



A newsletter for the
Canada Life UK Division
Staff Pension Fund

KNOW YOUR PENSION 2025



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IN THE KNOW

In the know

Welcome to the Canada Life UK Division Staff Pension Fund 2025 Newsletter.

Dear Member,

As the funding level has improved over recent years, the Trustee Directors have been reviewing the Fund's assets to ensure they closely match our pension liabilities. I am pleased to report that we are now very well matched, with funding levels remaining stable despite equity and bond market fluctuations over the course of this year.

We have also been focused on meeting expanding regulatory requirements, including the development of a new Risk Management Framework and Own Risk Assessment, now applicable to all pension schemes. The Member Booklet has been updated to reflect current benefits for members and their dependants.

This, along with other pension information, is available in the resources section on PRISM, our dedicated portal for your Canada Life pension details. If you haven't yet signed up to gain access to your own personal pension information, we encourage you to do so via the secure portal: <https://secure.canadalifepensions.co.uk>.

To register, have your surname, date of birth, National Insurance number, mobile number and personal email address to hand, then select Register on the PRISM site.

Look out for a brief overview of the government's upcoming Pensions Dashboard in the newsletter. This is completely separate from PRISM. The Dashboard will not replace PRISM and will not show pensions already in payment. No action is required by you at this time - we will update you closer to the Dashboard's launch date.

We encourage all members to keep their personal details up to date, including email and phone number, and to complete an Expression of Wish form if not already done. You can do this by contacting the Fund administrator or updating your nominated beneficiaries via PRISM.

Pension scams remain a serious threat, and we urge you to stay vigilant. The Pensions Regulator is the government body which protects the UK's workplace pensions. You can find more information on avoiding and reporting pension scams by visiting their website: <https://www.thepensionsregulator.gov.uk/en/pension-scams>

We hope you enjoy reading this year's Newsletter and find it helpful. If you have any queries, feedback, or suggestions for future editions, please contact the Fund's administrator at canadalifepensions@hymans.co.uk or call **0141 227 9743**.

Yours sincerely,

John Occleshaw
Trustee Chair

KNOW YOUR TRUSTEE

The assets of the Fund are held in trust for the benefits of members and are managed by the Trustee of Canada Life UK Division Staff Pension Fund.

Employer nominated

John Occleshaw,
Trustee Chair
Tracey Deeks
Rick Wisentaner
Thomas Milner

Member nominated

Richard Helyer
Karen Austin

KNOW THE LATEST NEWS

PROPOSED CHANGES TO INHERITANCE TAX RULES

As part of the 2024 Autumn Budget, the UK Government has proposed changes that could affect how pension savings are treated for Inheritance Tax (IHT) purposes in future.

From 6 April 2027, most unused pension savings or death benefit payments may become part of your estate for IHT purposes and could therefore be subject to IHT.

What could this mean for you?

If the proposal goes ahead, it may affect how your pension benefits are treated after your death, particularly if you plan to leave unused pension savings to your loved ones. Under the current proposal, personal representatives would be responsible for calculating and paying any IHT due on these pension benefits.

However, death-in-service lump sums would remain outside the scope of IHT.

Do you need to do anything now?

No, these changes are currently part of draft legislation and are subject to further consultation. So, there may be further updates to what is included as part of this change. However, you may wish to speak with a regulated financial adviser to help you determine what this could mean for your individual circumstances. You can find firms authorised by the Financial Conduct Authority by searching the Financial Services Register at <https://register.fca.org.uk/s/>

Once approved, the changes would take effect from 6 April 2027. We'll continue to keep you updated as more details become available.

To learn more about the current rules around Inheritance Tax and pensions, visit the UK Government website at <https://www.gov.uk/inheritance-tax>

ARE YOU CLOSE TO RETIREMENT WITH FUND PENSION BENEFITS LESS THAN £30,000?

If so, you might be able to get the value of your pension as a one-off taxable cash lump sum instead of receiving your pension in regular instalments, which in turn can give you more flexibility and control over your retirement fund.

Your option to choose the cash lump sum when you come to retire depends on your benefits in other pension arrangements you might have. Broadly speaking, you're only eligible for this cash lump sum option if your total pension benefits across all your pension arrangements are valued at less than £30,000. It's worth noting that this doesn't include the State Pension, and if you do opt for this option, you can get 25% of it tax-free.

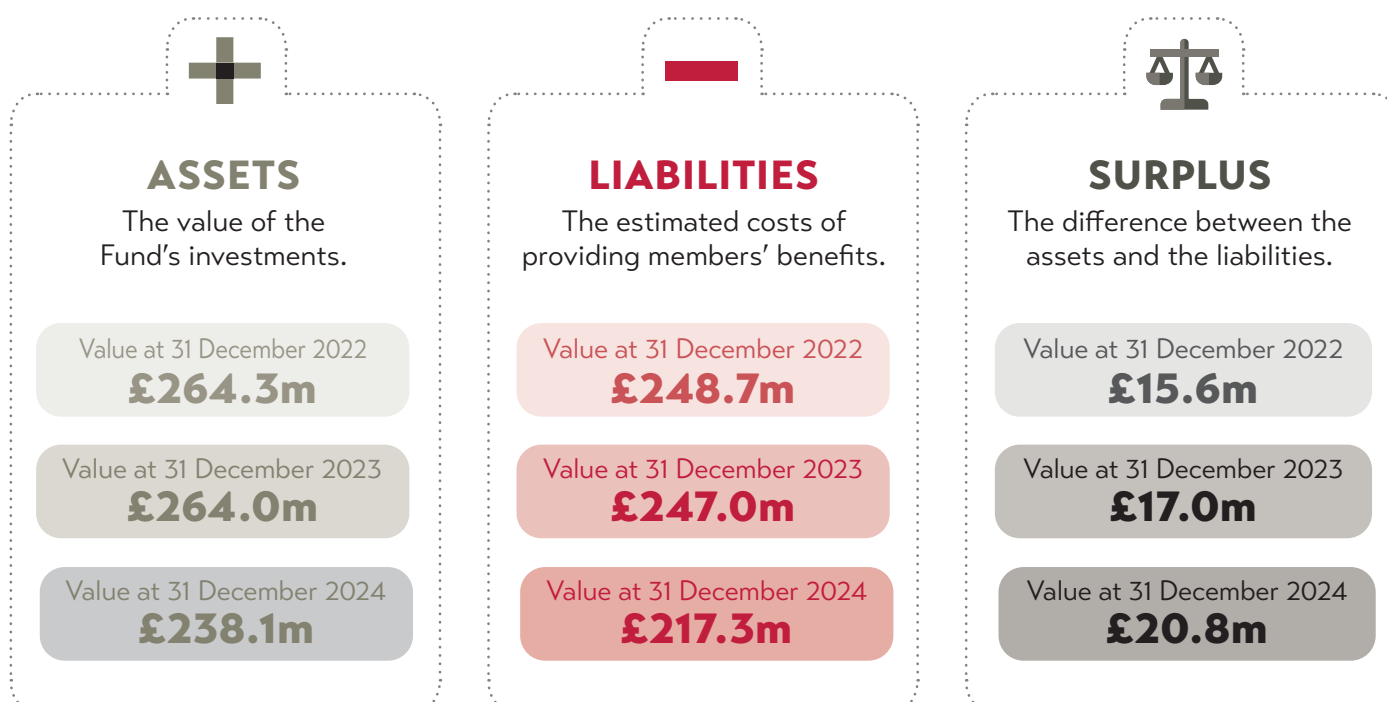
You might also have the option of taking up to three small pots of £10,000 or less. If you think this may apply to you, you can contact the Fund Administrators for more information using their contact details which are on the back page. Or, speak to an independent financial adviser to get tailored advice suited to your needs. You can find an adviser by visiting <https://register.fca.org.uk/s/>



KNOW THE FINANCES

HOW IS THE FUND DOING?

The Trustee must make sure the Fund has enough money to pay members' benefits both now and in the future, and so every three years a full valuation of the Fund is undertaken, with annual checks in between. These calculations are carried out by an Actuary appointed by the Trustee. Here is a summary of the funding positioning at the last valuation and how this compares with the annual updates.



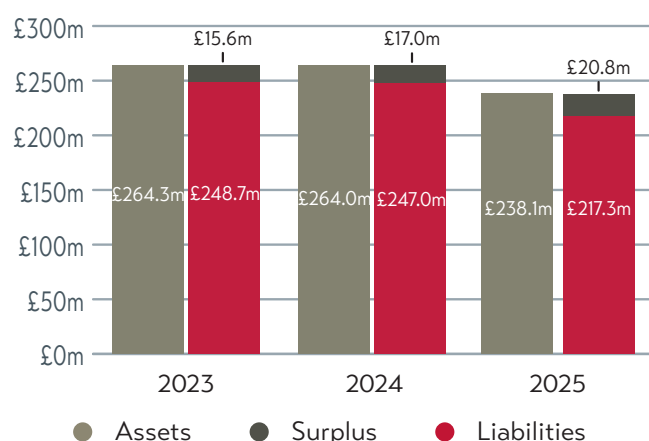
WHAT DOES THIS MEAN FOR ME?

As you can see, as at 31 December 2024 the Fund had a surplus, with 110% of the money it needed to pay all benefits due now and in the future. As long as the Company continues to support the Fund, your benefits will be paid in full when they become due.

The positive impact of changes in government bond yields and changes in long-term inflation led to an improvement in the funding level between 31 December 2023 and 31 December 2024, allowing the Fund to remain in a strong position to pay members' benefits.

These valuations are only a snapshot, and as market conditions change, it's perfectly normal for the funding level to fluctuate over time. If the funding level is 100% or more, that means there was enough money to pay the benefits as and when they are due to be paid.

THE FUND'S FINANCIAL POSITION



DID YOU KNOW

You'll soon be able to access all your pension information securely in one place - with the Pensions Dashboard. When it's launched, this new tool will let you view all your various pension plans together on one platform, including your State Pension, helping you track your retirement savings and even reconnect with lost pension savings. It's expected to launch in 2026 - stay updated by visiting the Pensions Dashboard website www.pensionsdashboardsprogramme.org.uk.

PROTECTING YOUR BENEFITS

As part of the valuation, the Actuary works out how much money the Fund would need if the Company could no longer support it, the Fund were to be wound up and the Trustee secured members' benefits by buying an insurance policy.

Securing benefits in this way is expensive. The estimated cost to ensure that all members' benefits could be paid in full if the Fund wound up on 31 December 2022 was £296.6m, resulting in a shortfall of £32.3m compared with the value of the assets on the same date. If there is not enough money in the Fund to buy out all the benefits with an insurance policy, the Company would have to make up the shortfall.

For cases where a company goes out of business and doesn't have the money to pay the benefits promised, the Government has set up the Pension Protection Fund (PPF), which can pay compensation to members. The PPF is not intended to replicate each member's pension, but to ensure that members receive most of their pension. If the Fund enters the PPF, the pension you receive may be less than the full amount you earned under the Fund.

The amount of compensation you receive depends on your age and when your Fund benefits were built up. You can find out more about the PPF on its website: www.ppf.co.uk.

Please note that the inclusion of this information does not imply that the Company or the Trustee are thinking of winding-up the Fund. It is simply required to form part of our report.

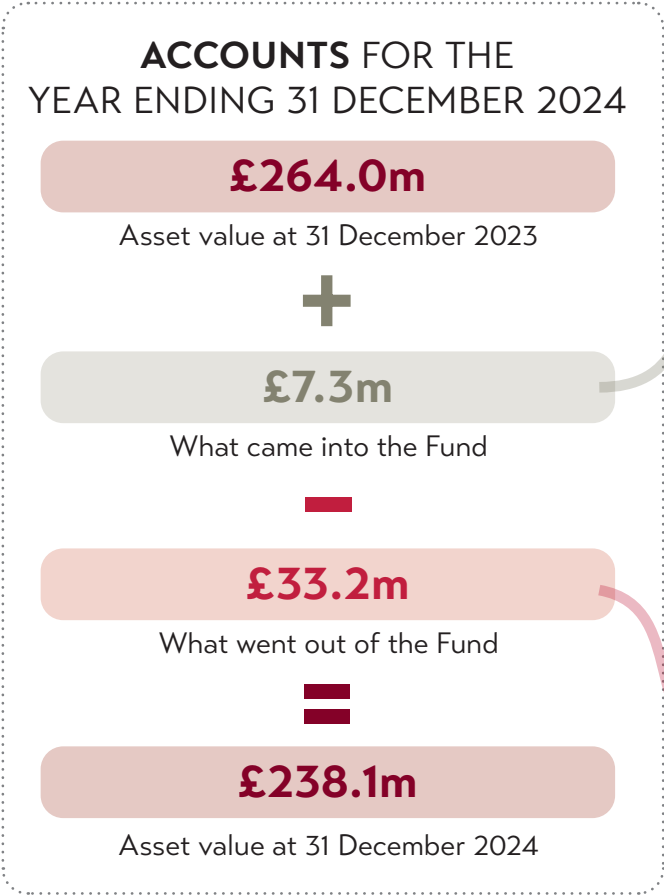
THE LEGAL BIT

Legally, we have to confirm that the Company has not taken any surplus payments out of the Fund in the last 12 months and that there has been no intervention from The Pensions Regulator to use its powers to modify the Fund, or to impose a direction, or a schedule of contributions.

KNOW THE FINANCES

Know the finances

The Fund is currently well funded, so the Company is not required to make regular contributions at this time. The Fund's income mainly comes from investment returns and any transfers in, which are used to pay members' benefits and meet expenses. Here is a summary of the money received and the payments made over the last Fund year.

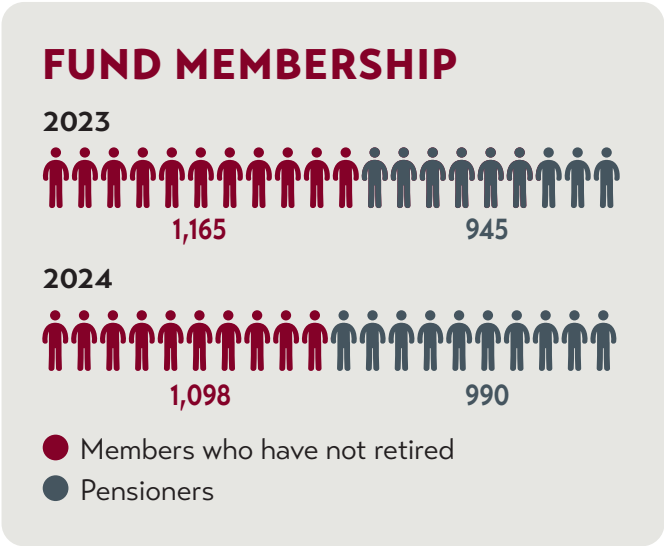


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WHAT CAME INTO THE FUND	
Transfers in	£0.5m
Investment income	£6.6m
Other income	£0.2m

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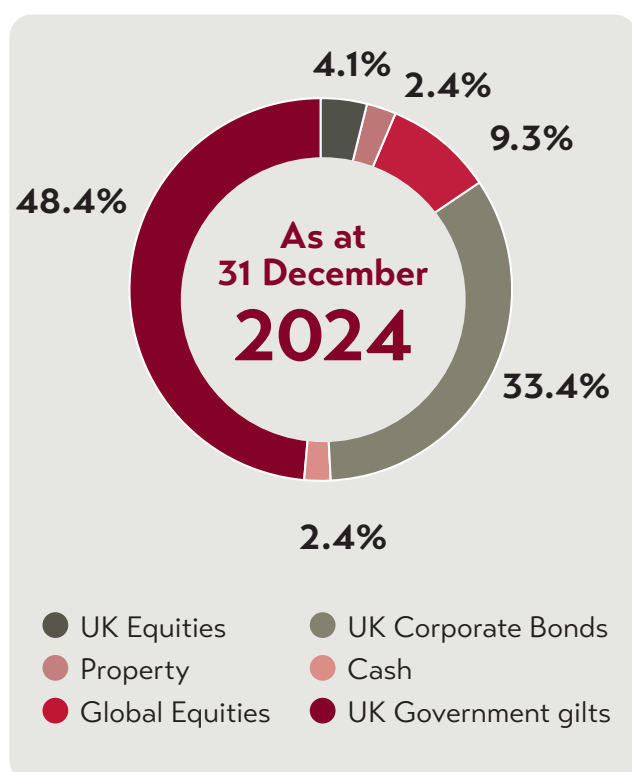
WHAT WENT OUT OF THE FUND	
Pension payments	£10.3m
Transfers out	£1.2m
Change in market value of investments	£21.5m
Administration and investment fees	£0.2m



KNOW THE INVESTMENTS

OUR INVESTMENT STRATEGY

The Fund's investment strategy is set by the Trustee after taking appropriate independent advice. The Fund's assets were allocated to the following investment types:



The Trustee and their investment adviser have considered environmental, social and governance criteria when setting the investment strategy for 2025/26 and will continue to do so. The Trustee will also consider how they intend to factor climate related risks and opportunities into the Fund's investment strategies.

More information about our investment strategy is published in our Statement of Investment Principles. Copies of all of the Fund's documents are available online at the following website: canadalifepensions.co.uk/resources

JARGON BUSTER

ACTUARIAL VALUATION

An investigation by an actuary into the ability of a defined benefit pension scheme to meet its liabilities. This determines the funding level and the recommended Company contribution rate.

ASSETS

Investments such as equities, gilts, property and cash.

BONDS

A form of loan to a company or government – the borrower pays interest and pays back the loan when it matures.

EQUITIES

Shares in a company which are bought and sold on a stock exchange.

FUNDING LEVEL

This is the relationship between the value of a scheme's investments and its liabilities at a specific date.

GILTS

Bonds issued by the UK Government.

PROPERTY

Property funds invest in commercial property e.g. shops and offices rather than in residential property.



WANT TO KNOW MORE?

WHERE CAN I GET MORE INFORMATION?

These websites are a useful source of information about pensions and general financial matters.

www.gov.uk for Government information and public services, including workplace pensions and State benefits.

www.moneyhelper.org.uk is the one-stop service for Government-backed guidance, bringing the support offered by The Money Advice Service, Pension Wise and the Pensions Advisory Service under one roof.

MoneyHelper aims to make your money and pension choices clearer; to cut through the jargon and complexity, explain what you need to do and how you can do it. It is free to use and provides impartial guidance and can recommend further, trusted support if you need it.

You can also ring MoneyHelper free on 0800 011 3797, Monday to Friday 9am to 5pm.

FUND INFORMATION

If you would like any more detailed information about the Fund, you can ask the Fund Administrator for a copy of various documents like the Statement of Investment principles, the trust deed and rules, and the actuarial valuations.


Your Fund Administrator is:


 Hymans Robertson LLP
PO Box 27171
Glasgow
G2 9NG
 0141 227 9743
 canadalifepensions@hymans.co.uk
 canadalifepensions.co.uk

TRACKING DOWN LOST PENSIONS

It's worthwhile taking time out now to think about how much income you are on target to receive when you retire and whether it will be enough. Of course, your income in retirement may come from a number of sources including previous employers. If you would like to track down a lost pension scheme, the Pension Tracing Service may be able to help you free of charge.

 www.gov.uk/find-lost-pension

 0800 731 0193

 0800 731 0176

When you call, it is a good idea to have some information to hand – such as your National Insurance number, the name of the company you worked for, and the dates you worked there.

ARE YOU ON THE MOVE?

Please remember to use PRISM to update your address if you move home, so that we can keep in touch with you and make sure your benefits are paid on time.

YOUR DATA

If you would like to find out more about how we use your personal data please follow the link to the Hymans Robertson Trust Centre:
www.hymans.co.uk/information/trust-centre/