

Highland Pension Fund

Pensioners newsletter 2025

Welcome to our sixth edition of pensioners news

This newsletter is for pensioners in the Local Government Pension Scheme (LGPS) Scotland who receive a pension from the Highland Council Pension Fund.

This edition provides an update about your 2025 Pension Increase, recent changes and an overview of our Fund performance. It also contains useful information about your pension and other news which may be of interest you.



Your 2025 Pension Increase

The pension we pay you is adjusted each year to ensure your pension keeps pace with the cost of living. HM Treasury issue a Pensions Increase (PI) review order which tells us how much to increase your pension by each year. The Order is currently linked to the Consumer Prices Index (CPI) and is based on CPI as at the previous September.

CPI at September 2024 was 1.7% - this means that your LGPS pension will increase by 1.7% from 7 April 2025 (the first Monday after the start of the new tax year).

Pension increases are normally paid to:

- pensioners who are aged 55 or over
- pensioners who retired through ill health at any age
- spouses and dependants of former pensioners

If your pension has been in payment for less than a year, you will only receive part of the increase this year. The table below shows how much your pension will increase by based on the date your pension started:

Date your pension started	% Increase
22/04/2024 or before	1.70%
23/04/2024 to 22/05/2024	1.56%
23/05/2024 to 22/06/2024	1.42%
23/06/2024 to 22/07/2024	1.28%
23/07/2024 to 22/08/2024	1.13%
23/08/2024 to 22/09/2024	0.99%
23/09/2024 to 22/10/2024	0.85%
23/10/2024 to 22/11/2024	0.71%
23/11/2024 to 22/12/2024	0.57%
23/12/2024 to 22/01/2025	0.43%
23/01/2025 to 22/02/2025	0.28%
23/02/2025 to 22/03/2025	0.14%

Your State Pension

The Government confirmed that the State Pension will continue to rise in line with the government's 'triple lock'. The triple lock guarantees that increases will be the highest of three measures – CPI inflation, average earnings or 2.5%. This is excellent news for pensioners and means that the **State Pension will increase by 4.1% (in line with average earnings growth) from April 2025**.

If you paid into the LGPS before 1997, the LGPS guarantees to pay you a pension that is at least as much as you would have earned had you not been contracted out of the State Earnings Related Pension Scheme (SERPS). This is called the Guaranteed Minimum Pension (GMP). If you are over State Pension Age the payment of increases may be shared between your LGPS pension and your State Pension.

Further details about contracting can be found on our website

<https://www.highlandpensionfund.org/help-support/general-questions/>.

Tax and your pension

Your monthly pension is taxable and the rate of tax you pay is based on your income from all pension arrangements including your state pension and any other income you may have.

If you live or spend most of your time in Scotland, you will be paying a **Scottish tax** and your tax code will start with an 'S'. If you move away from an address in Scotland, or move back to an address in Scotland, you must tell HM Revenue and Customs (HMRC) so they can make sure you have the right tax code.

We can only change your tax code on the direct instruction of HMRC and have no part in deciding your tax liability or tax code. If you have any questions about your tax code you should contact HMRC directly on (0300 200 3300) between 8.00am and 8.00pm, Monday to Friday, quoting your National Insurance Number.

Alternatively, you can write to: HM Revenue & Customs, Centre 1 Area, Large Processing Office, Queensway House, East Kilbride, G79 1AA.

Get online with HMRC - Did you know HMRC have an online system called a Personal Tax Account?

With a personal tax account, you can check what tax code you're on, how your tax is calculated and even claim a tax refund. This is especially useful if you have various sources of income. You can even allow a family member or friend to manage your tax affairs on your behalf.

Help and advice



The Pensions Advisory Service, Pension Wise and the Money Advice Service have been replaced with a single service called Money Helper.

Money Helper is a free service backed by the government who provide independent support and impartial guidance, helping with everyday money, budgeting, debt advice and state benefits. Visit their website to find out how they can help: www.moneyhelper.org.uk/en.

Fund performance 2025 update



The UK Government's Public Service Pensions Act requires that a valuation of the Scheme must be undertaken every three years to measure the costs of the benefits being provided. The results are used to establish employer costs and to secure the ongoing viability of the fund.

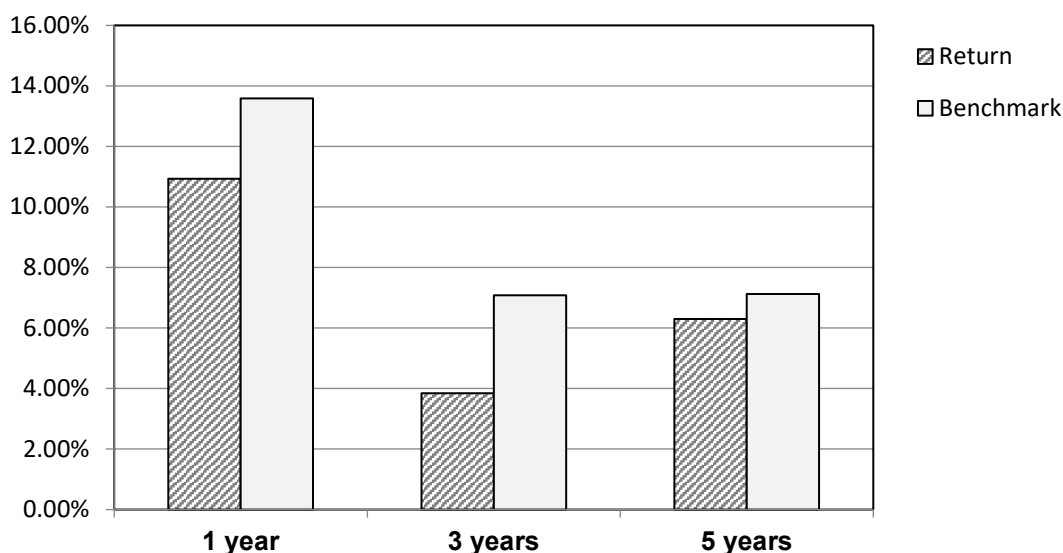
The latest valuation took place at 31 March 2023 and the results are published on the resources section of our [website](#) or you can view them [here](#).

How we invest

There are regulations which govern how Local Government Pension funds can be invested to make sure these are spread across a range of asset classes. Information on these regulations and how we invest can be found in the [Statement of Investment Principles](#) which is available to view on the resources section of our [website](#). We also publish a list of all our investments every quarter. A list of investments as at December 2024 can be found [here](#).

Investment performance

In terms of investment performance, over the last 5-year period the returns average out as 10.9% each year (against a benchmark target of 13.6%).



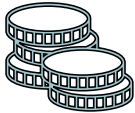




Alongside the duty to act in the best financial interest of members, is it important that the impact of Ethical, Social and Governance (ESG) risks are assessed and managed. Our approach to managing these risks and Responsible Investing is set out in our Responsible Investment policy.



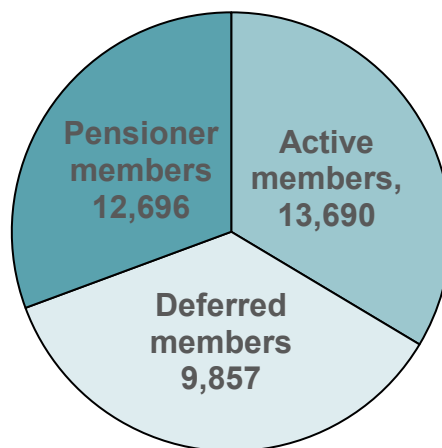
The Institutional Investors
Group on Climate Change

We are also a member of the Institutional Investors Group on Climate Change, the European membership body for investor collaboration on climate change and the voice of investors taking actions for a prosperous, low carbon future. Visit their website at www.iigcc.org.

Financial performance (2023/24)

Opening value of pension fund assets +£2,406m (£2.406bn)			
Contributions 	+£77.9m	Pension benefits 	-£82.0m
Return on investment 	£273m	Management expenses	£-15.5m
Closing value of pension fund assets +£2,659m (£2.659bn)  			

Current scheme membership data



■ Active members ■ Deferred members ■ Pensioner members

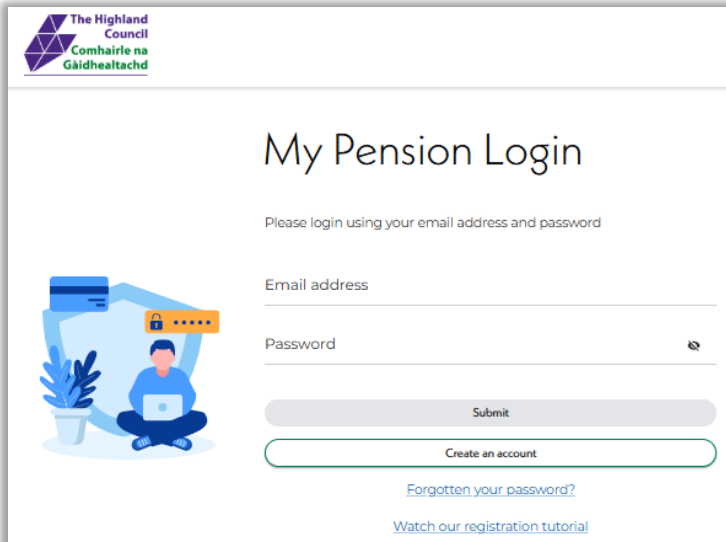
Pension Fund Accounts

Highland Pension Fund accounts are published on the [resources](#) section of our website every year. You can access a copy of the Pension Fund accounts for 2023/2024 [here](#) and the 2024/25 accounts will be available in June 2025 and will be published on our website www.highland.gov.uk.


Accessing your pension information online

My Pension Portal – self-service portal

Did you know you can view and print your monthly pension advice slips and P60 Certificates online? You can also update your contact address and change your bank details. If you have not yet signed up, you can request joining instructions by emailing us at mypension@highland.gov.uk or by clicking [here](#) (please provide your national insurance number on your email).



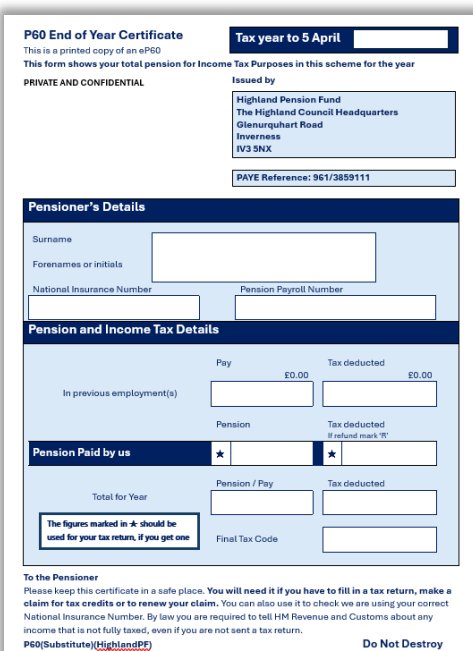
The image shows the 'My Pension Login' page. At the top left is the Highland Council logo. The main heading is 'My Pension Login'. Below it, a message says 'Please login using your email address and password'. There are input fields for 'Email address' and 'Password'. A 'Submit' button is below the password field. Below the submit button is a 'Create an account' button. At the bottom, there are links for 'Forgotten your password?' and 'Watch our registration tutorial'.



The image shows a 'Pension Advice Slip' form. At the top right is the Highland Council logo. The form is titled 'Pension Advice Slip'. Below the title, it says 'Pension Fund Name: Highland Pension Fund', 'Address: Highland Pension Fund, Glenurquhart Road, Inverness, IV3 3NX', and 'Contact: 01463 702441 or email mypension@highland.gov.uk'. Below this is a 'PRIVATE AND CONFIDENTIAL' notice. The form is divided into several sections: 'Pay Information' (Full Name, National Insurance Number, Payroll Number, Tax Code, Tax Period, PAYE reference, Pay Date), 'Monthly Payment Details' (This Period Payments, This Period Deductions, Gross Pay £, NET Pay £), 'Year to Date Details' (Gross Pay to Date, Taxable Pay to Date, Tax Paid to Date), and 'Payslip Message'. At the bottom right, there is a reminder: 'Remember to keep your personal details and beneficiary information up to date – go to your My Pension dashboard to check your details are correct and in line with your wishes.' The 'lgps' logo is at the bottom left.

Your March payslip will show your end of year totals for financial returns, your April payslip will include a proportion of your new pension rate following the annual pensions increase (applicable from 7 April 2025). Your May payslip will show your first full month, paid at the new increased rate, and this is the amount you will receive going forward.

End of year P60 certificates



The image shows a 'P60 End of Year Certificate' form. At the top left, it says 'P60 End of Year Certificate' and 'This is a printed copy of an eP60'. Below this, it says 'This form shows your total pension for Income Tax Purposes in this scheme for the year'. Below this is a 'PRIVATE AND CONFIDENTIAL' notice. The form is divided into several sections: 'Tax year to 5 April' (with a dropdown menu), 'Issued by' (Highland Pension Fund, The Highland Council Headquarters, Glenurquhart Road, Inverness, IV3 3NX), 'PAYE Reference: 961/3859111', 'Pensioner's Details' (Surname, Forenames or initials, National Insurance Number, Pension Payroll Number), 'Pension and Income Tax Details' (Pay, Tax deducted, Pension, Tax deducted, Pension Paid by us, Total for Year, Pension / Pay, Tax deducted, Final Tax Code). At the bottom, there is a note: 'The figures marked in * should be used for your tax return, if you get one'. At the bottom right, it says 'Do Not Destroy'.

Your end of year P60 is a statement which is issued to taxpayers each year. It contains information about how much you have earned and how much tax you have paid (if applicable). You may require this information for filling in a self-assessment tax return, claiming a tax refund or for queries with HMRC.

Your P60 will be available online to view and print by the end of **May 2025** (via your MyPension account). Should you require a paper copy, please contact us on 01463 702441 from end of May onwards.

MyPension is compatible with the following web browsers: Chrome, Safari, Edge, and Firefox.

Protection for you and your family

Power of Attorney

As time goes by, some of our pensioners need a bit of help from their relatives or friends with their financial affairs. To enable us to take instructions from them, we require evidence of either a Power of Attorney or Financial Guardianship Order. You can find out more information and how to make a Power of Attorney, by visiting the Government website at www.gov.uk/power-of-attorney.

Lump sum death nominations



Manage beneficiaries

Manage who should receive your pension benefits if you pass away.

[Manage my beneficiaries](#)

A survivor's pension may be payable to your husband, wife, civil partner or cohabiting partner as well as your dependent children. There is no need to make a nomination for this – where there is an entitlement, we will pay it automatically.

You can find out more information about survivor's pensions [here](#).

A lump sum death grant may be payable if you die, it will depend on when you left the LGPS, when you retired and how many years pension you have received.

Update your beneficiaries online via MyPension Account. Nominating helps the Highland Pension Fund to pay the death grant more quickly without forming part of your estate (i.e. it does not count for inheritance tax purposes).

Highland Pension Fund retains absolute discretion as to the distribution of the death grant. In the majority of cases, payment will simply be made in accordance with your nomination, however there may be circumstances which prevent us from doing so (for example, if your nominee predeceases you), therefore it is extremely important to keep your nomination up to date.

You can tell us who you would like to nominate by managing your beneficiaries on your MyPension account, alternatively a copy of our nomination form can be found [here](#). You can request a paper form by email or telephone (our contact details can be found at the end of this newsletter).

You can revise your nomination at any time by completing a new nomination form. It is your responsibility to ensure your nominations are kept up to date and in line with your wishes. The lump sum death grant nomination form only applies to the death grant lump sum; it does not affect the payment of any pension for any dependants upon your death.

The McCloud Remedy



What is the McCloud Remedy?

When the Government reformed public service pension schemes in 2014 and 2015, the LGPS changed from a final salary to a career average pension scheme and protections were introduced for older scheme members. In December 2018, the Court of Appeal ruled that younger members

of the Judges' and Firefighters' Pension Schemes had been unlawfully discriminated against because the protections did not apply to them. This ruling is called the 'McCloud judgment' and as a result of the ruling, changes have been made to the LGPS to remove the age discrimination - these changes are known as the 'McCloud remedy'.

How did the protection work in the LGPS?

In 2015, the LGPS (Scotland) changed from a final salary scheme to a career average scheme. Older members who were closer to retirement were protected from these changes. Members were protected if they met these conditions:

- born before 1 April 1957
- joined the LGPS before 1 April 2012 (or another public service pension scheme)
- under age 65 and an active member between 1 April 2015 and 31 March 2022
- took their pension straight away when they left the LGPS.

When a protected member retired, their pension fund compared the career average pension they built up before age 65 with the pension they would have built up in the final salary scheme. If the final salary pension was higher, the difference was added to their pension. This protection is called the 'underpin'. There were problems with the underpin as the 'old' rules did not guarantee that all protected members got a pension at least as good as they would have got under the final salary scheme.

Changes to the LGPS

The LGPS rules changed from 1 October 2023 because of the McCloud remedy. The changes are backdated to 1 April 2015, when the career average scheme started. If you qualify for underpin protection, you will be protected even if you have already left the LGPS or taken your pension.

The McCloud remedy means two main changes for LGPS members:

1. Qualifying younger members are now protected by the underpin too. This removes the discrimination found in the McCloud judgment.
2. The new underpin rules are much more detailed. This means that the underpin works fairly and consistently for all protected members. If you were protected by the 'old' underpin rules when you took your pension before 1 October 2023, your pension might increase under the 'new' rules.

Am I affected?

Not all LGPS members are affected by the McCloud remedy. You can use the [Am I affected](#) tool to find out if you are affected. The basic rules are also set out below:

You will not be affected by the McCloud remedy if:

- you turned 65 before 1 April 2015
- you left the LGPS before 1 April 2015.

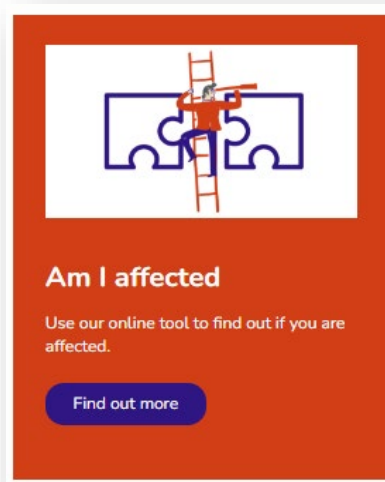
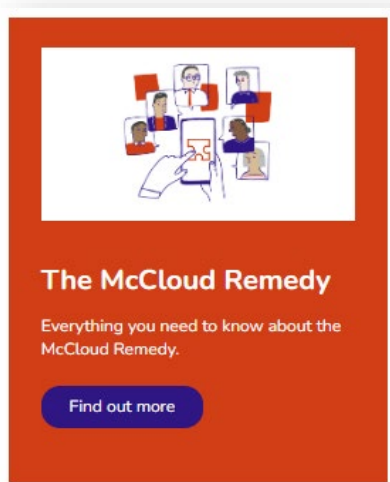
Your LGPS pension is protected by the McCloud remedy if:

- you were a member of the LGPS or another public service pension scheme before 1 April 2012
- you were a member of the LGPS in the remedy period between 1 April 2015 and 31 March 2022
- you were under age 65 in the remedy period, and
- you have not had a disqualifying gap.

Underpin protection only applies to pensions built up in the remedy period (1 April 2015 to 31 March 2022). The protection stopped earlier if you left the Scheme or reached your final salary normal retirement age (usually 65) before 31 March 2022. There's no underpin protection from 1 April 2022 onwards. Pensions built up after this date are based on the career average scheme only.

What does this mean for me?

Underpin protection works in different ways for different members. You find detailed information and [examples of how different members are affected](#) in the links below:



What should you do?

You do not need to do anything. We will review all the pensions we are paying to work out which ones will increase. If you are due an increase, we will pay this increase to you automatically along with the arrears of pension and interest. Although these changes came into force from 1 October 2023, it will take many months for us to review all the pensions we are paying as the new underpin rules are very complex. We will only write to you if the new rules mean that your pension will increase because of the remedy.

If you or someone you know is contacted by a third-party organisation selling a service to help you claim additional pension you should not engage with them. These claims could be costly and are unnecessary because, if you've been affected you automatically benefit from any protection that's provided. For more information about the McCloud remedy, please visit the national LGPS (Scotland) website: <https://www.scotlgpsmember.org/mccloud-remedy/>.

The LGPS and Tell us once

Tell us once is a service that lets an individual reporting a death inform lots of Government organisations in one go. At a stressful time, it saves the individual from having to contact a number of different organisations. It also means that the organisations themselves receive the notification quickly, and because this information is coming from an official source, separate verification is not needed.

Tell Us Once involves the completion of a simple form. It is typically used at the point an individual registers a death with a local authority registrar. The registrar will either complete the form with the individual or provide the person with instructions as to how to complete the form, over the phone or via the web. There is a specific tick box which needs to be completed so that pension schemes are included.

Managing your data

Highland Pension Fund is run by the Highland Council, as the administering authority of the Local Government Pension Scheme (Scotland). We are required to hold certain information about you (personal data) to administer the Fund and to calculate and provide you (and your beneficiaries) with benefits. We obtain some of this personal data directly from you and we also obtain data from your employer (for example, salary information) as well as from other sources including public databases. To comply with regulations, Highland Pension Fund is required to share limited personal information with other public service bodies to prevent and detect fraud.

LGPS National Insurance Database

This is a data sharing project with all other Local Government Pension Funds in Scotland. It allows funds to identify if a member has any LGPS records elsewhere; information which is necessary to help administer the pension scheme, calculate pension benefits and avoid overpayment of lump sum death grants.

National Fraud Initiative

The Fund has a legal obligation to participate in the National Fraud Initiative (NFI), a counter fraud exercise led by Audit Scotland. This exercise takes place every 2 years and compares information about individuals held by different public bodies to identify circumstances that might suggest the existence of fraud or error.

Address Tracing and Mortality screening (ATMOS)

ATMOS is an enhanced mortality screening service which identifies potential mortality matches based on data held by the General Records Office Disclosure of Death Registration Information (GDO-DDRI) and the National Deceased Register (NDR).

Tell Us Once

This service allows the Fund to be automatically notified when a death is registered. The Fund does not sell any information to third parties and data collected and shared is processed in line with the UK General Data Protection Regulation and Data Protection Act.

Data Protection Regulations (DPA 2018)

The Data Protection Act 2018 is the UK's implementation of the General Data Protection Regulation (GDPR). Everyone responsible for using personal data has to follow strict rules called 'data protection principles'. They must make sure the information is: used fairly, lawfully and transparently.

The regulation states that your personal data held by the Pension Fund should be:

- used fairly, lawfully and transparently
- used for specified, explicit purposes
- used in a way that is adequate, relevant and limited to only what is necessary
- accurate and, where necessary, kept up to date
- kept for no longer than is necessary
- handled in a way that ensures appropriate security, including protection against unlawful or unauthorised processing, access, loss, destruction or damage.

The Highland Council Pension Fund is very careful already about how it deals with your personal data. As a local authority Pension Fund, the Highland Council has a legal requirement to hold your data in order to comply with our legal obligations. For more information, please refer to our Privacy Notice which can be viewed [here](#) – it is also published on our website www.highlandpensionfund.org.

Dates for your diary

Pension payments are made on the last banking day of every month with the exception of December payments which are made in advance of Christmas.

During 2025/26, your pension payments will be paid to you on the following dates:

CALENDAR

2025/26

- | | |
|---------------------|--------------------|
| ▪ 30 April 2025 | ▪ 31 October 2025 |
| ▪ 30 May 2025 | ▪ 28 November 2025 |
| ▪ 30 June 2025 | ▪ 22 December 2025 |
| ▪ 30 July 2025 | ▪ 30 January 2026 |
| ▪ 29 August 2025 | ▪ 27 February 2026 |
| ▪ 30 September 2025 | ▪ 31 March 2026 |

Keep us up to date with changes

Have your personal details changed?

It is important that we are able to pay your pension correctly and on time. To ensure this happens we begin processing your pension payments approximately 1 week before it is paid to you. Please contact us as soon as possible if you have changed your bank account, contact address, name or any other key information as soon as possible. **The quickest way and most secure way to do this is by logging into your MyPension account.**

Working again following a redundancy retirement?

If you were retired on the grounds of redundancy or efficiency and received compensatory added years as part of your benefit package, there is a possibility that your pension could be affected if you become re-employed, even if you do not re-join the LGPS. As explained in the letter we sent you when you retired, you should contact us before you take up such employment so that we can check your personal circumstances and advise if your pension could be affected. Our contact information can be found below.

Useful contact information

Highland Pension Fund

Dealing with the calculation of your retirement benefits, annual increases and the distribution of P60 certificates and payslips.

Telephone 01463 702441

Email mypension@highland.gov.uk

Website www.highlandpensionfund.org

Dealing with production of your monthly pension payments, payslips, P60 certificates, operating tax code changes and tax returns.

Telephone 01463 702441

Email mypension@highland.gov.uk

HM Revenue and Customs (HMRC)

Dealing with setting and amending your tax code.

Telephone 0300 200 3300

State Pension Benefits

You can find lots of useful information regarding the state pension and other benefits on the Government Website www.gov.uk/contact-pension-service

Telephone: 0800 731 7898

We welcome your feedback on any of the services we provide as well as any suggestions of what you would like to see in future editions of our Pensions Newsletters.