The figures in your statement are based on the most up-to-date information we had for you while we were compiling it, which you can find towards the back of your statement. We also base the figures in your statement on some assumptions about the future, which you can find out more about in this document. These assumptions show how we prepared your statement, and also its limitations.

Your pension statement is an estimate of the possible benefits you could receive from the Fund. Because it's an illustration, it doesn't create any legal rights for you. You can find details of your rights to benefits in the Trust Deed and Rules – these are the legal documents that govern the running of the Fund. If you'd like a copy of the Trust Deed and Rules, please get in touch with Nestlé Pensions using the contact details at nestlepensions.co.uk/contact-us

Your contributions

DC Start

In DC Start, you save 4% of your pensionable earnings and Nestlé pays 5% into your DC account. If you'd like to increase how much you save into your DC account, you'll need to switch to DC Core.

DC Core

In DC Core, you can save between 5% and 8% of your pensionable earnings, and Nestlé contributes 1.5 times the amount that you do up to a maximum of 12%.

Any savings you make above 8% are treated as additional voluntary contributions (AVCs), which means they aren't matched by Nestlé.

DB Core

In DB Core, you currently contribute 7.3% of your pensionable earnings up to the pensionable earnings cap*.

DB CorePlus

In DB CorePlus, you currently contribute 10.8% of your pensionable earnings up to the pensionable earnings cap*.

* Nestlé meets the remaining costs of providing these benefits

If your pensionable earnings go over the pensionable earnings cap

To estimate what your pension might be at your target retirement age, we make assumptions about the future. One of these assumptions is that your salary will increase at a certain rate each year. You can find out more about this in the ['Inflation'](#) section of these notes.

So while your pensionable earnings might be below the pensionable earnings cap in DB Core or DB CorePlus at the moment, your future earnings could go over it before you reach your target retirement age.

Find out more about how the pensionable earnings cap works at nestlepensions.co.uk/pensionable-earnings-cap



Your contributions (continued)

When your earnings reach the pensionable earnings cap, you start saving into your DC Core account. Nestlé will also start paying into your DC Core account at this point too.

If you're in DB Core, we've assumed that you'll contribute 6% of your pensionable earnings into DC Core once you reach the pensionable earnings cap, unless you've already told us that you'd like to save a different amount.

If you're in DB CorePlus, we've assumed that you'll contribute 8% of your pensionable earnings into DC Core once you reach the pensionable earnings cap, unless you've already told us that you'd like to save a different amount.

We've also included the amount that Nestlé contributes to DC Core above the pensionable earnings cap when we calculated your estimated future DC account value.

Nestlé will pay 1.5 times what you save to your DC Core account once your earnings go over the pensionable earnings cap up to a maximum of 12%, so if you pay 8%, Nestlé will pay 12%. But if you pay more than 8%, these savings will count as AVCs and won't be matched by Nestlé.

Unless you've opted out of making your contributions through salary sacrifice, Nestlé pays your contributions on your behalf and your monthly pay is reduced by the same amount.

Find out more about salary sacrifice at nestlepensions.co.uk/joining-the-fund/what-should-i-consider

Inflation

In your statement, we've made the following assumptions about inflation:

- Future retail prices index (RPI) inflation is 4.0% a year until 2030 and 3.0% from 2030
- Future consumer prices index (CPI) is 3.0% a year

Your DB Core/DB CorePlus pension

When we worked out your DB Core and/or DB CorePlus pension, we assumed the following:

- Your pensionable earnings will increase in the future at a rate of 3.25% a year up to your target retirement age in line with CPI inflation plus 0.25% a year
- The pensionable earnings cap will increase on 1 April each year up to a maximum of 2%
- If your target retirement age is earlier than your normal pension age, your pension is reduced for early payment unless special terms apply
- The figures in this section are shown in current-money terms – we explain what this means in the 'Your DC account section' below

Tax-free cash

We've calculated the maximum amount of tax-free cash you can take when you retire and your reduced pension in this section using the Fund's current rates for exchanging pension for a cash sum, and the current rules around the amount of benefits you can take tax free.

Because the Trustees review these rates each year, and/or the law could change, we can't guarantee them.



This means the maximum amount of tax-free cash and reduced pension available to you when you retire could be different from the amounts we've shown in your statement.

Find out more about the factors we use to calculate the amount of tax-free cash you could exchange your pension for at nestlepensions.co.uk/calculating-cash-sums

In your statement, we've assumed that you'll use any money in your DC account to provide cash first, then take any remaining cash by exchanging part of your DB pension. If the value of your DC account is more than the maximum tax-free cash you're allowed to take under current pension legislation, we've converted the remaining value of your DC account into additional pension (through an annuity that you'd buy from an external provider) and included this in the pension figure we've shown in your statement.

Your DC account

The estimated value of your DC account at your target retirement age

We've shown all the figures in this section in current-money terms. This means we've projected your current and future account values to your target retirement age using the assumptions we've described on page one. Then we convert that value into current-money terms by removing the effects of CPI inflation at 3.0% a year. You can see the effect of changing the inflation assumptions by using the modeller.

These benefits assume that, until you reach your target retirement age, you'll:

- remain an active member of the Fund,
- stay in the section you were in at 31 March 2025, and
- continue paying the same contribution rate, including AVCs.

When estimating the value of your DC account at your target retirement age, we've assumed that your pensionable earnings will increase by 3.25% a year each April in line with CPI inflation plus 0.25% a year. If it's relevant to you, we've also assumed that the DB pensionable earnings cap will increase in line with CPI inflation up to 2.0% a year until you reach your target retirement age. You can use the modeller to see the effect of changing these assumptions.

To calculate your future DC account value, we've also considered your actual investments as at 3 June 2025. We've made assumptions about the choices you might make about your future contributions and assumptions based on how each fund is made up and their possible future investment performance. These assumptions may change from year to year.

If you've changed your investment choices since 3 June 2025, our calculations may not reflect this.

To calculate the future fund value of your external AVCs – apart from any with-profits funds – we've assumed that any returns will be in line with those from the Lifetime Pathway. These assumptions may also change from year to year.



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Assumed investment returns

In the following table, we show expected investment returns above CPI, which is assumed to be 3% a year for realistic assumptions and 2.5% a year for statutory money purchase illustration (SMPI) assumptions.

| Fund | % a year realistic | % a year SMPI |
|---|--------------------|---------------|
| Lifetime Pathway | | |
| - Growth | 4.8 | 3.4 |
| - Consolidation | 4.0 | 1.5 |
| - Pre-retirement | 1.8 | -0.5 |
| Equities | 4.8 | 3.4 |
| Property | 3.5 | 3.4 |
| Blended Assets | 4.0 | 1.5 |
| UK Corporate Bonds | 2.5 | 1.5 |
| Pre-retirement to annuity | 2.3 | 3.4 |
| Pre-retirement to cash | 1.8 | -0.5 |
| Cash | 1.8 | -0.5 |
| Ethical Growth | 3.8 | 3.4 |
| Ethical Consolidation | 2.3 | 1.5 |
| Shariah Fund | 4.8 | 3.4 |
| Standard Life Pension 'With-Profits One Fund' | 1.8 | 1.8 |

The SMPI returns above are shown before allowing for expenses

If you're invested in the Lifetime Pathway, our calculations allow for your investments to move gradually into the *Blended Assets fund* and *Pre-retirement to cash fund* during the consolidation and pre-retirement phases, which start 15 years before you reach your target retirement age.

The investment returns we've shown in this table only apply when your pension savings are fully invested in the underlying funds of each phase and not while your pension savings are moving between phases.

You can find out more about the Lifetime Pathway at nestlepensions.co.uk/lifetime-pathway

Nestlé Rowntree Closed Scheme (NRCS) AVC account

This year, we've assumed your NRCS AVC account will grow by 3.5% above RPI inflation a year. When you retire, we'll convert your NRCS AVC account into pension in line with the special terms set out in the Fund Rules.

Your additional voluntary contributions (AVCs)

This is the value of any defined contribution AVCs you might have, including all of the AVCs from any former external AVC providers that have been transferred into the Fund, except for any Standard Life with-profits AVCs or NRCS AVCs.

For a more up-to-date view of your DC account, log in to 'Your account' at nestlepensions.co.uk/login

Standard Life with-profits AVCs

Any Standard Life with-profits AVCs you may hold remain with Standard Life. In your statement, we've shown these in a table after your DC Core investments.

To find out more about these AVCs, get in touch with Nestlé Pensions using the contact details at nestlepensions.co.uk/contact-us

NRCS AVCs

This is the value of your NRCS AVCs at 31 March 2025. While no contributions have been added to your NRCS AVC balance since 1993, we still add interest.



The cost of buying an annuity

When you reach your target retirement age, your DC benefits won't be paid to you directly from the Fund, except for any NRCS AVCs you may have. Instead, in your statement we've assumed you'll use the value of your DC funds, excluding your NRCS AVCs, to buy a pension product called an annuity from an external provider that will:

- provide a spouse's pension of 50% of the value of your total pension, assuming you're married when you retire,
- include a five-year guarantee*, and
- increase each year by 2.5% to help it keep pace with inflation.

We've also assumed you won't receive any special or enhanced rates because of ill health or lifestyle factors such as smoking.

To produce your SMPI statement we use different assumptions, which have been set out in law, to the ones we've listed above.

You can find your SMPI statement, and the key assumptions we use to produce it, in the 'Your documents' section of your online account at nestlepensions.co.uk/login

We review the annuity rates we use to calculate your pension at your target retirement age every year, taking into account the financial conditions at the time. This means they're likely to change over the course of the year and from statement to statement.

*** What is a five-year guarantee?** If you die within five years of starting to take your pension, a five-year guarantee allows for your beneficiary to receive the remaining balance of the pension you would have been paid in that five-year period as a lump sum.

About your statement

While we've taken every care to provide up to date and accurate information in your statement, we can't guarantee inaccuracies won't occur. Nestlé UK Limited and the Trustees won't be held responsible for any loss, damage or inconvenience caused. If there's any conflict between the information in your statement and the Trust Deed and Rules of the Nestlé UK Pension Fund, the Trust Deed and Rules, which may be amended from time to time, will take precedence.

Changes to the Fund's documentation and/or relevant legislation may also affect whether your information is correct or complete when you receive your statement.

Your statement isn't intended to provide a definitive description of any benefits you may be paid from the Fund, nor is it a comprehensive statement of the law.

Nothing in your statement gives you the right to any legal entitlement to benefits, nor does anything in it constitute financial advice. You shouldn't rely on it when making any decisions about your benefits without taking independent financial advice.

You can find an adviser at moneyhelper.org.uk/retirement-adviser-directory

Your statement contains references to the Trustees – these are the Directors of the Nestlé UK Pension Trust Ltd.

Find out how we use your personal data in our Personal Data Privacy Policy at nestlepensions.co.uk/privacy-policy