



T-Mobile International UK Pension Scheme

Member Newsletter



Welcome from the Chair

Welcome to the annual member Newsletter, our update summarising developments within the T-Mobile International UK Pension Scheme ('the **Scheme**').

This is the first Newsletter which will solely relate to members of the Defined Benefit (DB) Section, as the Defined Contribution (DC) Section was transitioned to a Master Trust arrangement with Legal & General in February 2022.

Funding and Investments

There has been a lot of media attention concerning world events and the impact these have had on rising inflation, interest rates, cost of living and global investment markets. We have provided some detail concerning these over the following pages and what action the Trustee is taking with its advisors to help protect the Scheme's funding position and investments through market volatility.

Going digital

We have decided to reduce our carbon footprint by moving to digital online communications, from January 2023. This is better for the environment and enables us to communicate with you quickly and securely. Find out more in the following pages.

We hope you find the information in this Newsletter of interest. Let us know if there's anything you would like to hear more about in future editions.

Regards

Joanne Fairbairn
Chair, T-Mobile International UK Pension Trustee Limited

Scheme Funding – an update from the actuary

Summary Funding Statement

We have completed an update of the Scheme's funding position as at 31 December 2021 and a copy of this is included with this Newsletter and can also be found on the Scheme website at:

<http://tmipensions.co.uk>.

The cost-of-living crisis / the Russian invasion of Ukraine

Over the first half of 2022, we have seen Russia invade Ukraine, with the knock-on effect of intensifying the cost-of-living crisis we are seeing in the UK, and contributing to increasing inflation levels not seen since the early 1980's.

As a Scheme, we remain in a strong position, though we appreciate the pressures on members in this difficult time. The Trustee continues to work with the Scheme's advisors to ensure the Scheme is being run efficiently and effectively in the best interests of all members.

Pension Increases

In this time of high inflation, we wanted to remind you about how your pension increases while in payment. Pensions payable by the DB Section (excluding benefits arising from money purchase investments) are increased in line with the Scheme Rules each year as set out below:

- Pension earned after 5 April 2006 increases in line with RPI subject to a maximum increase of 2.5%.
- If you are male and aged over 65 or female and aged over 60 and your pension from the Scheme includes a Guaranteed Minimum Pension (GMP) built up after 5 April 1978 and before 6 April 1988, then this element of your pension from the Scheme does not increase.
- If you are male and aged over 65 or female and aged over 60 and your pension from the Scheme includes a GMP built up after 5 April 1988 and before 6 April 1997, then this element of your pension from the Scheme increases in line with the Consumer Prices Index (CPI) subject to a maximum increase of 3%.
- Pension (in excess of any GMP that you may have if you are aged over 65 and male or aged over 60 and female) that you earned before 5 April 2006 increases in line with the Retail Prices Index (RPI) subject to a maximum increase of 5%.

We're going digital – join us!

From January 2023 we'll communicate with you electronically using Barnett Waddingham's Member self-service platform (accessed via BWebstream). This will enable us to communicate more quickly and reduce the Scheme's carbon footprint.

It's really important you register for Member self-service, so we can continue to reach you.

Once you've registered for Member self-service, you'll receive an email notification when a new document is published.

There are lots of benefits to being registered on Member self-service.

You'll be able to:

- Access your Scheme pension savings information
- See your personal information and make changes
- Ask questions about your details or pension
- Produce estimated retirement illustrations for your Defined Benefit pension*
- Access monthly payslips and P60s (if you're already receiving your pension)
- View Scheme documents
- Securely upload your documents quickly and safely

* Illustrations can't be produced for a small number of members. If this affects you, please call the Administration Team on 0333 11 11 222 for more information.

How do I register/log on to Member self-service?

It's really simple and should only take a couple of minutes. If you've created a BWebstream account already, visit www.tmipensions.co.uk and click on Barnett Waddingham in the menu bar to log on, or scan the QR code below. If you've forgotten your User ID or password, please scan the QR code below and use the forgotten details link to restore access to your account.



If you haven't already created your Member self-service account, or need help with registration or accessing your account, contact Barnett Waddingham on 0141 447 0799. This number is a dedicated Member self-service registration helpline only.

If you don't set up a Member self-service account and if you don't let us know you'd like to continue to receive paper copies, you may miss out on important updates about the Scheme and your pension savings.

Email TMobile.admin@Barnett-Waddingham.co.uk or call 0333 11 11 222 to speak to your administration team.

Getting ready for retirement

Retiring can be complicated and it takes time to navigate the process. If you are in your 50s, you should be planning ahead and seeing if your pension savings will meet your retirement plans.

Here are some milestones to help you get started:

- 5-15 years to go – ensure any defined contribution savings (like AVCs) are invested in a way that matches your plans
- 1 year to go – consider taking independent financial advice with an adviser authorised and regulated by the Financial Conduct Authority
- 6 months to go – receive your retirement pack and begin completing forms

Talking to an independent financial adviser is a good way to ensure that you match your retirement savings to your personal circumstances.

If you have a few previous employers' pensions to pull together, then you should allow plenty of time to consider how best to take these.

Allow about a year to take advice, set everything up and coordinate the various providers so that your retirement plans go smoothly.

Two things you can do to get ready for retirement

- Visit BWebstream to explore the tools available and to make sure all your details are up to date. This will help to ensure the process is as smooth as possible
- Trace any old pensions that you may have with previous employers. Visit the Government's Pension Tracing Service at <https://www.gov.uk/find-pension-contact-details> for more information.

Do you know how much you'll need in retirement?

To help you get a handle on how much you need to save for retirement, the Pensions and Lifetime Savings Association (PLSA) has researched the likely cost of living for you in retirement.

They have a website at <https://www.retirementlivingstandards.org.uk/> that shows you the standards of living that different retirement incomes will buy you. Here's a summary of their findings.

	Minimum	Moderate	Comfortable
If you're single	£10,900 a year	£20,800 a year	£33,600 a year
For a couple	£16,700 a year	£30,600 a year	£49,700 a year
	Enough to cover your needs	More financial security and flexibility	Financial freedom and some luxuries

These figures are based on 2021 prices and are after tax and do not include housing costs. You should bear in mind they will be higher due to inflation. Higher figures also apply for anyone living in London.

Don't forget housing

The standards assume people are mortgage and rent free, because this is still what most of the population close to retirement will achieve in the next few years.

State Pension

The State Pension will get most people to the minimum standard. The full state pension for 2022 is £9,628 per year. More details on the latest State Pension amounts, eligibility and when it starts to be paid can be found at: www.gov.uk/new-state-pension

See all your pensions in one place

The Pensions Regulator (TPR) has started work on a pensions dashboard which will show all your pension savings in one place. Joining up all your different pensions is a challenge, but progress is being made. It is expected that occupational pension schemes with 100 or more members will go live, starting with the largest schemes, from 2023 onwards.

There are many factors to consider including identity checks and data protection, with many people working for different employers throughout their lives – it's an important step in helping people in the UK prepare for retirement.

Pension Freedoms

Remember that, with the Government's introduction of Pension Freedoms in 2015, you don't have to take your retirement benefits from the Scheme. You can choose to transfer your DB pension pot out of the Scheme and into a DC pension in order to access the flexibility that DC pension pots offer. You'll need to consider very carefully any potential transfer out of a DB scheme as in many cases you may end up worse off and before you go ahead you should seek advice from a regulated financial adviser.

If your DB benefit benefits are over £30,000 then the law requires you to seek advice from a regulated financial adviser before a transfer can be made.

Increase in Normal Minimum Pension Age

The Government has announced that the normal minimum age at which members may start to take their pension benefits will increase from age 55 to age 57 from 6 April 2028. As currently, a member may be able to retire earlier than this age if a scheme's trustees decide that retirement is due to incapacity.

If you are considering early retirement you will need to consider how your planning may be affected by this change.



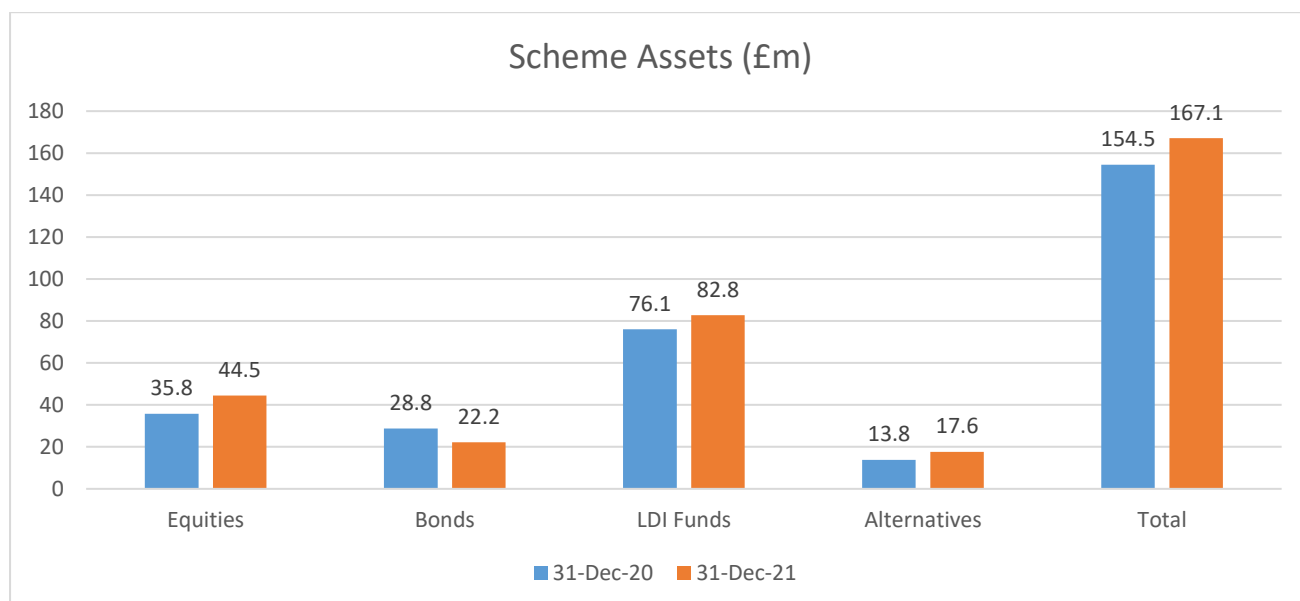
Investment update

The Trustee has appointed BlackRock to invest the Scheme assets and allows them to invest in a range of different types of assets such as equities, bonds and multi-asset funds.

In addition, the Trustee receives advice from its Investment Advisor, Aon, regarding the monitoring of BlackRock and the ongoing appropriateness of the Scheme's assets portfolio.

Asset valuation

The value of asset under investments, at the end of 2021 (and 2020 for comparison), are summarised below:



Source: Report and Accounts for the year ended 31 December 2021

* LDI Funds – Liability Driven investment, fund chosen to mimic market movement to the Scheme's liabilities.

** Multi-Asset Funds – a combination of asset classes (such as cash, equity or bonds).

How are the investments performing?

The Scheme's main aim is to achieve a level of funding that is sufficient to pay all members' promised benefits. The actual investment return (before fees) is shown below:

	1 January 2021 to 31 December 2021 (one year, %)
Scheme Return	7.1%
Liability Benchmark	1.6%

We measure how well the Scheme's assets are performing (known as the "Scheme Return") relative to the change in the Scheme's liabilities (we call this the Liability Benchmark). The results in the above table mean that over the year to 31 December 2021 the investments increased in value by more than the estimated cost of providing the benefits over the year, which led to an improvement in the Scheme's funding level.

2022 has been a very difficult period for financial markets. Russia's invasion of Ukraine, the ensuing global energy shock, accelerating inflation and rate hikes across global central banks added significantly to investor uncertainty. Central banks focussed their efforts on simultaneously combating inflationary fears, which are typically countered with interest rate rises, with mitigating the prospect of recessions which typically see central banks reduce interest rates.

The market conditions created an environment in which both stocks and bonds struggled. Amidst this backdrop, developed markets equities experienced their worst half of a year for over 50 years. Global equities were down 17.8% in dollar terms for the year to 30 June 2022. From a regional perspective, UK equities outperformed most regions due to the relatively high proportion of energy companies and value stocks on UK stock markets, which performed relatively well. UK gilts were also down significantly as the Bank of England raised base rates from 0.25% to 1.0% during the 6-month period.

During Q1 2022 the Federal Open Market Committee (FOMC) raised interest rates by 0.25% for the first time since 2018 as it aims to control the historic rise in inflation brought on by pandemic-related supply bottlenecks and geopolitical tensions. By the end of H2 2022, the federal funds rate had been raised to 1.50%-1.75%.

Commodities, in particular oil and gas were the main winners over the period. Energy prices rose significantly, with demand for energy rising and supply continuing to be disrupted by the ongoing war in Ukraine. Rising US rates led to the dollar strengthening over the period.

More recently at the end of Q3 2022, there have been significant movements in UK gilt markets. The Trustee continues to closely monitor the funding position of the Scheme and work closely with its Fiduciary Manager, BlackRock to help protect the Scheme against market volatility.

Investing responsibly

Responsible investment, including environmental, social and governance factors (ESG) is an area of increasing importance for pension schemes. The Trustee is pleased to demonstrate how seriously it takes these concerns, by taking positive steps for the Scheme.

The Trustee considers ESG, including climate change and ethical investments, when selecting the Scheme's investments. The Trustee expects its investment managers to take climate change and ESG into account and monitors their performance to ensure they do so.

Within its passive equity investments, the Scheme will not invest in controversial weapons or thermal coal mines and BlackRock and the Scheme's other investment managers are directly engaging with companies across all the Scheme's investments that do not meet their minimum standards on areas such as climate, governance and public policy.

The Trustee will continue to keep ESG at the forefront of its investment decisions.

The Scheme in figures

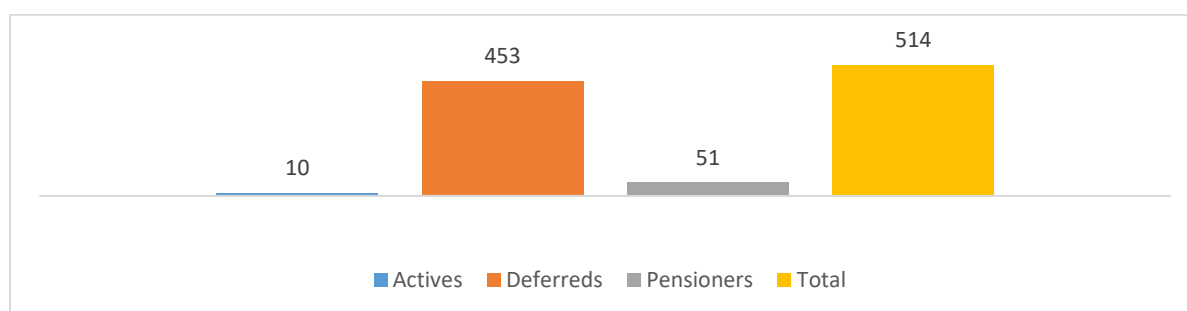
The Newsletter now solely caters for DB Section members.

The DC Section was transitioned to Legal & General in February 2022. We have therefore excluded the DC assets and membership as at 31 December 2021 in the summary below for simplicity.

Scheme accounts as at 31 December 2021

Scheme assets at 31 December 2020	£161.0m
Total contributions received into the Scheme	+£3.2m
Change in value of investments	+£11.3m
Total outgoings (e.g. pension payments)	-£1.5m
Scheme assets at 31 December 2021	£174.0m

Scheme membership as at December 2021



A clean bill of health

The Scheme's accounts are audited by Crowe UK LLP. Each year they conduct an independent review of the Scheme's accounts.

Once again, this year they have confirmed in the Scheme's Report and Accounts that our accounts show a true and fair view of the Scheme's financial transactions, that the accounts have been properly prepared, and that they contain the information required by the Pensions Act 1995.

A copy of the Scheme's accounts are available on request and a copy can be viewed on the BWebstream site (<https://logon.bwebstream.com/>).

Watch out for scams!

We have previously communicated about pension scams, where fraudsters try to obtain your pension savings by promising high investment returns or options not available under the Scheme (usually because they are illegal!).

While the Government has introduced legislation, and The Pensions Regulator ("TPR") has provided additional guidance, to make it harder for fraudsters, for example by banning cold-calling, fraudsters continue to operate and are getting more sophisticated. Members should therefore remain vigilant.

Any offer that sounds too good to be true, or supposedly finds a way around UK legislation to provide your benefits, or promises high returns, is likely to be too good to be true, and you may lose a large part of your retirement savings.

Your administrator has signed up to the TPR Pensions Scams Pledge, which provides an additional level of reassurance as it confirms that the administration team has introduced further enhancements to their existing checks when members transfer-out of the Scheme.

There are also new Transfer Regulations that came about on 30 November 2021 whereby the administration team will try to identify whether there are any 'amber' or 'red' flags concerning your transfer. This may include, but is not limited to, transfers to overseas arrangement or where there are higher than expected fund management charges. Should the administration team be aware of any such 'flag' concerning your potential transfer they will contact you.

You can find out more about pension scams in the Pensions Regulator's leaflet which provides some guidance on how to scam proof your savings.

To download the leaflet go to:

www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx

The Financial Conduct Authority have also produced a ScamSmart website at <https://www.fca.org.uk/scamsmart>

If you have concerns about becoming a victim of a pension scam, or if you would like to find out more, then you should contact Money Helper at <https://www.moneyhelper.org.uk/en> or call 0800 011 3797.

If you think you may already be a victim of a pension scam, contact Action Fraud at www.actionfraud.police.uk or call 0300 123 2040.

The latest tax changes

For the 2022/23 tax year the standard Annual Allowance (AA) is £40,000 but reduces if your adjusted income is more than £240,000. The minimum AA is £4,000 if your adjusted income is £312,000 or more. If you exceed the AA (and you have no unused AA from previous tax years), the excess will be taxed at your marginal rate of income tax.

The standard Lifetime Allowance is £1,073,100 and will remain frozen at this level until April 2026.

The new DC plan

If you had DC benefits in the Scheme (including AVCs), these have been transferred from Fidelity to Legal & General. The new plan launched on 1 November 2021 and from that date all DC contributions (including AVCs and the Money Purchase Top Up) have been paid into the new plan at the same levels as had been payable in the current scheme. The transfer of accumulated DC benefits into the new plan took place in February 2022.

You can find further information about the new DC Plan through the microsite, which can be accessed through the following link:

<https://www.legalandgeneral.com/workplace/d/deutsche-telekom-uk/helpful-resources/>

The 4ME website service will close at the end of October 2022. If you have DC benefits, please visit the L&G website www.legalandgeneral.com/workplace/deutsche-telekom-uk/

AVC and DC switch back facility

When considering your retirement options, should you have any benefits now invested under the Master Trust arrangement with Legal & General, such as AVCs (Additional Voluntary Contributions) or a DC Personal Account, please remember to take them into account.

Whilst there is no requirement that you must take all your benefits at the same time, subject to some restrictions, the switchback facility may be of use for some members as it will enhance their tax-free cash lump sum and retirement pension. Please note that you may wish to take independent financial advice to confirm your proposed retirement arrangements meet your needs.

Data protection

Your data is extremely important, and the Trustee is committed to protecting your data and privacy. The Scheme's Privacy Notice can be found on our website too. It outlines the data we store about members to administer the Scheme, as well as how we use this data.



Working for you – Trustee Board

Your Trustee Board

The Scheme is managed by a Trustee Company, T-Mobile International UK Pension Trustee Limited, and the Scheme's assets are kept entirely separate from Deutsche Telekom (UK) Limited. This legal separation is really important as it means Deutsche Telekom (UK) Limited's financial assets are independent from those of the Scheme and ensures that the Scheme assets are only used for the purposes of the Scheme, such as paying pensions and lump sums to you or your dependants.

The Trustee Company has five Trustee Directors, who make decisions about the Scheme and are responsible for running it. As a member of the Scheme, you might not ever have direct contact with the Trustee Directors, but their role is to act in your best interests so it's worth knowing who they are and what they do.

Three of the current Trustee Directors have been appointed by Deutsche Telekom (UK) Limited and two are Member Nominated Directors.

Two of the company nominated directors, Joanne and Sally, are independent professional trustees. Being a pension trustee is their full-time role, they have extensive pensions experience and professional pension related qualifications. In addition, they have no prior connection to the Scheme and are therefore independent. Their role is to help make sure the Scheme is well run and provide support and challenge to the Trustee Board.

The third company nominated director is James, who is a Director and employee of Deutsche Telekom (UK) Limited.

The full Trustee Board is:

• Zedra Governance Ltd (Chair); represented by Joanne Fairbairn	Company Nominated Director
• The Law Debenture Pension Trust Corporation plc; represented by Sally Minchella	Company Nominated Director
• James Rowe	Company Nominated Director
• Claire Hilton	Member Nominated Director
• Tim Lee	Member Nominated Director

What the Trustee does

The Trustee Board meets four times per year. All Trustees are required to act in the interests of all members of the Scheme including current employees, pensioners, and deferred members.

The Trustees are responsible for running the Scheme in line with the Trust Deed and Rules. This includes paying benefits promptly, determining the Scheme's investment strategy, and appointing and overseeing professional advisers.

Contact points

If you have any queries regarding your benefits, please contact:

T-Mobile International UK Pensions Scheme
Pension Administration
Barnett Waddingham LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Tel: 0333 11 11 222
Email: TMobile.admin@Barnett-Waddingham.co.uk
Web: www.logon.bwebstream.com

The Scheme's administration teams should be your main contact for day-to-day enquiries and questions about your personal benefits; however, you can also contact the Trustee Secretary, represented by WTW, if you have any concerns about the Scheme in general at the following address:

T-Mobile International UK Pensions Team
WTW
4 Falcon Way
Shire Park
Welwyn Garden City
Herts
AL7 1TW

Email: suzanne.smith@wtwco.com

Important Scheme Documents

As a Scheme member, you have a right to see various Scheme documents. If you would like to see a copy of any of documents listed below, you should email WTW using the address details above.

- [Actuarial Valuation Reports](#)
- [Internal Dispute Resolution Procedure](#)

You can also access the documents below directly from the T-Mobile International UK Pension Scheme website on: <https://tmipensions.co.uk/important-scheme-documents>

- [Annual Report and Accounts](#)
- [Statement of Investment Principles](#)
- [Implementation Statement](#)

Useful websites

There are a number of organisations that can provide useful information on pensions. The websites for these organisations are listed below:

The Pensions Regulator

The Pensions Regulator is the UK regulator of work-based pension schemes.

www.thepensionsregulator.gov.uk

The Money Helper

The Money Helper brings together the support and services of three government backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise. You can visit Money Helper for free and impartial guidance about your pension. You can also use Money Helper to find a financial adviser near you.

<https://www.moneyhelper.org.uk/>

The Pensions Ombudsman

The Pensions Ombudsman can investigate complaints related to occupational and private pension schemes. The service is free. The Pension Ombudsman generally expects members to firstly raise complaints with the party at fault to give them the chance to put things right, though the website also gives guidance on how to complain to the party at fault and provides an Early Resolution Service.

<https://www.pensions-ombudsman.org.uk/>

Tax relief on your pension contributions

You can get tax relief on your pension contributions. However, the government also imposes a limit on how much tax relief can be offset on pension contributions. Further information on this can be found at the Money Helper's website, using the following link:

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions>

