



Your 2024 annual benefit statement:

Assumptions and notes

In order to calculate the projected benefits on your annual benefit statement from the TotalEnergies UK Pension Plan, we have to make certain assumptions. This document gives details of those assumptions, along with additional information to help you understand your statement.

Remember that the projected benefits on your statement are for illustrative purposes only. They are not a promise or a guarantee of the pension that you will receive when you retire. The actual benefits you receive may be higher or lower than those shown on your statement.

Assumptions about your contributions:

- If you and your employer are currently paying into your account, you'll keep doing so at the same rates (percentage of salary).
- If you are currently paying regular Additional Voluntary Contributions (AVCs), these will continue at the same monetary rate (i.e. amount rather than percentage of salary).
- If no one is currently paying into your account, no further payments will be made.

Assumptions about your investments:

- Your choice of investment funds will remain the same until your Target Retirement Date.
- If you have selected one of the Lifestyle options, your funds will continue to be invested on this basis. The Lifestyle options are investment strategies that aim to reduce the potential for significant variations in fund values caused by market conditions. They involve your savings being invested in growth assets in the early years and then being progressively switched into less volatile assets on your approach to retirement.

In addition, we have made the following assumptions about the growth rates of the funds available for investment:

Fund	Assumed annual growth rate
Global Equity Fund	6.0%
UK Equity Fund	6.0%
Overseas Equity Fund	6.0%
Ethical Equity Fund	6.0%
Climate Aware Passive Equity Fund	6.0%
Diversified Multi-Asset Fund	4.0%
Index-linked Gilt Fund	7.0%
Fixed-Interest Gilt Fund	7.0%
Corporate Bond Fund	7.0%
Cash Fund	2.0%
Growth Fund (part of Lifestyle options)	6.0%
Lump Sum Fund (part of Lifestyle options)	2.0%

These assumed annual growth rates are calculated by assigning each of our investment funds to one of four volatility groups, based on performance over the last five years, with each group having its own assumed rate.

Assumptions about your retirement date:

- You will take your benefits at your Target Retirement Date (TRD).
- If you have selected one of the Lifestyle options, the timing of investment switches in the run-up to your retirement will be determined by your TRD.
- If you have not selected a TRD, a default age of 65 has been used.

Assumptions about your benefit choices:

- You will not take any part of your account as a tax-free lump sum.
- You will not want your income in retirement to go up each year to help keep up with inflation.
- You will not require an income to be paid to someone else after you die.

These assumptions about your benefit choices are in line with those required by regulation (Actuarial Standard TM1 v5.1, in effect from 1 October 2023). We have also assumed that the TotalEnergies UK Pension Plan will remain a registered pension scheme until your Target Retirement Date.

Long-term financial assumptions:

- Salary growth of 2.5% per year.
- Economic inflation (as measured by the Retail Prices Index) of 2.5% per year.
- Annuity conversion rate of 4% (that is, every £100 in your account will buy an additional £4 of annual income).

We have also assumed that the TotalEnergies UK Pension Plan will remain a registered pension scheme until your Target Retirement Date.

Tax allowances:

Lifetime Allowance (LTA), Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA)

Prior to 6 April 2024, the total value of all your pension benefits, including your pension in the TotalEnergies UK Pension Plan, would have been tested against the LTA, with any excess subject to a tax charge.

The LTA has now been removed, and in its place there are two new allowances. The LSA limits the total value of the tax-free lump sums you can take from your pension schemes at retirement. It stands at £268,275 for the 2024/25 tax year. The LSDBA limits the total value of tax-free lump sums you can take across all circumstances, including retirement, serious ill-health and death. It stands at £1,073,100 for the 2024/25 tax year.

Further information about the LSA can be found at gov.uk/tax-on-your-private-pension/lump-sum-allowance

Annual Allowance (AA)

The AA is the maximum limit for pension benefits earned during a tax year before being subject to additional taxation.

The standard AA limit for the 2023/24 tax year was £60,000.

There is also a tapered individual rate that is linked to two specific measures of income over the tax year, Threshold Income and Adjusted Income.

If your Threshold Income for the 2023/24 tax year (in high level terms your annual income from all sources that is subject to UK income tax) is greater than £200,000 then your allowance is assessed for tapering.

If your Adjusted Income (that is your Threshold Income plus the amount of pension benefits earned during the tax year) is greater than £240,000, your AA will be tapered with a reduction of £1 for every £2 your Adjusted Income is over £240,000, subject to a minimum AA of £4,000.

Money Purchase Annual Allowance (MPAA)

The MPAA was increased from £4,000 to £10,000 with effect from April 2023. The MPAA applies to pension contributions in a situation where you have already begun taking some benefits from a pension scheme, taking advantage of the flexibility that applies to defined contribution pension savings.

The calculations in your benefit statement assume that you have not accessed any benefits via this increased flexibility.

Further information about the AA can be found at gov.uk/tax-on-your-private-pension/annual-allowance

Additional notes:

Actuarial Standard Technical Memorandum 1, published by the Financial Reporting Council, sets out the methodology for the derivation of assumptions to be used for Statutory Money Purchase Illustrations (SMPis). Your 2024 benefit statement has been produced in accordance with this standard.

You should bear in mind that the projected pension is only an estimate of pension benefits, and we recommend seeking independent financial advice as part of your retirement planning.

The Trustee must decide who will receive any lump sum death benefits that may become payable from the Plan on your death. The Trustee will take account of your wishes, as recorded by you on an Expression of Wish form. If you have not completed a form, or would like to amend an existing form, please visit the Member Portal.

Please notify the administration team immediately of any change in your marital status or your address, or if any of the details recorded on your benefit statement are incorrect.

Neither these notes nor the accompanying benefit statement give any rights to any particular level of contributions or benefits. Rights to contributions or benefits are determined by reference to the Trust Deed and Rules of the TotalEnergies UK Pension Plan as in force from time to time, a copy of which is available from the Plan administrators. If there is any conflict between the position as outlined in the benefit statement or the guidance notes and the Trust Deed and Rules as from time to time in force, the Trust Deed and Rules will prevail.

All references to tax in this document are to UK tax law and practice as currently understood by the Plan Trustee. If you are subject to the laws of any other jurisdiction, additional different tax rules will or may apply, in respect of which you must take your own advice.