

ENGINEERING YOUR FUTURE

The newsletter for members of the Caterpillar Defined Contribution Pension Plan

2024



CATERPILLAR[®]

CATERPILLAR DC PLAN



WELCOME

During 2023, the Company, with agreement from us, the Trustee Board, made the decision to change its Defined Contribution (DC) pension provision from the existing 'own trust' Caterpillar DC Pension Plan to a DC Master Trust.

Following a successful employee consultation, the Company is now proceeding with the move to a Master Trust and has chosen the LifeSight Master Trust as its provider. This will therefore be the last newsletter you receive from us as the current Trustee Board.

From 1 February 2024, active members started building up a new pension pot in the LifeSight Master Trust, paying the same contributions as before, matched by the Company. Existing DC Plan member pots will be transferred into LifeSight between 17 April and 20 May. You can find out more about the timings on page 5.

You'll notice that our website www.mycatpension.co.uk has already been updated to reflect these changes, and it will continue to hold some of the historic DC Plan documents for the

time being, until such time as the current DC Plan is wound-up and the Trustee Board dissolved. This is likely to happen in the second half of this year.

I hope you find the newsletter interesting and helpful. It has been a pleasure to serve as your Chair, and I and my fellow Trustee Directors (listed on the right) wish all of you well in your future savings journey. If you have any questions or would like further information, please contact the LifeSight team.

Barbara Henry
Chair of the Trustee



THE TRUSTEE BOARD

Company-appointed Trustee Directors

Barbara Henry (Chair)
Paresh Desai
Adam Lambert
Daryl Steele

Member-nominated Trustee Directors

Paul Athey
Allister Dennis
Peter Gordon (appointed 21 June 2023)
Nick Morgan (resigned 17 March 2023)
James Nelson

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PLAN NOTICEBOARD

Introducing LifeSight

The Company embarked on a 60-day consultation with active members in September last year, in which it shared its proposals to close the Caterpillar DC Pension Plan ('the Current Plan') and move all members into a Master Trust. (There was no legal requirement to consult with deferred members.)

A mixture of face-to-face and virtual presentations and drop-in sessions were held at sites across the country, and answers to common questions were posted on a consultation microsite.

After a successful consultation, the vast majority of members were pleased by the proposals and could see the benefits of moving to a Master Trust, including:

- a wider choice of investments (26 self-select funds and nine lifecycle strategies in LifeSight)
- improved options for members at retirement, including income drawdown
- competitive member charges and reduced costs, and
- a better member experience, including an app and user-friendly portal for members, along with improved communications, educational tools and excellent member support.

The timeline on the next page sets out the events leading up to the full transition from the Current Plan to LifeSight. Some actions will already be in the past, but the full timeline is here for completeness.

Transfer timeline

1 FEBRUARY 2024

Current Plan members joined the Caterpillar Defined Contribution Pension Plan – LifeSight and new joiners will be enrolled into it.

EARLY FEBRUARY 2024

Welcome communications issued by LifeSight, with access details to the LifeSight account and mobile app, and Trustee letter issued.

20 FEBRUARY 2024

Transfer/retirement requests to Mercer for forms and information must be received.

3 MARCH 2024

First contributions in respect of current employees' February earnings paid into LifeSight.

8 MARCH 2024

Deadline to provide any completed paperwork for transferring out or retiring from the Current Plan to Mercer.

11 MARCH – 15 APRIL 2024

Blackout period starts in Mercer OneView with view-only access (no ability to make changes or take/transfer benefits).

16 APRIL 2024

Mercer OneView switched off. Members were advised to print off/save any information from OneView, such as statements, before this date.

17 APRIL – 20 MAY 2024

Pension savings in the Current Plan transferred to LifeSight. During this blackout period, you'll be able to view your account and add beneficiary details. If you're no longer making contributions, your balance will appear as £0 in your

LifeSight account until the transfer has completed. Active members can make investment changes to ongoing contributions but it won't be possible to:

- change your target retirement age
- transfer/take your savings
- run quotes/statements
- access modellers.

21 MAY 2024

The blackout period in LifeSight is lifted.

ONGOING

Once the transfer has been completed, you will receive a closing statement from Mercer letting you know your closing balance. Any queries about your retirement savings account or your membership should then be directed to the LifeSight team. This is because the Trustee (and Mercer) will no longer have ongoing responsibility for administration of your pension savings.

Log-in to your LifeSight account

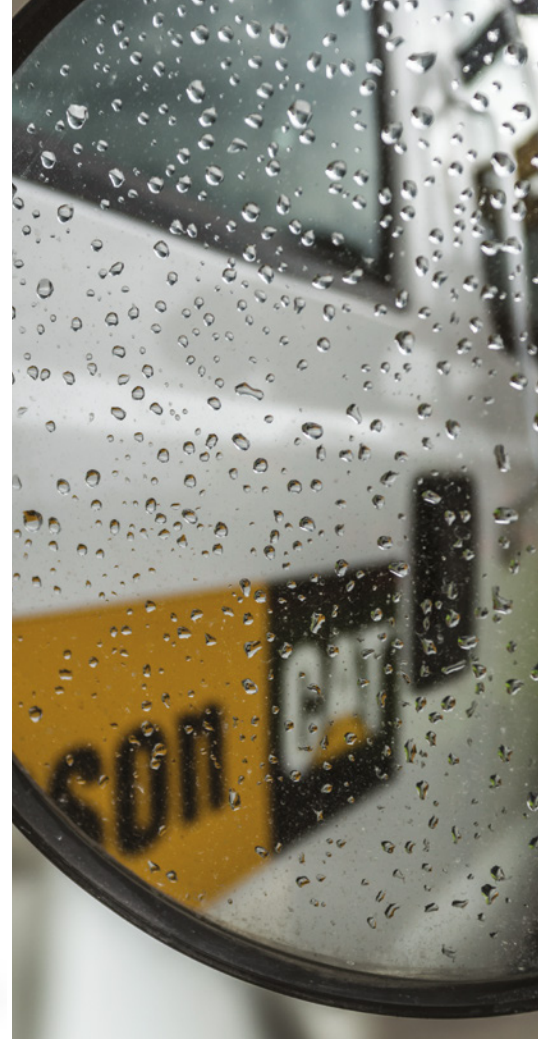
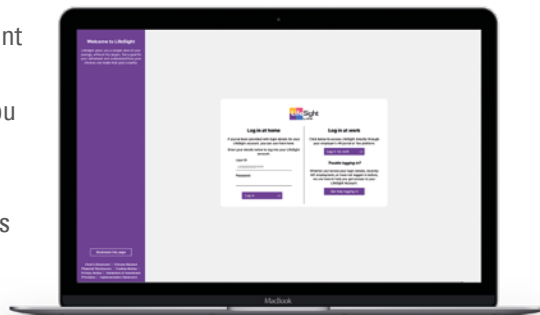
By now, you should have received a letter from LifeSight, providing details of how to set up your online account.

Members who still work for Caterpillar (active members) are able to log in using their CWS ID (single sign-on), but if you've left the Company (deferred member) you'll need to type in the User ID and password that was posted to you early in February.

Active members will be able to see details of their first contributions paid into the Master Trust from March, but deferred members will see a £0 balance. Both active and deferred members will see their assets transfer to the Master Trust between 17 April and 20 May. On 21 May, the blackout will be lifted and full access to your LifeSight account will be available.

LifeSight opens the doors to a wide range of online tools, advice and support, including a handy mobile app, allowing you to manage your savings conveniently from your mobile phone.

This accessibility ensures that you have real-time control of your retirement savings, right at your fingertips. Once your assets have transitioned, you can find out your LifeSight Age – the age at which you might be able to afford to retire, and with helpful nudges at different milestones, they'll help you reach the retirement you deserve.



Retiring soon?

Choosing how to access your retirement savings can feel daunting and complex, but the LifeSight Master Trust will be able to support you through this journey.

LifeSight has partnered with HUB Financial Solutions, a non-affiliated financial adviser firm, to help you understand and make your important decisions. HUB Financial Solutions have a Guidance Helpdesk, whose staff are fully trained to talk you through the retirement options you have for your LifeSight savings. They can offer guidance and help you decide if you need further support but won't provide financial advice. You can use the Guidance Helpdesk once for free, and LifeSight will meet the cost of the service.

You can find out more about what's covered at <https://epa.towerswatson.com/doc/LIF/pdf/options-at-retirement.pdf>

Further information can be found at www.mycatpension.co.uk

Pension Wise

You can also take advantage of Pension Wise, a government service from MoneyHelper, that offers free, impartial pensions guidance: www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise

If you're over age 45, now might be a good time to think about your income expectations for when you stop working. We're living longer, working multiple jobs over our working lives, and all approach our finances differently. Upfront planning on how you want to spend your later life can make a huge difference on options, decisions and outcomes. You can use LifeSight's ageOmeter, a modelling tool, to help you plan.

Midlife MOT

The Department for Work & Pensions (DWP) has launched a newly enhanced digital midlife MOT, which can help you check your finances, skills and health.

The free service allows planning for later life in retirement and offers:

- a review of transferable skills
- ideas on how to better manage health issues in order to stay in work
- a check that household budgets are on track to achieve financial goals
- education on the basics of pensions and how to check your State pension age
- guidance on how to find lost pensions
- advice on how to boost your retirement income.

You can access the service here:

<https://jobhelp.campaign.gov.uk/midlifemot/home-page>

PENSIONS NEWS

Changes to pensions tax allowances

The government has raised the limits on how much you can save into a pension scheme without having to pay tax on those payments. Most people can now pay up to £60,000 tax free into their pension pot a year (up from £40,000). If you have a very high income (over £200,000) or have already taken money out of your pension pot, the limit is lower, the lowest limit being £10,000 a year (it was £4,000). You can find out more about these limits on the MoneyHelper website.



Another change has been made to the Lifetime Allowance (LTA). This is a limit on how much you can build up in a pension pot tax free over your lifetime and has been frozen at just over £1 million for some time. If you went over the limit, you had to pay a charge at retirement on the amount over the LTA of up to 55%. The government scrapped this tax charge from April 2023, with any excess being taxed at the individual's marginal rate, and plans to abolish the LTA entirely from April 2024. However, it is worth noting that the Labour Party has promised to reverse this change if it wins the next election.

Neither the Trustee nor the DC Plan's administrator can provide advice on personal financial matters, so if you think you might be affected by these changes, you should consider speaking to an independent financial adviser. You can search for an adviser on the MoneyHelper website, www.moneyhelper.org.uk





NEWS SNIPPETS



Pensions dashboard – an online system which will allow people with a number of pensions to view them all in one place. This government-led project has been delayed and the launch is now scheduled for 2026.



Normal minimum pension age – remember, this is changing from 55 to 57 from 6 April 2028.



State pension – the earliest you can claim yours will depend on the year you were born. The State pension age is set to rise from 66 to 67 by 2028 and to 68 between 2044 and 2046. You can find out what your State pension age is at www.gov.uk/state-pension-age

THE PLAN IN NUMBERS

This page provides a summary of the DC Plan's financial transactions over the year to 30 September 2023, including money paid out to members as benefits and changes in the value of the investments.

DC Plan at the start of the year

£596,319,000

MONEY IN

Company contributions	£51,874,000
Member contributions	£3,013,000
Transfers in from other plans	£570,000
Payments from insurance companies	£2,377,000
Administration charge to the business	£3,868,000
Investment income	£150,000
Subtotal	£61,852,000

MONEY OUT

Annuities bought	£1,034,000
Lump sums at retirement	£520,000
Death benefits	£3,267,000
Transfers to other plans	£19,131,000
Investment management costs	£734,000
Administration expenses	£1,309,000
Payments to insurance companies	£2,559,000
Subtotal	£28,554,000

Increase in market value of investment £75,224,000

DC Plan at the end of the year

£704,841,000

WHO'S IN THE PLAN?

The chart shows the Plan's membership as at 30 September 2023.



These figures are taken from the Plan's formal annual report, which is audited by PricewaterhouseCoopers LLP to ensure it gives a fair and true reflection of the Plan's financial position. Previous years' reports are available from LifeSight.

On 30 September 2023, the DC Plan had almost 500 more members than it did on the same date in 2022.



CONTACT US

The DC Plan will be wound-up (i.e., closed) later this year. Between 17 April and 20 May, your existing DC Plan assets will be transferred into the new LifeSight Master Trust. Please contact LifeSight with any queries about your pension savings.

Contact LifeSight



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When making any decisions about your pension savings, we would recommend that you consider seeking financial advice from an independent financial adviser. If you do not have a financial adviser, the government's MoneyHelper website at www.moneyhelper.org.uk provides free and impartial information about choosing a financial adviser, as well as lots of information about personal pensions and choosing investments. All information in relation to taxation, National Insurance and the State pension have been provided in good faith as at the date of publication of this newsletter, but no representations are given as to its accuracy. It is recommended that you check any information before relying on it. Please note that this newsletter does not confer rights to benefits. Rights to benefits are conferred only by the Trust Deed and Rules of the Plan, as amended from time to time.

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