

# PENSIONS NEWS

October 2024

Welcome to the latest issue of the University of Nottingham Contributory Pension & Assurance Scheme (CPAS) newsletter.

This newsletter is a chance for you to find out what's happened in our Scheme over the last year, as well as catching up on general pensions news. We hope you enjoy reading it and find the information useful.

It's been another busy year for the Scheme, with the three-yearly actuarial valuation having been recently completed. This is a full financial health-check for the Scheme, and you can see the results of this in the enclosed summary funding statement, with highlights on page 2 of this newsletter.

Over the course of the last financial year, inflation has started to reduce, which is good news. Despite some continued challenges in the economic environment, we would like to reassure you that throughout this uncertainty, the Scheme is in safe hands and is performing well.

## Meet the Trustee

We are pleased to announce that since the last newsletter, CPAS has appointed a new sole Trustee and Trustee Secretary, Zedra Governance Limited (Zedra), who look after pension savings on behalf of CPAS members. The sole Trustee is a team from Zedra, rather than a single person led by former CPAS Chair, Colin Richardson and Jo Fairbairn.

It's important to us that you get to meet your Trustee and have the opportunity to ask any questions, or have a general chat about the Scheme. The Trustee will be at the University's Annual Pension Day early next year. More information will follow in due course, but we look forward to meeting you!

## Transfer process

To safeguard your benefits from fraudulent transfers, the Trustee has signed up to the XPS Scam Protection Service. If you ask to transfer your benefits out of the Scheme, XPS Administration will contact you and ask you some questions to help identify whether you are at risk of becoming the victim of a pension scam. This is an important safeguard and is there to add an extra layer of protection for you as a member – it is not designed to cause any unnecessary delays.

There is also a flag system that categorises potentially risky transfers into amber and red. These flags are assessed as part of the initial call by XPS Administration and are set by law.

If any amber or red flags are identified, XPS Administration will contact you directly to explain the issues. You will then be required to have an appointment with MoneyHelper before your transfer can go ahead. This should not concern you, as it is a standard part of the transfer process and is designed to protect you.

If any flags are identified and cannot be resolved, or if there are serious concerns about the receiving pension scheme, the Trustee can block the transfer. As such, it is very important that you engage with XPS Administration if any concerns are raised so they can be resolved swiftly to allow your transfer to proceed as quickly as possible.

**Please remember that all of these rules are to safeguard your benefits and prevent you falling victim to a scam.**

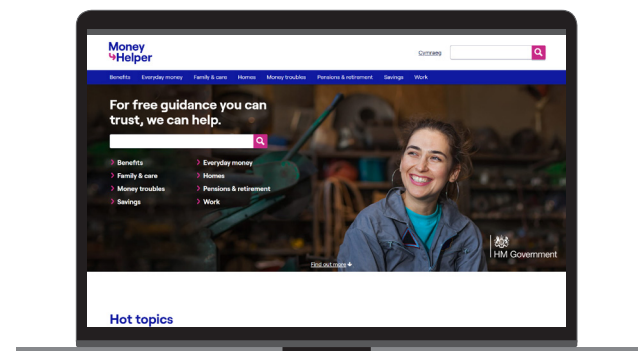
The rules are not designed to frustrate you or to delay the transfer process. However, please be aware that as a result of the new regulations and processes, the transfer process is now slower than it was.

## Getting advice that is personal to you

Pensions and finance are confusing, and you may want to receive some help. Remember, qualified financial advisers are the only people who can give you advice and recommendations based on your personal circumstances and finances.

If the value of your Scheme benefits is at least £30,000, you are legally required to take financial advice from someone qualified to advise on pension transfers before you can transfer your benefits out of the Scheme.

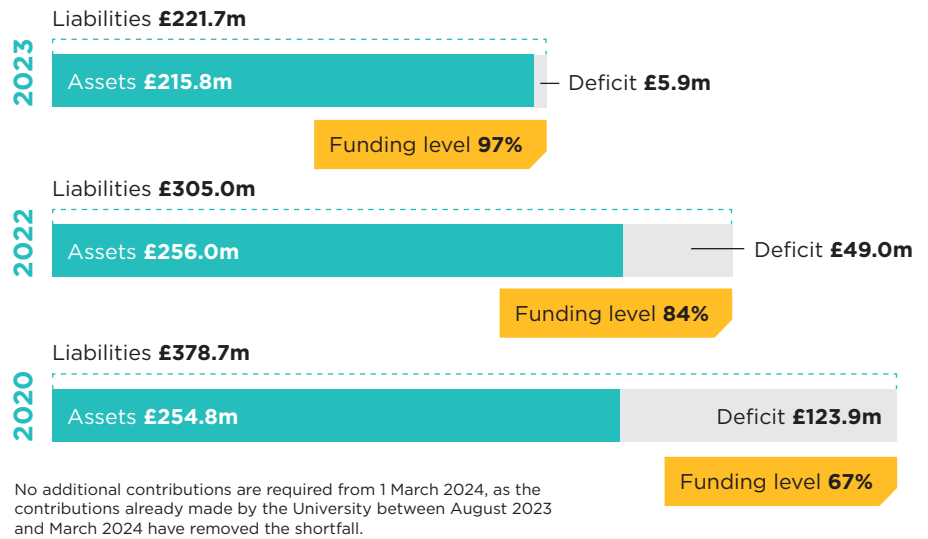
You can find a local FCA-regulated financial adviser using MoneyHelper by typing **Choosing a financial adviser** into the search box. Visit [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) for more information.



## Scheme funding

Every three years, the Scheme's Actuary (an independent professional adviser) carries out a full financial health-check on the Scheme – this is referred to as an actuarial valuation. The Scheme's most recent valuation was completed as at 31 July 2023.

Since the 2022 actuarial report, the funding level has increased from 84% to 97%, due to extra contributions from the University and positive investment returns. The value of the liabilities has also decreased by £83.3m. The figures to the right show the results of the actuarial valuations in 2020 and 2023, along with the actuarial report from 2022.



## The ins and outs of the Scheme's finances

Below you'll find the amount of money that was paid into and out of the Scheme for the year ending 31 July 2023.

Year to 31 July 2023	£m
<b>Total net assets at 31 July 2022</b>	<b>£256.16m</b>
<b>Money in</b>	
Employer contributions	+ £9.73m
Employee contributions	+ £0.30m
Other income	+ £0.32m
<b>Total paid in</b>	<b>+ £10.35m</b>
<b>Money out</b>	
Benefits paid	- £10.63m
Transfers out and payments to leavers	- £0.96m
Other payments	- £0.09m
<b>Total paid out</b>	<b>- £11.68m</b>
<b>Net returns on investments</b>	<b>-£38.88m</b>
<b>Total net assets at 31 July 2023</b>	<b>£215.95m</b>

Over the Scheme year, markets continued to be volatile, and inflation and interest rates remained higher than experienced over recent years (in the UK and globally). Global financial markets have experienced, and may continue to experience, significant volatility resulting from geopolitical factors and wider economic factors both in the UK and globally.

Membership 		
	2023	2022
Active members	292	315
Deferred members	887	934
Pensioners	1,354	1,312
<b>Total</b>	<b>2,533</b>	<b>2,561</b>

## More information

If you have any queries about the Scheme or your benefits, or you would like a copy of the Scheme's full Annual Report and Accounts or any of the Scheme's governing documents, please contact the administrators, XPS Administration, using the details on page 4. The CPAS pensions team are also on hand to answer any general pension queries you may have. Their details can also be found on page 4.

## Changes to tax allowances

### Changes to the Lifetime Allowance

The Lifetime Allowance was the amount of pension savings you could build up in your lifetime without having to pay an extra tax charge.

The Government has abolished it from 6 April 2024 and replaced it with new allowances on the tax-free benefits you can take from the Scheme and other similar pension arrangements. Members with Lifetime Allowance Protection and/or Lifetime Allowance Enhancement Factors are likely to keep their current protection levels under the new allowances.

### Lump Sum Allowance - **£268,275**

Members are generally able to take up to 25% of their benefits as a tax-free cash sum. This is now limited to £268,275 in total, across all your pension schemes.

### Lump Sum and Death Benefit Allowance - **£1,073,100**

This is the total maximum value of tax-free benefits that can be paid to, or in respect of, a member. This includes:

- The tax-free cash covered within the Lump Sum Allowance
- Serious Ill Health Lump Sums, payable on serious ill health retirement (if applicable)
- Lump Sum Death Benefits that are not taxable

### Overseas Transfer Allowance - **£1,073,100**

The maximum transfer to a Qualifying Recognised Overseas Pension Scheme before needing to pay a tax charge.

## Changes to the Annual Allowance

### Annual Allowance - **£60,000**

The Annual Allowance is a cap on the pension savings you can make or build up in a tax year that benefit from tax relief.

The Annual Allowance increased to £60,000 for the 2024/25 tax year. Higher earners and people who have taken flexible benefits from a defined contribution scheme may have a lower Annual Allowance.

If you would like more detail about any of the above important tax allowances, you can find out more at: [www.gov.uk/tax-on-your-private-pension](http://www.gov.uk/tax-on-your-private-pension)

### Changes to the minimum retirement age and the State Pension Age

The Government has changed the law around minimum retirement ages. This means that from April 2028, the earliest you will be able to take your benefits from the Scheme will be age 57 (at present, you can take your benefits from age 55). The only exception to this will be in cases of very serious ill-health.

The minimum pension age will then remain at ten years below State Pension Age. State Pension Age is currently age 66 for anyone born between 5 October 1954 and 5 April 1960. For people born after this, State Pension Age is intended to increase to age 67 between 2026 and 2028.

[More over the page >](#)

## Watch out for pension scams

Pension scams can be devastating, with victims losing life-changing amounts of money. Scams are an increasing problem, but the Financial Conduct Authority (FCA) provides some useful tips to help you stay safe.

### 1. Reject any unexpected offers

Any calls about your pension that you weren't expecting will be scams – don't engage with them. If it sounds too good to be true, it probably is!

### 2. Check who you're dealing with

Check the FCA register to make sure that any adviser you are working with is properly authorised: [register.fca.org.uk](https://register.fca.org.uk)

### 3. Don't let yourself be rushed

No reputable business will try to pressure you for a decision, and rushing paperwork to you for a signature is a key sign of a scam. Take your time, and check everything thoroughly before you make any decisions.

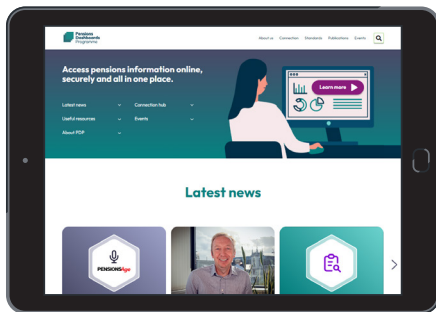
### 4. Get impartial information or advice

Think about taking advice before making a transfer, with an adviser registered with the FCA. The Government's MoneyHelper site can help you find an adviser: [www.moneyhelper.org.uk](https://www.moneyhelper.org.uk) (search **Choosing a financial adviser**).

## Pensions dashboards

You may be aware that there is an ongoing project, run by the Money and Pensions Service to establish an online pensions dashboard that will bring all your information about your pension savings together. Most people have different pension benefits and savings in multiple schemes, and the Government wants them to be able to see everything, altogether online. All schemes need to be ready to connect to these dashboards by 31 October 2026.

To find out more, go to:  
[www.pensionsdashboardsprogramme.org.uk](https://www.pensionsdashboardsprogramme.org.uk)



## Cost of living support

There is no doubt that the increased cost of living, has affected us all. The good news is that there is help available for anyone struggling with the cost of living. The Government has a website that explains the support they are providing for households. Visit: [helpforhouseholds.campaign.gov.uk](https://helpforhouseholds.campaign.gov.uk)

If you have money worries, the other place to go for help is the Government's MoneyHelper site, which provides clear, simple advice about benefits, everyday money (such as banking and insurance), family, money troubles, savings, work and much more: [www.moneyhelper.org.uk](https://www.moneyhelper.org.uk)

## The importance of keeping your details up to date

It's important that the details we have for you are accurate and up to date. This will enable us to quickly assist you with any queries you may have, as well as keep you up to date with any important pension news. You can let us know of any updates required by contacting XPS Administration.

## Contact details

University of Nottingham Contributory Pension & Assurance Scheme  
XPS Administration, PO Box 562, Middlesbrough, TS1 9JA

**0845 120 3081**

[NottinghamCPAS@XPSGroup.com](mailto:NottinghamCPAS@XPSGroup.com)

### The University's pensions team:

University of Nottingham Pension & Benefits Services, Finance Operations,  
Kings Meadow Campus, Nottingham NG7 2NR

**0115 951 5648**

[pensions@nottingham.ac.uk](mailto:pensions@nottingham.ac.uk)