

## Eaton UK Pension Plan Pension Increase Appendix

This appendix supplements your basic pension increase statement and tells you how different parts of your pension are being increased.

The Eaton UK Pension Plan (the Plan) has a complex benefit structure because it has amalgamated changes to legacy pension arrangements and rules over the years.

While some of these have standardised benefit build-up going forward, some differences remain and will continue to apply in the future. This means there are different rules governing how different parts of your pension will be increased each depending on the period of service during which your pension was earned and with which employer.

As the pension increases applied each year rely on different factors as well as the category of your membership, it is not feasible to document here all the possible combinations. So, this appendix provides an overview of the increases applied.

### Guaranteed Minimum Pension (GMP) conversion

For many members, part of the benefit you built up while working was a Guaranteed Minimum Pension (GMP). However, the Trustees have agreed to convert GMPs into other Plan benefits. If this process has already been carried out for your benefits, you will have been contacted either in 2024, 2025 or when you came to retire.

As part of this conversion process, the Plan complied with legal requirements to remove the inequality caused by how men and women built up GMP between 17 May 1990 and 5 April 1997.

Additionally, if this process has already been carried out for you, the pension amounts shown in your statement reflect this change. If your benefits have been converted, you no longer have GMP benefits. Instead you will have post-conversion pensions (normally these are referred to as Tranche 1, Tranche 2 or Tranche 3 pension). The increases on these pensions are the same as the increases you were entitled to before conversion was carried out. They are in line with the increases set out below (except the names of the pensions will be different).

### Part pension increases

If your pension came into payment after 1 April in any Plan year, then any non-GMP parts of your pension will receive a proportionate increase.

### Pension parts or types

The parts of your pension are split into four types. Note that your pension may comprise of one or more of these types:

1. Guaranteed Minimum Pensions (GMPs) – payable from 60 or 65.
2. Excess pensions (pension parts over and above GMP which are not 3 or 4 below)
3. Extra Temporary pensions.
4. Money Purchase or Defined Contribution (DC) pensions.

The remainder of this appendix provides more detail about each of these parts.

If you would like more details about the increases applied to your pension, please contact the Plan Administrator on:

☎ 01707 607603

✉ [eatonpensions@wtwco.com](mailto:eatonpensions@wtwco.com)

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WTW

Sunderland

SR43 4JU

### Pension Increase rules which apply to the different types of pension

#### Guaranteed Minimum Pensions (GMPs)

There are two statutory (Government) rules that apply to increases to GMPs:

- GMP built up prior to 1988 (or Tranche 1 pension) is non increasing.
- GMP built up after 1988 (or Tranche 2 pension) increases by the lower of 3% or rise in the Consumer Prices Index (CPI) or Retail Prices Index (RPI) at the previous September if less.

#### Excess pension types

Your excess pension (or Tranche 3 pension) will increase depending on the pension element and your category of membership. In general, the following increases could apply:

- Pension earned between 6 April 1997 and 5 April 2005 increases by the rise in CPI each year with a maximum of 5%.
- Pension earned after 6 April 2005 increases by 2.5% each year or the rise in CPI if less.

If you were a Delta, ex-IHL member or an ex-Aeroquip defined benefits member, your increases are subject to different criteria. Please contact the Plan Administrator for further details. Their contact details can be found on the first page of this appendix.

In addition, some pension parts do not receive guaranteed increases under the Plan Rules. The Trustees and the Company discuss whether or not a discretionary pension increase should be awarded each year. This year the Company has decided not to grant a discretionary increase. The Trustees will continue to discuss discretionary increases with the Company and to put proposals forward for the Company to consider. Your pension statement will include the % increase applied to each relevant part of your pension. If you have more than one excess pension part, then different increase rates could apply.

#### Temporary pensions

If you have a temporary pension, then this will increase based on how they were agreed when set up. Currently temporary pensions do not increase.

#### Money Purchase or Defined Contribution (DC) pensions

There are three variations of these. Depending on which Money Purchase/DC pension you have, it could increase in line with the relevant criteria:

- Lower of 5% or inflation measured by RPI at the previous September.
- Lower of 5% or inflation measured by CPI at the previous September.
- Non-increasing.

The increase that applies to each part of your pension (if you have more than one part) depends on how your individual membership in the Plan qualifies under the relevant Plan rule.

If you still have questions about your pension increases after reading through your statement and this appendix, please contact the Plan Administrator using the details on the first page of this appendix.