

# UNIVERSITY OF YORK PENSION FUND

Retired Members' Annual Report  
Year-end 2024



# WELCOME!

## Welcome to the Retired Members' Annual Report.

This has been a very busy year for the Fund and there is much change to tell you about in this year's report. The 2023 valuation was concluded, showing a healthy surplus in the scheme, and benefit improvements are being made as a result of this. Big changes have happened to the administration of the Fund, which has now been transferred to an external company, ending over 60 years of the Fund being administered by the University.

As well as these developments, this year's Report provides the usual updates on the governance and investment activities of the Fund and on the Pensions Increase that will be applicable from April 2025. There's also a summary of the Fund's accounts for the financial year ending 2024 as well as the latest Summary Funding Statement.

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 2024
- 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 on the following page.

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](http://www.york.ac.uk/pensions)

**E-mail:** [pensions@york.ac.uk](mailto: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.

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# FUND GOVERNANCE

## Board of Directors

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

### INDEPENDENT CHAIR

Director	Appointed	Resigned
<b>BESTrustees</b> (represented by Mrs Ann Rigby)	1 December 2019	

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

Director	Appointed	Resigned
<b>Professor Duncan Bruce,</b> Chemistry	15 May 2024	
<b>Mr John Lister,</b> previous Lay Member of University Council	13 March 2017	
<b>Mr Adrian Murgatroyd,</b> Finance	29 September 2017	
<b>Mrs Iona Rodger,</b> Human Resources	17 December 2021	23 January 2024
<b>Mr Paul Bushnell,</b> DTEF	03 March 2021	

### MEMBER NOMINATED DIRECTORS – NOMINATED AND ELECTED BY THE FUND MEMBERS

Director	Appointed	Resigned
<b>Mr James Coates,</b> Retired (ex-Library and Archives)	13 March 2016	
<b>Mr Timothy Franklin,</b> Retired (ex-Registrar's and Planning)	13 March 2016	
<b>Mr Michael Hodgkinson,</b> Biology	1 August 2017	
<b>Mr Stephen Bradley,</b> Human Resources	26 July 2023	

The Member Nominated Directors are elected by Fund members. Following a recent change, the standard term of appointment was increased from four to five years. Member Nominated Directors retire by rotation and may be re-elected. The term of office of the two Pensioner Nominated Directors on the Board comes to an end later this year. Read on for further information about the election process.

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

<b>Actuary</b>	K Hulme-Vickerstaff, FIA, First Actuarial LLP
<b>AVC Provider</b>	Aegon & Scottish Equitable Pensions & Bonds
<b>Banks</b>	HSBC plc Lloyds Banking Group
<b>Fund Administrator</b>	First Actuarial LLP
<b>Independent Auditor</b>	BHP LLP
<b>Investment Managers</b>	Legal & General Investment Management Schroder Investment Management Limited Alcentra Limited Aberdeen Standard Investments Macquarie Global Investments Standard Life Investments
<b>Investment Adviser</b>	Isio Ltd (previously known as Deloitte Total Reward and Benefits Ltd)
<b>Investment Custodian</b>	J P Morgan (for Schroder Investment Management Limited)
<b>Legal Adviser</b>	Walker Morris LLP
<b>Life Assurance Company</b>	MetLife Europe d.a.c

# ADMINISTRATION REPORT

## Changes to the rules

The update to the Trust Deed and Rules effecting the changes to the Fund’s structure that took effect from 1 April 2022 will be finalised and available online shortly.

One of the changes that was introduced from April 2022 was a cap on increases to pensions in payment. The table below shows how the cap worked when it was introduced:

Pension (excluding any Guaranteed Minimum Pension) built up before 1 April 2022	No cap
Pension built up on and between 1 April 2022 to 31 July 2023	5% cap
Pension built up on and after 1 August 2023	3% cap

Following the conclusion of the 2023 valuation, it has been agreed that the Rules will be changed to retrospectively remove the 3% cap that would have applied from 1 August 2023 and to apply a 5% cap on pension built up on or after 1 April 2022. Those who retired on or after 1 August 2023 may have had the 3% cap applied to some of the increases their pension received in April 2024. These increases will be recalculated and members will be written to by First Actuarial LLP with details of the additional amounts (including any backpay) that may be applicable.

## Pension increases

Increases to pensions are calculated with reference to inflation. Since April 2011, the rate of inflation that has been used has been the Consumer Prices Index (CPI), although it is possible for other rates to be used. Where an increase to pensions is granted, it is applied each April and is based on the rate of CPI from the preceding September. It is possible to award a rate of increase lower than the rate of inflation, subject to the advice of the Actuary and the agreement of the University and Trustee.

In September 2024, the rate of CPI was 1.70%. It was agreed that, where applicable, the full 1.70% rate of increase would be awarded from

1 April 2025. If you retired on or after 1 April 2024, your first increase is awarded pro-rata.

## Outsourcing of pensions administration

Members may recall our correspondence in **November 2024** setting out that the Fund’s administration would be outsourced to First Actuarial LLP during 2025. The pensioner payroll was transferred in November 2024, and has been successfully run by First Actuarial LLP ever since. The full transfer of services took effect from 1 March 2025.

The transfer to First Actuarial is expected to yield lots of benefits for members. Members have provided feedback over recent years that they would like more online access, and to be provided with pensions information more quickly. These benefits can be provided by an outsourced provider such as First Actuarial LLP. There will also be more resilience in being supported by a larger team.

Now that the transfer has taken place, retired members will be looked after by First Actuarial LLP and should contact First Actuarial LLP directly, instead of the University’s Pensions Team. First Actuarial LLP’s contact details for all future questions about your pension are:

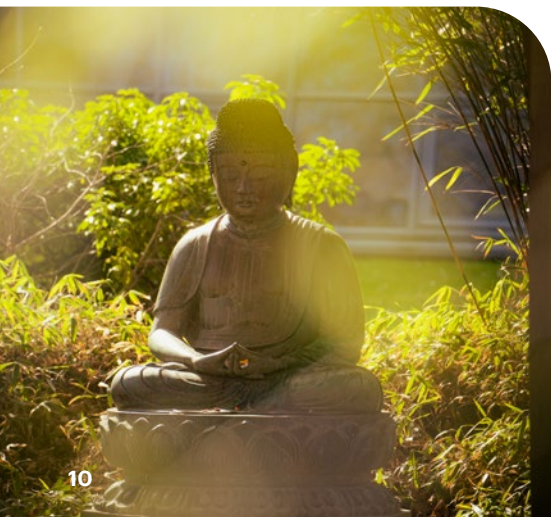
**Email:** [leeds.admin@firstactuarial.co.uk](mailto:leeds.admin@firstactuarial.co.uk)  
**Phone:** 0113 818 7300

On behalf of all members of the University’s Pensions Team, both past and present, we’d like to say how much we’ve enjoyed looking after our retired members and send you all our very best wishes for the future.

## Payslips

You are able to access your payslips online. Online access offers a lot of benefits over paper payslips, including the option to be able to view all your payslips and P60’s (including the ones that wouldn’t normally be printed and sent to you), and the convenience of being able to access these at any time. If you haven’t already signed up to this, but are interested in doing so, please get in touch with the team at **First Actuarial LLP** who will let you have the details of how to sign up to their online payslip system My ePay Window. Paper payslips will still continue to be produced for those who do not want or are not able to use the online service where the amount of pension changes by more than £5 from the previous month.

The service provided by First Actuarial has been effective since they took over the payroll in November 2024. Prior to that date, online payslips were provided by the University’s system, **ePayslips**. That service is expected to be wound down over summer 2025. If you still need the details of payslips or P60’s that the University provided



you with, please make arrangements to download any information you'll need access to in the future over the next few weeks. We'll write to retired members again in the next few weeks with a reminder before the service is eventually closed down.

## Payment calendar 2025

Your pension is paid directly into your bank account on the last banking day of each month. So, if the last day of the month falls on a weekend or a bank holiday, your pension will be paid on the last working day of the month. Pay dates are unaffected by the change of administrator to First Actuarial LLP. Here's when you can expect to receive your pension payments during 2025:

Month	Day
January	31
February	28
March	31
April	30
May	30
June	30
July	31
August	29
September	30
October	31
November	28
December	24

## Changing your bank account

Please remember to notify the Fund's administrators in advance if you are changing your bank account. First Actuarial LLP will accept changes of bank accounts by either email or letter. They cannot accept changes of bank account over the phone.

You must include all of the following details in any written correspondence in order for First Actuarial LLP to be able to change your bank account:

- National Insurance number
- Date of birth
- Your previous bank details
- Your new bank details

## Payments overseas

Don't forget that if you are a member who is resident overseas, First Actuarial LLP offers you the facility to have your pension paid to an overseas bank account in your local currency. If you want to change the account that you have your pension paid into from a UK bank account to an account held overseas, please contact either the First Actuarial LLP who will send you a form to change your payment details.

## Changing your address

Please remember to notify First Actuarial LLP of a change in your address. If the Trustee believes that they do not hold your up-to-date

address or receives any returned post from the address held for you, it is normal practice to suspend your pension until you have been located or you've notified First Actuarial LLP of a change of address. Following the move to First Actuarial LLP, changes of address can be accepted in writing (by either email or letter) or over the phone. You must include all of the following details in any written correspondence in order for First Actuarial LLP to be able to change your address:

- National Insurance number
- Date of birth
- Your previous address
- Your new address

## Pension reviews

The Trustee's administrators are continuing to undertake a review of all the pensions in payment. You will be contacted directly about any changes to your pension if, as part of this review, it is found to be being paid incorrectly.

## Death grant

Did you know that one of the benefits of membership is a lump sum that can be paid to your beneficiaries in the event of your death? You may have been familiar with this whilst you were a contributing member, but if you die within five years of drawing your pension a lump sum

will still be payable. The lump sum is equal to the value of five years pension at its value on the date you died, less any payments already made. It is therefore important that you keep your nomination up to date during the first five years of your retirement. Copies of nomination forms are available for you to download from the Fund's [website](#). Completing a form only takes a few minutes but can make the process of administering an Estate much easier on those left behind.

If it is more than five years since you retired or you are in receipt of a spouse's pension or child's allowance, there will be no lump sum payable in the event of your death.

## 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.

## Pensioner nominated director election

Two positions for Pensioner Nominated Directors (PND's) will come up for re-election in March 2025. Please refer to the Fund's website for further details about the position and an application form.

## 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 a 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 your attorneys can't access your pension nor make decisions about it during that time.

To find out more about putting an LPA in place, visit the government's [website](#).

## Scam awareness

Scams are now very common and scammers use increasingly sophisticated tactics to take advantage of people. The consumer group, Which?, offers a free scams alerts email service that you can sign up to. You do not need to be a Which? subscriber to sign up to the email alerts. The alerts aim to help you stay ahead of the latest scams, spot scams and protect yourself, and include steps you can take if you have been scammed. [Find out more and sign up](#).

## Lost pensions

If you have lost track of any pension savings built up elsewhere, there is a [free tracing service](#) available.

## 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 for Older People

Tax Help for Older People is a charity which provides free independent help and advice for people in the UK who cannot afford to pay for professional tax advice. In order to access their service, you must be age 60 or more and have a total income of less than £20,000 a year. You can find out more about their services by visiting their [website](#). You can also ring 01308 488 066 during office hours.



# INVESTMENT AND FINANCIAL REPORT

The Trustee is responsible for the Fund’s investment strategy, acting on the advice of its investment advisor. 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.

As at 31 July 2024, the largest allocations of the Fund are its

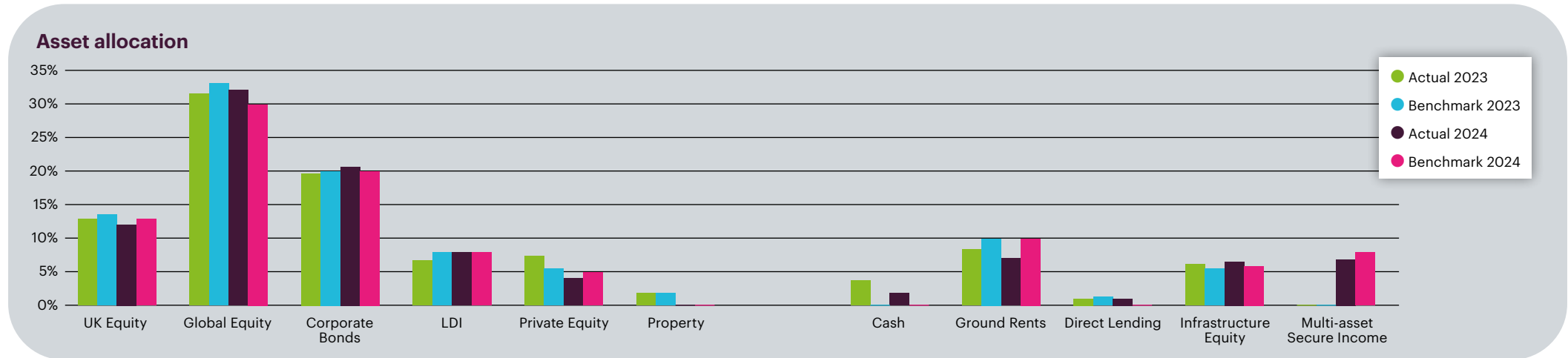
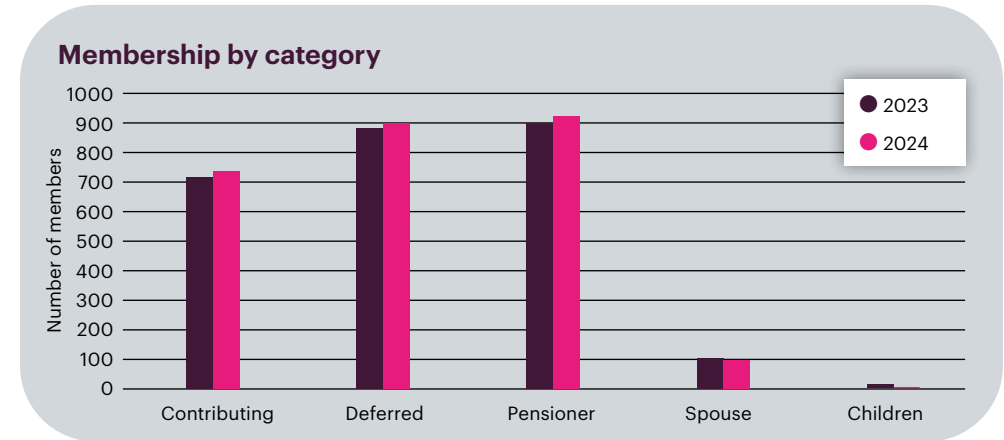
equity investments, split between UK and global equity, with both managed by LGIM. The Fund’s other investments include an investment grade corporate bond fund, a multi-asset secure income fund, a liability driven investment (LDI) portfolio and a cash fund, all held with LGIM. The Fund also invests in a property fund, a private equity fund and cash investments held with Schroders. In addition, the Fund holds allocations to another private equity fund with Patria, a ground rents fund with Aberdeen, a direct lending fund with Alcentra, and an infrastructure equity fund with Macquarie.

## 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, however, this year’s chart shows that, whilst the number of deferred and pensioner members has continued to grow, there has also been a small increase in the number of contributing members.



## Income and expenditure

Detailed below is an abridged version of the income and expenditure of the Fund to 31 July 2024. Full details are published in the Fund's Annual Report and Accounts, which is available to members upon request.

	2023	2024
<b>Income (excluding investment income)</b>		
Employer contributions	£3,860,734	£4,096,995
Employee contributions	£401,887	£450,685
Transfers in	£0	£0
Other income	£144,718	£176,592
<b>Total income (excluding investment income)</b>	<b>£4,407,339</b>	<b>£4,724,272</b>
<b>Expenditure</b>		
Benefits paid or payable	(£6,465,593)	(£6,970,526)
Payments to and on account of leavers	(£97,030)	(£200,101)
Administrative expenses	(£486,772)	(£531,741)
Other payments	(£112,514)	(£121,055)
<b>Total expenditure</b>	<b>(£7,161,909)</b>	<b>(£7,823,423)</b>
<b>Return on investments</b>		
Investment income	£529,825	£558,865
Change in market value of investments	(£1,429,957)	£20,965,962
Investment management	(£330,677)	(£346,856)
<b>Net return on investments</b>	<b>(£1,230,809)</b>	<b>£21,177,971</b>
<b>Net assets of the scheme</b>		
At 1 August	£222,901,883	£218,916,504
At 31 July	£218,916,504	£236,995,324

# THE UNIVERSITY OF YORK PENSION FUND SUMMARY FUNDING STATEMENT JULY 2024

## 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. Assets can only be returned to the University if they are more than is needed to arrange for an insurance company to pay all 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.

## Funding position as at 31 July 2024

Assets	£236.5m
Money needed to pay benefits	£180.2m
Surplus	£56.3m
Funding level	131%

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 2024, the Fund was estimated to be 131% funded with a surplus

of £56.3m. The funding position has therefore improved since 31 July 2023. The main reason for the improvement in the funding position was higher than expected returns on the Fund's investments. 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 changes in financial markets over the period have also contributed to the improvement.

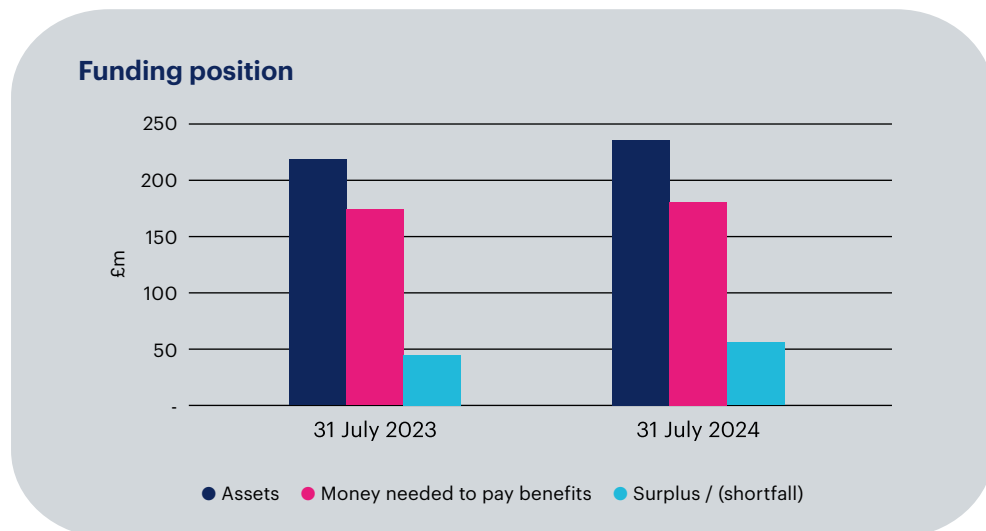
## The Fund’s finances

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 and 31 July 2024 are shown below. The next valuation will be as at 31 July 2026 and could take up to 15 months to complete.

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.

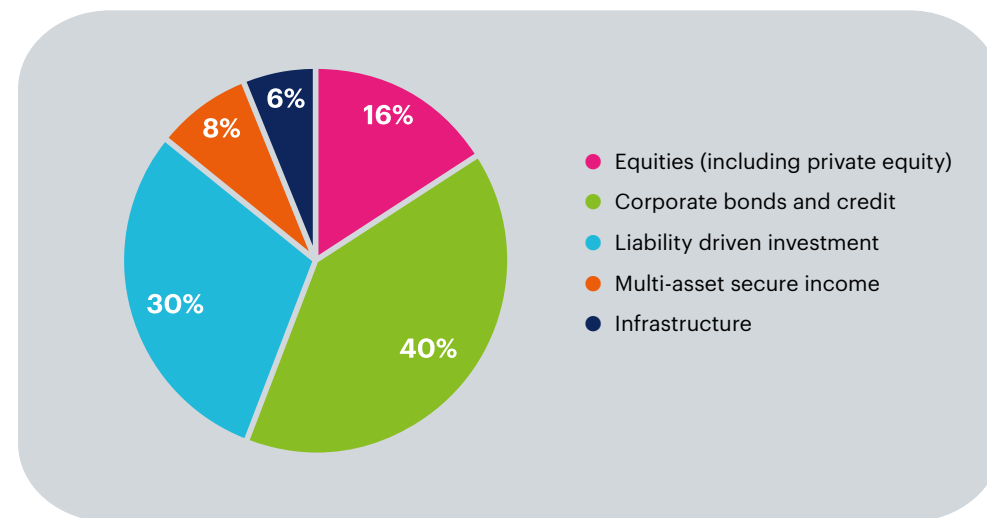


The previous Summary Funding Statement showed that the Fund was estimated to be 126% funded with a surplus of £46.1m as at 31 July 2022. The funding positions as at 31 July 2023 and 31 July 2022 were therefore very similar.

An approximate funding update was carried out as at 31 July 2024 which showed a surplus of £56.3m and a funding level of 131%. The funding position has therefore improved between 31 July 2023 and 31 July 2024. The main reason for the improvement in the funding position was higher than expected returns on the Fund’s investments. 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 changes in financial markets over the period have also 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 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.



## **ALTERNATIVE FORMATS**

If you require this document in an alternative format, please call us on 01904 32 4805. We are able to supply large print, braille and spoken word tapes and CDs of all our documents.



**[york.ac.uk/pensions](http://york.ac.uk/pensions)  
[pensions@york.ac.uk](mailto:pensions@york.ac.uk)**