

AVX Limited Pension Scheme (“the Scheme”)

Ex-Retirement Plan: Increases to pensions in payment 2023

You will shortly receive information on the increase to be applied to the different elements of your pension. These increases will apply from April 2023 and will depend on when you were in service with AVX Limited (“the Company”). In advance of receiving this communication, the Trustees have requested that members are provided with an early indication of pension increases ahead of April 2023.

How will my pension increase?

As you will be aware, there may be a number of different elements which make up your pension and these elements will increase at different rates. Your pension increases will either be in line with the Retail Prices Index (“RPI”) or the Consumer Prices Index (“CPI”) and each element will be capped at a maximum percentage.

Description of Increases to Different Elements of Pension

A distinction should be made between the pension which you built up in respect of your service with the Scheme prior to April 1997 and any pension that you may have built up in respect of service after that date up to April 2006, and then the pension built up since this date.

Aside from this, another possible element of pension is AVC pension. If you had been paying additional voluntary contributions, or AVCs for short, whilst you were a member of the Scheme, you may subsequently have converted that into an additional pension on retirement.

The following table explains the level of increases which are applied each year to the different elements of pension.

Under the Scheme Rules, the pre April 1997 element of your pension does not increase in payment. However, in light of the high levels of inflation, the Trustees and Company have agreed to provide a one-off discretionary increase of 2.5% on pre April 1997 pension in April 2023.

	Element of Pension	Basis of % Increase	Actual Increase This Year
1	Pre April 1997 Pension	One-off discretionary increase of 2.5% provided in April 2023	2.5%
2	Post April 1997 Pension	RPI up to a maximum of 5%, where the RPI is calculated during the 12 months to the previous September	5.0%
3	Post April 2006 Pension	CPI up to a maximum of 2.5%, where the CPI is calculated during the 12 months to the previous September	2.5%
4	AVC Pension	Nil	Nil
5	AVC Pension	RPI up to a maximum of 5%, where the RPI is calculated during the 12 months to the previous September	5.0%

We hope you find this information helpful and you should expect to receive notification of your increased pension in mid-March 2023.