UNIVERSITY OF YORK PENSION FUND

Contributing Members' Annual Report
Year-end 2025

WELCOME!

Welcome to the Contributing Members' Annual Report.

This year's Report provides the usual updates on the governance and investment activities of the Fund. There's also a summary of the Fund's accounts for the financial year ending 2025 as well as the latest Summary Funding Statement, where the Fund continues to show a healthy surplus.

Please visit the Fund's website for the latest information. You'll find a number of important documents there, including:

- Statement of Investment Principles
- Statement of Funding Principles
- Documents from the last triennial valuation
- Schedule of Contributions
- Privacy Statement

The following documents are also available, but are not routinely published on the Fund's website:

- The shorter Actuarial Report as at 31 July 2025
- The Trustee's Annual Report and Accounts

If you would like to see or receive a copy of a document which is not on the Fund's website, have any questions about any aspects of the Fund, or would like further information on the accounts or rules please contact us using the details below.

We welcome your feedback on all areas of the Fund, so if you have suggestions for improvements or would like to see more information available on certain areas, please do get in touch and let us know.

Best wishes,

Gillian Hamilton
Company Secretary

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Heslington Hall, Heslington, York, YO10 5DD

Telephone: 01904 32 4805
Website: **www.york.ac.uk/pensions**
E-mail: **pensions@york.ac.uk**

All information contained within this booklet is correct at time of going to press but may be subject to change. In the event of any discrepancy between the information contained in this booklet and the overriding legislation that governs pensions or the Trust Deed and Rules of the University of York Pension Fund, the Trust Deed and Rules and overriding legislation will apply. The University of York Pension Fund and its administrators are not authorised to give financial advice. Members requiring financial advice may wish to speak to an independent financial adviser.

CONTENTS

University of York Pension Fund

FUND GOVERNANCE

Board of Directors

The University of York Pension Fund is administered by the University of York Pension Trust Limited. Trustee meetings are held both online and in person. The Trustee has nine directors, who for the year have been:

INDEPENDENT CHAIR

Director	Appointed	Resigned
BESTrustees (represented by Mrs Ann Rigby)	1 December 2019	

EMPLOYER NOMINATED DIRECTORS – APPOINTED BY THE COUNCIL OF THE UNIVERSITY OF YORK

Director	Appointed	Resigned
Dr Keith Anderson, School for Business and Society	21 January 2025	
Professor Duncan Bruce, Chemistry	15 May 2024	
Mr John Lister	13 March 2017	
Mr Adrian Murgatroyd, Finance	29 September 2017	1 October 2024
Mr Paul Bushnell, DTEF	03 March 2021	

MEMBER NOMINATED DIRECTORS – NOMINATED AND ELECTED BY THE FUND MEMBERS

Director	Appointed	Resigned
Pensioner Directors		
Mr James Coates, Retired (ex-Library & Archives)	13 March 2016	
Mr Timothy Franklin, Retired (ex-Registrar's and Planning)	13 March 2016	
Member Directors		
Mr Michael Hodgkinson, Biology	1 August 2017	
Mr Stephen Bradley, Human Resources	26 July 2023	26 September 2025

A process was undertaken within the active member population to fill the vacancy on the Board left by Mr Bradley stepping down but no applications were received.

The Secretary to the Trustee is Miss G Hamilton, who was supported by Mr P Lee of First Actuarial LLP.

PROFESSIONAL ADVISERS AND SERVICE PROVIDERS

Actuary	K Hulme-Vickerstaff, FIA, First Actuarial LLP
AVC Provider	Legal & General
Bank	Barclays
Fund Administrator	First Actuarial LLP
Independent Auditor	Sumer Auditco Limited
Investment Managers	Legal & General Investment Management Schroder Investment Management Limited Alcentra Limited State Street Fund Services (Ireland) Limited Macquarie Global Investments Standard Life Investments
Investment Adviser	Isio Group Ltd
Investment Custodian	J P Morgan (for Schroder Investment Management Limited)
Legal Adviser	Walker Morris LLP
Life Assurance Company	MetLife Europe d.a.c

University of York Pension Fund

ADMINISTRATION REPORT

Updates and news

Changes to the rules

The update to the Trust Deed and Rules implementing the changes to the Fund's structure that took effect from 1 April 2022 has now been finalised. A further update to the rules will shortly be made to fully implement the changes made to the scheme following the conclusion of the 2023 valuation.

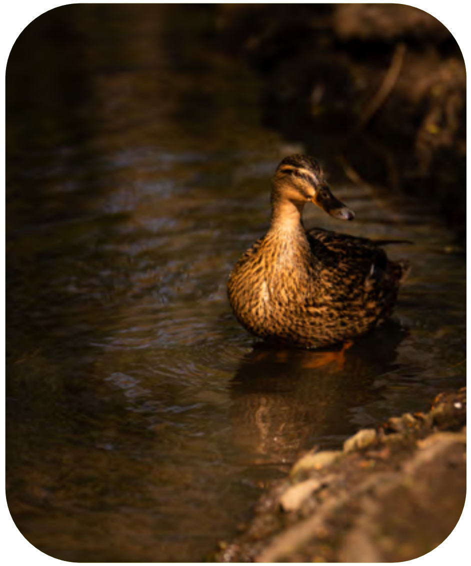
Pensions administration

Whilst administration for deferred and pensioner members of the Fund has now passed to an external company, contributing members should continue to contact the University's in-house Pensions Team. They can be reached using the following contact details:
pensions@york.ac.uk
01904 32 4805

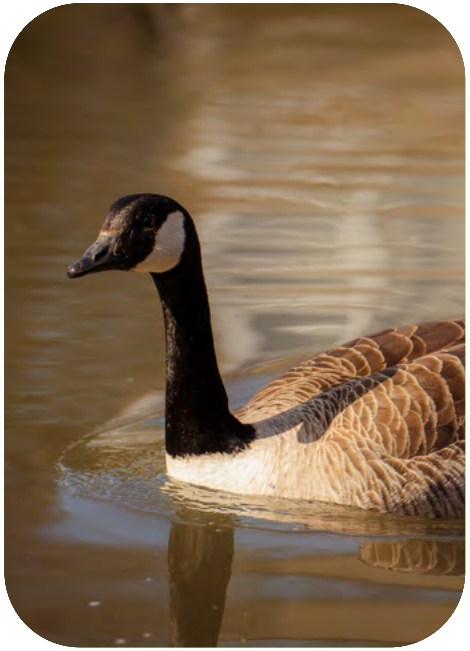
Benefits modeller

In the last report, it was explained that an online benefits modeller was one of the anticipated benefits of moving to an external company for some of the administration. We understand that members are keen to have access to this. First Actuarial LLP expect to release this functionality soon. Members will be written to as soon as the modeller becomes available. Please note that there will be some members with more complex circumstances where the modeller will not be able to calculate those benefits and in that case, estimates will be available upon request (subject to limitations).

Until the modeller is launched, if you require up-to-date figures of your pension, please request an estimate using the form on our **website**.



University of York Pension Fund



Money purchase AVCs

Members can pay extra contributions to their Fund pension in the form of additional voluntary contributions (AVCs). During the year, the Trustee changed its AVC provider from Aegon to Legal & General (L&G). All monies with Aegon have now been moved over to L&G and members should all have received the details of how they access their accounts with L&G online.

If you'd like to start making additional payments to your pension, please visit our **website** for details of the investment choices available and how to sign up.

Pensions dashboard

The Government has recognised that it is more important than ever for people to understand their pensions and prepare for financial security in later life. This is why the Pension Schemes Act 2021 has laid the groundwork for the implementation of pensions dashboards. Pensions dashboards will enable individuals to access all of their pension information securely online, to better support them in planning for retirement.

The **Pensions Dashboards Programme** is run by the Money and Pensions service. The University of York Pension Fund has now connected with the Dashboard ecosystem. Development of the Dashboard programme is ongoing although there is not yet a date by which members will be able to access their information through the Dashboard.

Minimum pension age / early retirement

The normal minimum pension age is the minimum age at which most pension savers can access their pensions without incurring an additional tax charge. This is due to increase from the current age of 55 to 57 from 6 April 2028.

Nomination forms

Copies of nomination forms are available for you to download from the **Fund's website**. Completing a nomination form allows you to let the Trustee know your wishes for who you would want to receive any lump sum that would be payable in the event of your death.

Completing a form only takes a few minutes but can make the process of administering an Estate much easier on those left behind. Please complete a **nomination form** if you haven't completed one within the last three years. If you don't have internet access or access to a printer, please contact the Pensions Team using the details at the start of this booklet, who will send a paper copy out to you.

Moving beyond Grade 5

For employees of the University of York, membership of the Fund is generally only available whilst you remain employed at Grade 5 or below. If you are appointed to a job above Grade 5, you will no longer be able to contribute to the Fund.

There is an exception to this for a small number of members whose roles were graded higher than Grade 5 at the time of the Framework Agreement. These members are allowed to remain in the Fund in their higher graded roles, as long as their Grade does not change. If they subsequently change Grade, they will also be required to leave the Fund (unless their Grade reduces to Grade 5 or below).

These limits do not apply for employees of York Commercial Limited (YCL) or YHEC.

GMP equalisation

On 26 October 2018, the High Court ruled that pension benefits accrued on and between 17 May 1990 and 5 April 1997 should be equalised in order to alter the impact of Guaranteed Minimum Pensions (GMPs), which accrued differently for men and women, and which were payable from different ages. The Trustee has begun to equalise transfer values payable, and benefits paid when a member passes away. It is considering its response for other benefits, including historic transfer values and pensions in payment.

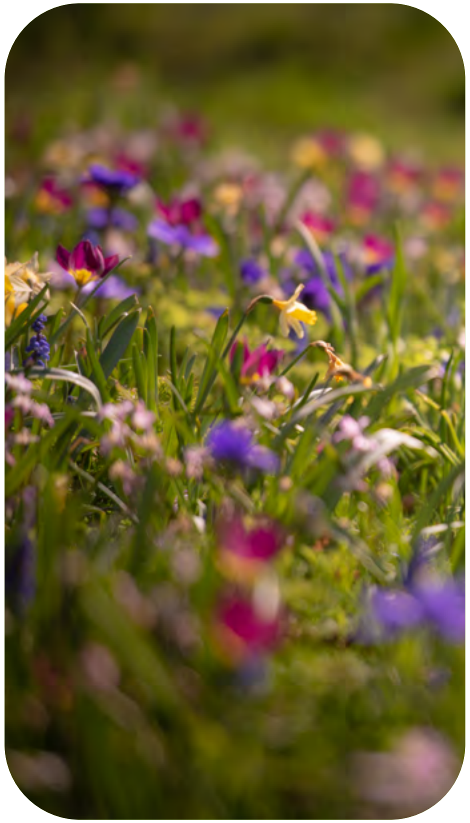
Useful information

Lasting Power of Attorney

A Lasting Power of Attorney (LPA) for Property and Financial Affairs allows the Fund's administrators to deal with someone else about your pension on your behalf if you are unable to manage your finances, either temporarily (for example, if you have to have an extended hospital stay) or permanently. If you lose capacity and do not already have an LPA in place, the Fund's administrators will not be able to deal with anyone else on your behalf about your pension, unless they apply for court order to be able to do so, which can be a long and expensive process.

You are only able to set up an LPA whilst you have the mental capacity to do so. If you become ill suddenly, you may find that you are no longer able to take out an LPA. Even if you are still well enough to implement an LPA, it can take several weeks or months for them to be registered, meaning neither you nor your attorneys can access your pension or make decisions about it during that time.

To find out more about putting an LPA in place, visit the **government's website.**



The State Pension

Check when you can receive your **State Pension** and see how much it might be.

Lost pensions

If you have lost track of any pension savings built up elsewhere, there is a **free tracing service** available.

University of York Pension Fund

Pension scams

The Trustee wants to alert you to the risk from pension scams and remind you to take care to protect your pension from scammers. Unfortunately, many scammers are increasing their activities at the moment, knowing that people are more worried and vulnerable than usual.

If you receive a call out of the blue about the chance to transfer your benefits out of the Fund, or if someone calls you saying they represent the Fund, University or the Trustee, but you were not expecting the call, the safest thing to do is to ignore it – cold calling about pensions is illegal and it is probably a scam. If you are unsure, please check with the Pensions Team on 01904 32 4805 before doing anything further.

Offering you access to your pension before age 55, offering exceptional returns or suggesting you transfer your money outside of the UK are all typical of scamming offers, as is an individual seeking to exert timing pressure on you. To make sure that anyone offering you advice or other financial services is authorised by the Financial Conduct Authority you can check the **Financial Services Register.**

To help you spot the warning signs of a pension scam and what to do about it, the Financial Conduct Authority's **scam guidance**. There are also safeguards in place for people with defined benefit pensions, such as the benefits you have built up in the Fund. The Trustee Directors are required to check that anyone wishing to transfer their defined benefit pension to another arrangement where the transfer value is £30,000 or more has obtained advice from an independent financial adviser. The adviser must be authorised by the Financial Conduct Authority to advise on pension transfers.

If you are thinking of leaving the Fund for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action.

Pension Credit

Pension Credit gives you extra money to help with your living costs if you're over State Pension Age and on a low income. You can get Pension Credit even if you have other income, savings or own your own home and if you get Pension Credit, you can also potentially get other help such as a Council Tax discount, a free TV licence (if you're 75 or over) and help with your heating costs. However, a large number of people who are eligible for Pension Credit don't claim it. To find out more about Pension Credit and to determine if you are eligible to receive it, visit the **website** or call the helpline on 0800 99 1234.

Tax Help

TaxAid is a charity which provides free independent help and advice for people in the UK who cannot afford to pay for professional tax advice. The service typically helps people who have an income below £28,000 per year. You can find out more about their services by visiting their **website**. You can also call their helpline on 0345 120 3779 during office hours.

University of York Pension Fund

THE TAXATION OF PENSION SAVINGS

The tax-free lump sum limit

Most people can choose to receive part of their pension benefits as a tax-free lump sum once they start drawing their pension. The maximum amount most members can take across all of their pension savings is called the "Lump Sum Allowance" (LSA), and the LSA is set at **£268,275.**

There is also a further limit to the tax-free lump sum allowance an individual is entitled to, called the Lump Sum and Death Benefit Allowance (LSDBA). The LSDBA combines lump sums that count towards the LSA, plus eligible serious ill-health and death benefits. The LSDBA is set at **£1,073,100**.

Further information on these allowances can be found **here**.

Limits to pension savings

The annual allowance

The pension savings you can make tax free within a year are limited to the Annual Allowance (AA). The standard AA is £60,000 per year, unless your "adjusted income" exceeds £260,000 a year, in which case the AA is reduced on a tapered basis to a minimum of £10,000 per year for those earning £360,000 or more. However, the taper doesn't apply to individuals with a "threshold income" of less than £200,000 a year. More information about these definitions of income, and how the tapered annual allowance works, can be found **here**. The Trustee encourages those who think they may be affected by these limits to seek specialist financial advice. Whilst the Trustee is not able to recommend a specific adviser, if you'd like some general information on how to find a financial adviser, please contact the University's Pensions Team using the details at the start of this booklet who will be able to send you a fact sheet.

The money purchase annual allowance

If you have a money purchase pension and access it using the "Pension Freedoms", there is limit of **£10,000** per year on the amount of contributions that you can subsequently make to a money purchase arrangement.

University of York Pension Fund

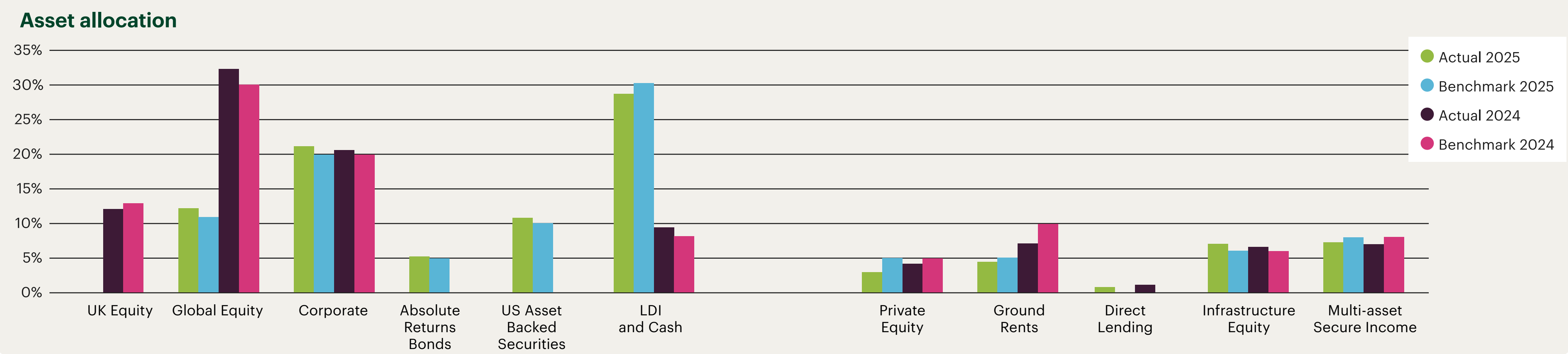
INVESTMENT AND FINANCIAL REPORT

The Trustee is responsible for the Fund's investment strategy. In taking decisions regarding the Fund's investment strategy, the Trustee considers the membership profile and the structure and duration of the Fund's liabilities.

The Trustee has delegated the day-to-day management of the Fund's asset portfolio, which includes full discretion for stock selection, to the external investment managers listed earlier on in the report.

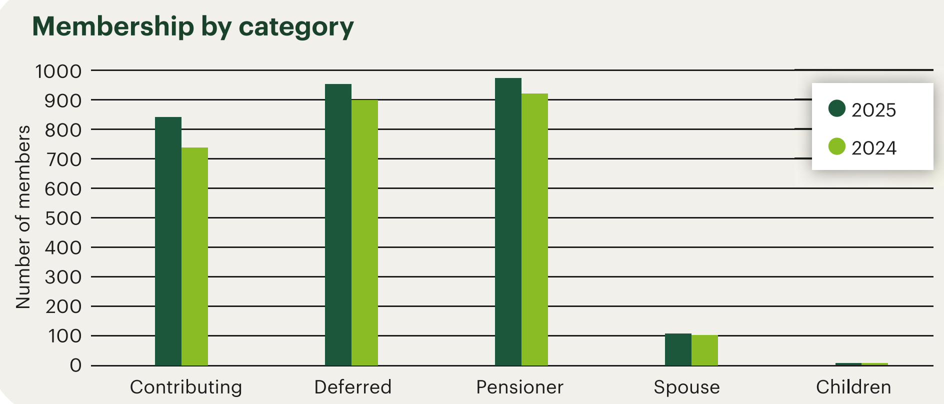
Asset allocation

The asset allocation of the Fund for the current and prior period are compared against the long-term strategic benchmark in the chart below.



Membership

Membership movements are shown in the chart below. Recent years have shown a maturing of the Fund, and whilst this year's chart shows that the number of deferred and pensioner members continues to grow, there has also a substantial increase in the number of contributing members, largely due to a number of promotions about the benefits of membership by the University's in-house Pensions Team.



Income and expenditure

Detailed below is an abridged version of the income and expenditure of the Fund to 31 July 2025. Full details are published in the Fund's Annual Report and Accounts, which is available to members upon request.

	2024	2025
Income (excluding investment income)		
Employer contributions	£4,096,995	£4,289,576
Employee contributions	£450,685	£461,254
Transfers in	£0	£0
Other income	£176,592	£54,783
Total income (excluding investment income)	**£4,724,272**	**£4,805,613**
Expenditure		
Benefits paid or payable	(£6,970,526)	(£7,652,179)
Payments to and on account of leavers	(£200,101)	(£54,990)
Administrative expenses	(£531,741)	(£588,577)
Other payments	(£121,055)	(£121,947)
Total expenditure	**(£7,823,423)**	**(£8,417,693)**
Return on investments		
Investment income	£558,865	£472,954
Change in market value of investments	£20,965,962	£4,983,389
Investment management	(£346,856)	(£495,260)
Net return on investments	**£21,177,971**	**£4,961,083**
Net assets of the scheme		
At 1 August	£218,916,504	£236,995,324
At 31 July	£236,995,324	£238,344,327

University of York Pension Fund

THE UNIVERSITY OF YORK PENSION FUND SUMMARY FUNDING STATEMENT JULY 2025

Introduction

This statement gives you an update on the estimated financial position of The University of York Pension Fund (the "Fund"). The Fund is a Defined Benefit Scheme. This means that it gives you an income for life, calculated on your service and pay in the Fund.

The Trustee Directors use the assets of the Fund to pay pensions to Fund members. The assets are held separately from the University's assets. The Fund's assets can only be returned to the University if they are more than is needed to arrange for an insurance company to pay all Fund benefits. No such payment to the University has been made since the date of the last statement, and the Trustee Directors would tell you if the Fund was ever able to make such a payment. Please note that the surplus in the Fund is being managed by the Trustee and the University and, due to the investment strategy followed, the funding position can move up and down over time.

Funding position as at 31 July 2025

Assets	£237.6m
Money needed to pay benefits	£164.7m
Surplus	£72.9m
Funding level	144%

The latest actuarial valuation of the Fund as at 31 July 2023 showed a surplus of £45.3m and a funding level of 126%.

As at 31 July 2025, the Fund was estimated to be 144% funded with a surplus of £72.9m. The funding position has therefore improved since 31 July 2023.

The main reason for the improvement in the funding position is due to changes in financial markets over the period since 31 July 2023. In addition, the contributions paid into the Fund by the University (which have been higher than the contributions required to meet the cost of benefits accrued), and higher than expected returns on the Fund's investments have contributed to the improvement.

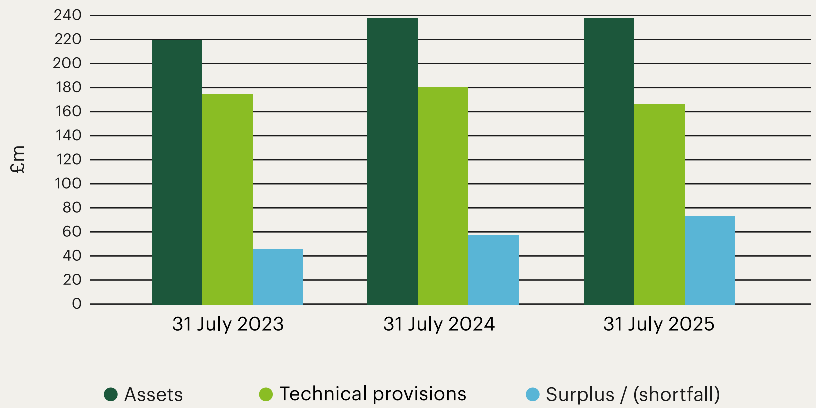
The Fund's finances

Working out the value of the benefits promised to members – how much money is needed to pay all the members' pensions – is not an exact science. It depends on several things, including inflation, investment returns and how long members live.

A valuation is carried out by the Scheme Actuary every three years. As part of the valuation, the Scheme Actuary estimates whether the assets are worth more than the amount needed to pay members' benefits. If that is not the case, then the Trustee Directors and University will agree what action needs to be taken.

The value of the Fund's assets and the money needed to pay benefits, measured at 31 July 2023, 31 July 2024 and 31 July 2025 are shown below. The next valuation will be as at 31 July 2026 and could take up to 15 months to complete.

Funding position

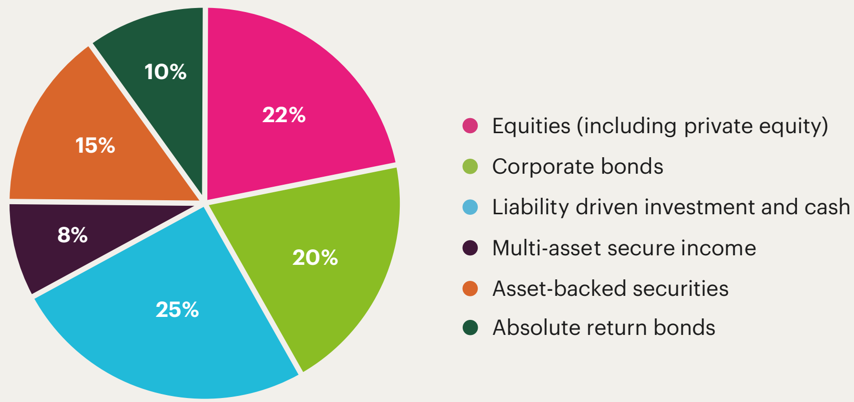


The latest actuarial valuation, carried out as at 31 July 2023, showed a surplus of £45.3m and a funding level of 126%. Therefore, the assets of the Fund were more than the estimated amount needed to pay all benefits to members, based on the assumptions used.

The previous Summary Funding Statement, issued towards the end of 2024, showed that the Fund was estimated to be 131% funded with a surplus of £56.3m as at 31 July 2024. An approximate funding update was also carried out as at 31 July 2025 which showed the Fund was estimated to be 144% funded with a surplus of £72.9m. The funding position has therefore improved each year since the actuarial valuation as at 31 July 2023. The main reason for the improvement in the funding position is due to changes in financial markets over the period since 31 July 2023. In addition, the contributions paid into the Fund by the University (which have been higher than the contributions required to meet the cost of benefits accrued) and higher than expected returns on the Fund's investments have contributed to the improvement.

Assets

The Trustee Directors' long-term investment strategy for the Fund is to hold the following investment classes:



Within each investment category, the Trustee Directors aim to hold a mixture of assets. The Trustee Directors regularly review the Fund's investment strategy to ensure it is appropriate for the Fund.

Winding up the Fund – the buy-out position

If the University wants to pass on its responsibility for the Fund to an insurance company, the Fund will be wound up. This is known as "buying-out" the benefits. The University would have to pay a one-off contribution to the Fund to bring the assets up to the level at which an insurance company would be willing to take on the responsibility of the Fund. If this had happened as at 31 July 2023, it is estimated that the University would not have been required to pay a contribution, as the Fund held sufficient assets.

Additional protection

If an employer becomes insolvent, the **Pension Protection Fund** can pay compensation to members in certain circumstances.

The Pensions Regulator looks after work-based pension schemes and has certain powers it can use if it has concerns about a scheme. It has not used any of these powers in relation to the Fund.

UNIVERSITY of York

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