

Comet Pension Scheme

Newsletter 2025

Scheme news

What's been going on in the Scheme and changes in retirement ages

Page 4

Scheme figures

An update on the membership numbers, plus investments and the Scheme's assets

Page 6

Pension news

Information on changes to Inheritance Tax and more

Page 9

Welcome

Welcome to the latest newsletter from the Comet Pension Scheme (the Scheme). In this edition, we're sharing key updates and relevant pension news, all in one place, to keep you informed and up to date on what's been happening over the past year.

The Scheme has undergone an exciting change since the last newsletter, as we have entered into a buy-in with Canada Life. This is great news as it increases the security of members' benefits. You'll find more information about this in the Scheme news on page 4.

Following the consultation on Inheritance Tax, there are now more details about what is likely to change in 2027 and how it could affect members of pension schemes. There is a summary of the latest known position on page 9.

We've also included an update on the progress of pensions dashboards as well as a reminder of upcoming changes to the minimum retirement age and State Pension age.

Finally, I want to remind you to let XPS Group know if any of your personal details are changing, such as your name or address. They can also help if you would like some information about your benefits. You'll find their details on the back page.

We hope you find this newsletter useful. If you have any feedback please contact XPS.

Ian Edwards
Chair of the Trustee

Your Scheme

The Scheme is a final salary pension arrangement that has been closed to future build-up since 30 September 2007.

Darty Limited (formerly Kesa Electricals plc and then Darty plc) is the Scheme's Principal Employer. Darty Limited was acquired by Groupe Fnac SA in July 2016.

Significant developments relating to the Scheme are communicated to members through these annual newsletters and through regular updates, available on the home page of the Scheme's website at www.comet-pensions.co.uk

Your Trustee Directors

The Trustee Directors are responsible for running the Scheme and meet regularly. Their duties include:

Monitoring the administration of the Scheme

Collecting any contributions from Darty Limited

Investing the Scheme's assets

Paying benefits

Maintaining records of membership and financial transactions

Monitoring the Scheme funding

At the year end, the Trustee Directors were:

Member Nominated



Ian Edwards
(Chair)



Nick Marsh

Company Nominated



Frederic Jaillard



Jon Herzberg



James Arnold



Victoria Milford

Professional advisers

The Trustee has a duty of care to members and must act prudently. To help the Trustee Directors fulfill their duties, they employ various professional advisers.

Scheme Actuary

Steve Leake
of XPS Group

Administrator

XPS Group

Auditors

BDO LLP

Bankers

Bank of Scotland

Covenant Advisers

Ernst & Young LLP

Fiduciary Investment Managers

Schroders

Investment Consultants

Schroders IS Limited

Solicitors

Eversheds Sutherland LLP

Trustee Company Secretary

Wayne Phelan

Secretary to the Trustee

Ann Geer of Vidett
(formerly Punter Southall Governance Services)

Scheme news

Buy-in

We recently wrote to members to explain some positive changes to the running of the Scheme. After careful consideration, the Trustee has chosen to buy an insurance contract with Canada Life to secure the Scheme's benefits. This sort of insurance policy is referred to as a 'buy-in' insurance policy.

The buy-in policy improves security for members, because the payments the Scheme needs to make to members are matched by payments from the insurance contract. It also significantly reduces the risks to the Scheme from falls in the investment market or the need to pay benefits for longer due to improvements in life expectancy. The Trustee has taken this step to increase the security of members' benefits over the long term and are confident that this is in the best interest of members.

Members do not need to do anything, as benefits will continue to be administered and paid as usual.

Changes to State Pension age

Currently, State Pension starts being paid at age 66 for those born between 5 October 1954 and 5 April 1960. For those born after this, the State Pension age will gradually increase to age 67 between 2026 and 2028. Under the gradual increase arrangements, your State Pension age could fall between two birthdays.

There are plans to increase the State Pension age further to 68. This is currently timetabled to take place between 2044 and 2046, although the Government has announced plans to bring this forward.

You can work out your State Pension age at www.gov.uk/state-pension-age

Pensions dashboards

Many of us have different pension accounts with different providers, and it can be hard to keep track. If you have pensions you're not yet being paid, you will soon be able to see the information for all these online, in one place, through pensions dashboards. This will include your State Pension and your Comet Scheme pension.

Schemes have been asked to connect over time, according to their size and type. By 31 October 2026, all schemes with over 100 active and deferred members must have connected to dashboards.

We are pleased to confirm that the Scheme has completed the technical connection to the Government-led pensions dashboards on time, and we hope members will be able to access this sometime in 2026. We will let you know how, and what member information is available, in future communications.

For more information you can go to www.pensionsdashboardsprogramme.org.uk

Deciding when to take your benefits from the Scheme

The Scheme's Normal Retirement Age is and always will be 60.

Benefits taken earlier than this will typically be reduced because we expect them to be paid for longer.

Currently, other than in the case of ill-health, the earliest you can normally take your benefits from the Scheme is age 55. As a reminder, under new laws, from April 2028 you'll have to wait until your 57th birthday to start taking benefits.

If you are over 60 and not yet receiving your pension, or under 60 but planning to take late retirement, please contact the Scheme Administrator by e-mailing cometadmin@xpsgroup.com or calling **0118 918 5098**.

If you are over 60 and not receiving your Scheme pension and you wait until after age 66 to start receiving it, it's possible that you could forfeit some of your pension entitlement.

Guaranteed Minimum Pension (GMP) equalisation

In the last newsletter, we let you know about the High Court judgments that ruled pension schemes must address gender inequalities in benefits for members who built up a Guaranteed Minimum Pension (GMP) between 17 May 1990 and 5 April 1997. This is known as **GMP equalisation**. This affected the Scheme and nearly all similar pension schemes. In November 2020, the High Court ruled that this judgment also applied to individual transfer payments made since May 1990.

To make sure that the GMP records for all members are correct before starting GMP equalisation, the Scheme has been checking its GMP data for each member against that held by HMRC. This is known as **GMP reconciliation**.

The Trustee, with the support of its advisers, is continuing this review work and will contact those affected when the results are available. We anticipate that we will be in a position to do so towards the end of 2026.

Remember that the Trustee has arranged for Scheme members to access impartial advice from Origen Financial Services at preferential rates. Details about this service, and how to access it, will be included in the regular communications you receive either as you're approaching retirement or if you request a transfer quote.

Scheme figures

Money in the Scheme

The outgoings of the Scheme between 31 March 2024 and 31 March 2025 were:

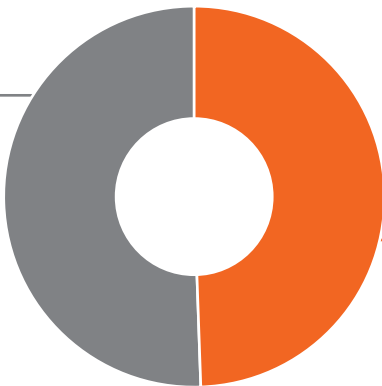
At 31 March 2024	£379,883,000
<div></div> Change in investment value	£22,706,000
<div></div> Pension payments, transfers out and other administration expenses	£18,106,000
At 31 March 2025	£339,071,000

Membership at 31 March 2025

2,328

Pensioners

Pensioners are already being paid their pension from the Scheme

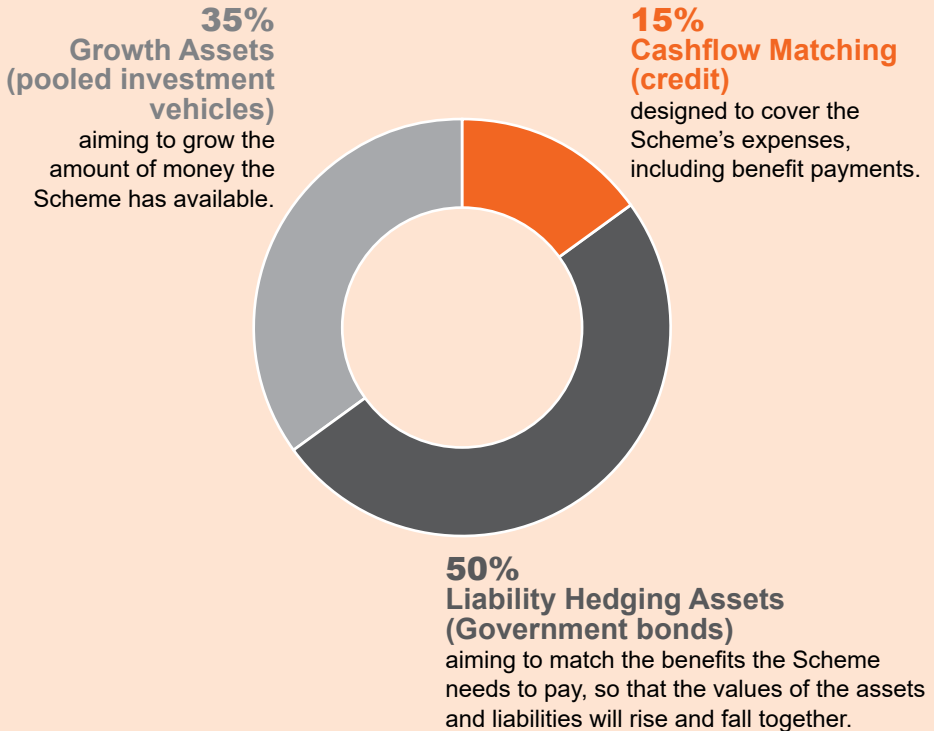


2,281
Deferred

Deferred members are not yet taking their pensions from the Scheme

How are the Scheme's assets invested?

Before preparing for and entering into the buy-in with Canada Life, the Trustee's policy was to invest in a broad range of assets, targeting the following splits:



Following the buy-in, the majority of the Scheme's assets are invested in an insurance policy with Canada Life, which will pay all future member benefits to the Scheme as they fall due. The Scheme's remaining assets are mostly held in cash deposits to meet the Scheme's expenses.

You will have received further information on the buy-in in the letter sent from Ian Edwards, the Chair of the Trustee, in December 2025. The letter was accompanied by an attachment answering frequently asked questions relating to a buy-in. A copy of this letter is available on www.comet-pensions.co.uk

A full breakdown of the Scheme's investment strategy (Statement of Investment Principles) is available on www.comet-pensions.co.uk

Actuarial valuation in progress: what it means for you

What is an actuarial valuation?

Every three years, the Scheme undergoes a full actuarial valuation. An actuarial valuation compares how much money the Scheme has (**the assets**) with how much it needs to pay everyone their benefits as they fall due (**the liabilities**). If the Scheme's assets are more than its liabilities, there is a surplus, if they are less, there is a shortfall.

Why does the valuation matter to me as a member?

The valuation helps the Trustee understand the Scheme's financial health and make informed decisions about funding. While it doesn't affect your day-to-day benefits, it plays a key role in ensuring your pension remains secure over the long term.

What happens if there's a shortfall?

If the Scheme's liabilities are greater than its assets, the Trustee works with the Scheme sponsor to agree a funding plan to close the gap. This is a normal part of managing a pension scheme and doesn't mean your benefits are at risk.

What happens if there's a surplus?

A surplus means the Scheme has more assets than liabilities. This is a positive outcome and may provide flexibility in future funding decisions. However, surplus funds are still managed carefully to ensure long-term stability.

When will the results be shared?

The valuation is currently underway, based on the Scheme's position as at 31 March 2025. Once the process is complete, the Trustee will share the results with members.

Should I be concerned while the valuation is ongoing?

No. The Trustee and Scheme advisers remain confident that the Scheme is well-funded. The valuation is a routine process and part of responsible Scheme management.

What happens after the valuation?

Once the valuation is complete, the Trustee will review the results and agree on any necessary actions with the Scheme sponsor, bearing in mind the recent buy-in transaction. Members will be kept informed through future newsletters and updates.

Pension news

Inheritance Tax changes from 6 April 2027

What's included?

In October 2024, the Chancellor announced that (amongst other things) most lump sum death benefits (including five-year pension guarantee lump sums - i.e. such as those potentially payable on the death of a member under the Scheme) will fall within the scope of Inheritance Tax (IHT) from 6 April 2027. The consultation concluded in July, and legislation was introduced in Parliament in December.

Who is responsible?

The member's personal representatives (PRs) will be responsible for calculating, reporting and paying (jointly with the relevant pension beneficiaries) any IHT that is due, and schemes will need to provide additional information to the PR, including the value of in-scope benefits within four weeks of the death notification.

How will this operate in practice?

Where certain conditions are met, PRs will be able to ask the scheme to hold onto half of the benefits payable on a member's death for up to 15 months (while the PRs work out the IHT position) and deduct their IHT (and interest) from the benefits due, and to pay it to HMRC within 35 days.

Autumn budget 2025

The Chancellor, Rachel Reeves, delivered her second Budget on 26 November 2025. There was speculation in the press that the Budget could include big changes to the pension system. However, the Chancellor did not announce anything that is likely to have a significant effect on members' benefits in the Scheme.

Cost of living support

Despite current lower inflation, the cost of living remains high. There is help available for anyone struggling - www.gov.uk/cost-of-living explains Government support for households, including amounts and links to check your eligibility. If you live in Wales, Scotland or Northern Ireland, there may be additional or different help available for you.

If you have money worries, you can also use www.moneyhelper.org.uk, which has clear and simple guidance about benefits, everyday money (such as banking and insurance), family, money troubles, savings, work and more.

Pension news

Beware of pension scams

Pension scams have become more common and harder to spot, and people can lose their entire pension savings in an instant.

According to Action Fraud, there were **559 reports** of pension fraud and a total of **£17.7 million lost in 2023 alone**, with an average loss of around £47,000 per victim.

The Pension Scams Action Group is made up of law enforcement, Government and industry representatives working together against pension fraud. It has created a checklist to use if you are ever approached about your pension:

1. Is the offer unexpected?

If you get a call out of the blue about your pension, it's likely to be a scam. Be wary if offered high returns, low-risk investments or a free pension review.

2. Have you checked who you're dealing with?

The Financial Conduct Authority (FCA) has a website you can check to make sure that any adviser you are working with is properly authorised: <https://register.fca.org.uk>

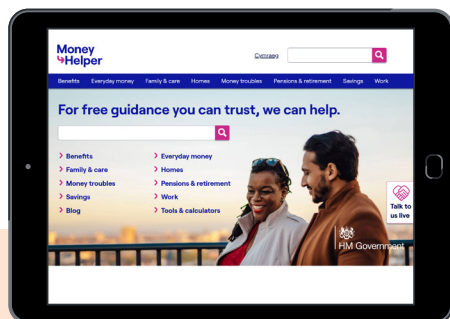
3. Are you being rushed or pressured?

Pressure to act quickly is a common sign of a scam. Take your time and check everything thoroughly before you make any decisions.

4. Should you seek impartial advice or guidance?

It's a good idea to get advice before making a transfer, from an adviser that's regulated by the FCA. Depending on the size of the transfer, this may be compulsory. You can find an adviser on the Government's MoneyHelper website, by searching Choosing a financial adviser: www.moneyhelper.org.uk

Find out more about how to spot and avoid scams: <https://stopthinkfraud.campaign.gov.uk>



Advice on verifying communications from the Scheme

If you're unsure whether a communication regarding the Scheme is genuine, please get in touch by using a trusted method. Additionally, there are a couple of things you can do to verify the contact details or communication before you get in touch:

- Go to the XPS website www.xpsgroup.com and select **Contact us** at the top of the page.
- Go to www.gov.uk/find-pension-contact-details to search for the Scheme. This will provide you with the most up-to-date contact details for the Scheme.
- You can also call the Department for Work and Pensions Pension Tracing Service on **0800 731 0175**.

How is the Trustee helping to protect your pension?

We use the XPS Scam Protection Service to help protect you from the risk of scams if you ask to transfer your benefits out of the Scheme.

The Scam Protection Team will contact you for information to help look for warning flags that could indicate that you are at risk of being scammed.

Retirement living standards

Given the rise in the cost of living, Pensions UK (previously known as PLSA) has revised its retirement living standards. The standards show you what life in retirement could look like at three different levels, and what a range of common goods and services would cost for each level. This could then give you something to aim for in retirement.

When planning your retirement, it is well worth reviewing the retirement living standards at www.retirementlivingstandards.org.uk

Getting help

If you need any information about the Scheme or you would like a copy of the more detailed disclosure report, please refer to the Scheme's website at www.comet-pensions.co.uk or contact:

XPS Group

Scheme Administrator

cometadmin@xpsgroup.com

0118 918 5098

PO Box 562

Middlesbrough, TS1 9JA

Ann Geer

Secretary to the Trustee

comet@psgovernance.com

Forbury Works

37-43 Blagrove Street

Reading, RG1 1PZ

You can find our updated privacy notice at:

www.comet-pensions.co.uk/useful_documents_and_forms

Dispute resolution

If you have a complaint about the Scheme, this should be raised through XPS Group. If you do not receive a satisfactory response, then you should write to Ann Geer of Vidett Governance Services, who is the Complaints Procedure Officer. Ann will send you a copy of the Internal Dispute Resolution Procedure.