

## National Grid Gas Transmission & Metering sale: Information for Section B members

This information is specifically for active, deferred and pensioner members of Section B of the National Grid UK Pension Scheme

### Context

The Trustees have written to everyone in Section B following National Grid's announcement that it had sold a 60% stake in its UK gas and metering business. The new company is called National Gas Transmission (NGT). It owns and operates the gas national transmission network in the UK. It is also the lead sponsoring employer of Section B of the Scheme.

NGT has confirmed that it will be setting up a new pension scheme and will be requesting a transfer of all the assets and liabilities of Section B to this new scheme. NGT is proposing that the transfer will take place by autumn 2023.

If you are a member of Section B, there is nothing for you to do in this respect. We're not asking you to take any action. The information provided here is simply for awareness only. Discussions around the proposed transfer are at an early stage and nothing has been agreed yet. The Trustees and NGT are collaborating to agree the next steps of the process. The purpose of this Q&A is to help keep you informed of what's happening on your behalf behind the scenes.

27 February 2023

## Questions & Answers

### 1. What does the sale of National Grid Gas Transmission & Metering mean for my pension benefits in Section B?

On 31 January 2023, National Grid completed the planned sale of its 60% stake in the gas transmission and metering business, which is also the sponsoring employer of Section B. The new company is called National Gas Transmission (NGT). Over the coming months NGT will put in place its own pension scheme and request a transfer of the existing assets, members and liabilities of Section B of the National Grid UK Pension Scheme to the new scheme; this requires the Trustees' consent.

### 2. When would the proposed transfer to the new scheme take place?

The proposed transfer is likely to take place during autumn 2023, but it can only proceed with the consent of the Trustees as they have the sole power to make transfers out of the Scheme under the Trust Deed and Rules which governs the Scheme. There are also conditions in overriding legislation which would have to be met before a transfer could go ahead.

In deciding whether to agree to make a transfer, the Trustees will follow a detailed process and as part of this, will carefully consider whether a transfer will result in members' benefits remaining safe, secure and well supported. We understand there are no proposals to change benefits as part of the transfer.

While the Trustees have already had initial high-level discussions with NGT, these discussions will continue and the Trustees will be taking independent legal and actuarial advice on the proposed transfer. The Trustees will aim to write to you again in autumn 2023 when more is known.

### **3. Will my benefits be safe in the new scheme?**

The benefits you have built up are protected by law and your entitlement to those built-up benefits would not change even if they were transferred to the new NGT scheme.

If you are an active member, employed by NGT or Xoserve, you will continue to build up benefits for future service in the new scheme sponsored by NGT.

### **4. Is Section B well-funded?**

Section B is well funded and NGT's request is to transfer all existing assets, members and liabilities of Section B into the new scheme. This would continue to be supported by NGT's Ofgem-regulated business.

### **5. Who will run the new scheme?**

The new scheme will be set up under a new trust and will be run by a new board of trustees, some of whom must be appointed by the membership of the new scheme (i.e., the current members of Section B) and some will be appointed by NGT. Further details on how the Board of the new scheme will be comprised will be confirmed by NGT over the coming months.

### **6. I am a pensioner; would the proposed transfer affect the payment of my pension or pension increases?**

Your pension will continue to be paid in the same way as it is now. Pension increases would continue to be applied each year. The trustees of the new NGT scheme, once it has been set up, would have a legal obligation to continue your pension payments.

### **7. Can I choose not to transfer my benefits to the new scheme and leave them with the NGUKPS instead?**

That's not an option under the circumstances of the sale of NGT. As NGT is the lead sponsoring employer of Section B, and you are a member of Section B, you will be legally transferred to the new scheme, which is currently being set up by NGT, as part of the assets and liabilities.

## 8. Do I have to do anything?

No, you don't have to do anything. The information provided here is simply for awareness only. We don't yet know how the transfer of Section B to the new scheme will proceed but we can assure you that from your perspective there should be no change to your pension or benefits, in how the section is funded as the new scheme going forward, or in the standard of service you currently receive from the administration team.

## 9. What happens next?

The Trustees are committed to keeping you informed during this process and further communications will be issued in due course (most likely in autumn 2023).

## 10. Who do I contact if I have any questions about the proposed transfer?

This exercise is being managed by Trustee Executive Limited (TEL), the team of specialist pensions experts who are owned by the Trustee Company and provide dedicated support to the Trustees.

If, after reading this Q&A, you have a specific enquiry about this exercise, please email: [SectionB-sale@Barnett-Waddingham.co.uk](mailto:SectionB-sale@Barnett-Waddingham.co.uk) or call Freephone: +44 **0808 175 3612**.

We'll get back to you with a response from TEL within a few weeks.