

The Pearson Pension Plan

Schedule of Contributions

This schedule has been prepared by the Trustee of The Pearson Pension Plan ("the Plan") to satisfy the requirements of Section 227 of the Pensions Act 2004 after obtaining the advice of the Scheme Actuary. The Trustee has discussed and agreed this schedule with the Principal Company, Pearson Services Limited ("the Company"). The Company has agreed this Schedule on behalf of itself and the other participating employers.

This schedule specifies the rates and due dates of employer and employee contributions to the Plan for the period from the date of certification of the schedule to 31 December 2023. It is subject to review, and if necessary revision, from time to time as required by legislation and following actuarial valuations.

The contributions for the period from 1 January 2018 to 29 January 2018 were payable in accordance with the Schedule of Contributions certified on 18 April 2016. The contributions for the period from 30 January 2018 to the date of certification of the schedule are payable in accordance with the Schedule of Contributions dated 30 January 2018.

Members' contributions

The level of member contributions is dependent upon the Section of the Plan to which the member belongs, as follows:

Section	% of Pensionable Salary ¹
Civil Service Classic	1.5
Civil Service Premium	2.0
Financial Times	6.25
Longman Group	Various, between 4.5% and 6.25%
Pearson	Nil
Penguin	5.0
Final Pay	5.0
TQ Classic	1.5
TQ Classic Plus	3.5
Money Purchase 2003	Various, between 2.5% and 8.0%
Auto Enrolment	3.0 ²

Notes:

¹ Qualifying Earnings for the Auto Enrolment Section.

² Increasing to 5% from April 2019. Or the rate required to satisfy the Auto Enrolment requirements (assuming the minimum required Employer contributions) if greater.

Due Dates

With the exception of the first month's contributions for members of the Auto Enrolment section, these contributions are payable to the Trustee within 19 days from the end of the month in which the deduction from members' earnings was made. The members' first deductions from the Auto Enrolment section are payable by the end of the second month after the month in which the auto enrolment date fell.

Members may pay additional voluntary contributions to the Plan.

Employer contributions

Regular contributions

Until 31 December 2018, the level of regular employer contributions in respect of each member is dependent upon the Section of the Plan to which the member belongs. The rates payable are set out in the table below.

Section	% of Pensionable Salary ¹
Civil Service Classic	46.8
Civil Service Premium	46.8
Financial Times	54.8
Longman Group	55.2
Pearson	56.1
Penguin	62.5
Final Pay	43.3
TQ Classic	38.0
TQ Classic Plus	45.1
Money Purchase 2003	3.2 ²
Auto Enrolment	3.2

Notes:

¹ Qualifying Earnings for the Auto Enrolment Section.

² Plus twice member's contribution rate.

The regular employer contributions include an allowance of 1.0% of Pensionable Salary (Qualifying Earnings for the Auto Enrolment Section) in respect of administrative expenses.

From 1 January 2019 onwards:

- The level of regular employer contributions is 55% of Pensionable Salary in respect of all members except those in the Money Purchase 2003 and Auto Enrolment sections.
- For Money Purchase 2003 Section members the employer will pay twice the member's contribution rate as a percentage of Pensionable Salary.
- For Auto Enrolment Section members the employer will pay 2.0% of Qualifying Earnings increasing to 3.0% from April 2019. This rate will be further increased if and when required to satisfy the minimum Auto Enrolment requirements.

Employer regular contributions are payable to the Trustee on the same Due Dates as the employee contributions.

Other employer contributions

In addition to the contributions shown above, the participating employers shall pay the following:

- A Additional contributions as may be required under the Funding Agreement dated 22 November 2018.
- B Additional contributions as may be required under the Rules in specific circumstances, for example to cover augmentations, AVC matching for specified individuals or as a result of bulk transfers.
- C Additional contributions to meet the cost of any Risk Based Levy payable to the Pension Protection Fund, within 28 days of the Plan receiving a levy invoice requiring payment of such levy.
- D Where alternative agreements are not reached with the Trustee, additional contributions in respect of any statutory debt arising from the withdrawal of a participating employer.
- E Such other contributions as are, from time to time, agreed by the Trustee and participating employers.

Definitions of Pensionable Salary

The definition of Pensionable Salary is set out in the Rules for each Section. The definition of Qualifying Earnings, on which the contributions for the Auto Enrolment Section are based, is set out in the Rules for the Auto Enrolment Section.

Date of preparation of schedule: 22 NOVEMBER 2018

Agreed by Pearson Services Limited



Name: CORAM WILLIAMS
DIRECTOR

.....
Date: 22.11.2018

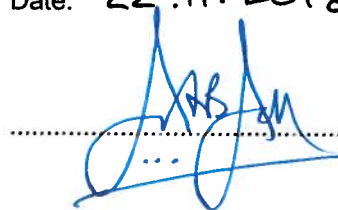
Signed:

Agreed by Pearson Pension Trustee Limited

Name:

JAMES JONES
.....
Date: 22.11.2018

Signed:



For and on behalf of the Trustee

**Actuary's certification of schedule of contributions
The Pearson Pension Plan**

Adequacy of rates of contributions

- 1 I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 1 January 2018 to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

- 2 I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 22nd November 2018.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.



**Debra Webb
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited**

23rd November 2018

**Watson House
London Road
Reigate
Surrey
RH2 9PQ**