



## News from the Environment Agency Pension Fund

### 1. Welcome

Welcome to the winter edition of your contributing member pension newsletter.

This gives you important news and updates about your pension fund. Our 'Pension basics' section covers some useful case studies to help show the importance of making and regularly updating your death grant nomination.

If you'd like to download our newsletter, [you'll find a PDF version in the Newsletters section of our website](#).

If you have any feedback about the communications we send you, please email us at [Engage@eapf.org.uk](mailto:Engage@eapf.org.uk)

### 2. Pension news

#### **The chancellor announces plans on the pooling of Local Government Pension Fund assets**

Newly elected chancellor, Rachel Reeves used her Mansion House speech on Thursday 14 November, to outline changes to the Local Government Pension Scheme (LGPS). The Mansion House speech sets out how government supports and grows the economy with the City of London, and the financial services sector. The Environment Agency Pension Fund (EAPF) is part of the LGPS.

The chancellor set out plans to introduce a new Pensions Bill next year that builds on outcomes from the July 2024 Pensions Review of both the LGPS and workplace defined contribution (DC) pensions schemes.



[Find out more](#)

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### **Autumn Budget update - inheritance tax on death grant payments**

In her first budget, chancellor Rachel Reeves announced that Inheritance Tax will be charged on some death benefits.

From 6 April 2027, most unused pension funds and death benefit lump sums will be included within the value of a person's estate for Inheritance Tax purposes. Capita, as administrators of the EAPF will be responsible for reporting and paying any tax due to His Majesty's Revenue and Customs (HMRC).

[Find out more](#)

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### **Automatic Re-enrolment in March 2025**

The government introduced legislation in 2012/13 to ensure individuals have another source of income when they retire, in addition to their state pension. Since 2013, employers have been required to automatically enrol their employees into a qualifying workplace pension scheme, such as the LGPS, if they are not already in one.

Thereafter, employers have had to re-enrol employees who decide to opt out of the pension scheme every 3 years. The next re-enrolment date for the Environment Agency is 1 March 2025, and work is already underway to ensure compliance (the re-enrolment date for NRW employees isn't until 1 July 2026 – so this isn't happening just yet).

[Read more on Auto Re-enrolment](#)

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### **McCloud remedy**

The 'McCloud remedy' refers to an anti-age discriminatory protection given to members of public service pension schemes (including the LGPS), who, providing they meet the necessary criteria, will receive the greater of the 'old' final salary scheme benefits or the career average (CARE) scheme benefits for the period 1 April 2014 to

31 March 2022 ('the remedy period').

You may have noticed from this year's pension statement that you're now being informed whether you're "eligible for the McCloud underpin"; this is because, for the LGPS, the McCloud remedy equates to a final salary 'underpin'. However, not all members will be eligible for an underpin, and most of those who are eligible won't receive an uplift. This is because, for most members, the pension they had in the CARE scheme is greater than they would've had, if the final salary scheme had continued beyond 2014.

[Read more on McCloud](#)



### Replacing the Lifetime Allowance with the Lump Sum Allowance

Since 6 April 2024, the old 'Lifetime Allowance' (which was a limit on the amount of pension benefits that can be paid from a person's pension schemes without triggering a tax charge), has been replaced with a 'Lump Sum Allowance' (LSA) of £268,275. The LSA limits the amount of tax free lump sums (and the tax free elements of lump sums) that you can take in your lifetime.

[Find out more](#)



### New Shariah compliant option in our AVC offering

As a member of the EAPF, you have the option to increase the benefits you'll receive at retirement by contributing to an Additional Voluntary Contribution (AVC).

We've reviewed our AVC offering and Prudential, one of our in-house AVC providers now offers a Shariah compliant investment option in its range of Funds for members.

[Find out more](#)

## Inflationary increase rate for 2025 expected to be 1.7%

The increase in the Consumer Price Index (CPI) for the year ending September 2024 was confirmed by HM Treasury as 1.7%.

Official confirmation from HM Treasury as to whether the 1.7% increase will apply to public service pension schemes (including the LGPS) is expected by March 2025, before the increase takes effect on 6 April 2025 for contributory members, and 7 April 2025 for deferred and pensioner members.

## How does 1.7% CPI affect my pension?

- **Contributing members** – the total amount of career average (CARE) pension\*

built up to 31 March 2025 would be increased by 1.7% on 6 April 2025. In addition, changes to the contribution bandings, which are increased by CPI on 1 April each year, could mean that you end up falling into a lower contribution band, so you'd be paying less for your pension, but not losing out on any of the pension you build up!

- **Deferred and pensioner members** – If you've been receiving a pension from the EAPF for at least a full year by April 2025 or, if you've had a deferred pension with the EAPF for at least a full year before April 2025, these would increase by 1.7% on 7 April 2025. However, if you haven't had either for a full year by April 2025, then you might receive a smaller increase.

\*This includes any additional pension you may have bought up to 31 March 2025, or any transfers into the Scheme between 1 April 2014 and 31 March 2025, where you acquired an amount of 'earned pension', rather than final salary membership.

Band	Expected bands from 1 April 2025 - Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £17,800	5.5%	2.75%
2	£17,801 - £28,000	5.8%	2.9%
3	£28,001 - £45,600	6.5%	3.25%
4	£44,601 - £57,700	6.8%	3.4%
5	£57,701 - £81,000	8.5%	4.25%
6	£81,001 - £114,800	9.9%	4.95%
7	£114,801 - £135,300	10.5%	5.25%
8	£135,301 - £203,000	11.4%	5.7%
9	£203,001 or more	12.5%	6.25%

### 3. Pension basics – Death grant nomination special

#### Making a death grant nomination for your loved ones

Your loved ones being covered financially in the event of your death is one of the most important benefits of being a member of the EAPF. The Scheme provides valuable protection for your dependants, whether you die before or after you retire.

You can decide who you wish your lump sum death grant to be paid to (of 3 times your assumed pensionable pay) by completing an 'Expression of wish' nomination form. The easiest way to do this is via EAPF Online, see our 'Online services' section below for more details on how to do this.

#### Make sure you keep it updated

It's really important to regularly check and make sure you have an up-to-date nomination in place. Even if it just means reconfirming the same information we already have, at least we'll know that your wishes are current.

It's a common thing for a member's circumstances to change, and it can make it really difficult for us to know your wishes if they aren't up to date.

We've created some case studies below to show how you could be affected by not keeping your nominations updated. Click below to see why its so important to update your nominations.



### Joe's story

Joe died in 2023, leaving a death grant payment of £99,000. He'd last completed a nomination form in 2012 in which he nominated his best friend, Caitlyn. He had not made a will.

Joe hadn't married, but had left behind his parents, brother, two sisters, nephew and his best friend Caitlyn - all of whom he had a close relationship with.



### Nina's story

Nina died in January 2024. She left an entitlement to a death grant payment of £79,000. Unfortunately, Nina hadn't completed a nomination form. She had, however completed a will in 2020.

Nina hadn't married or had children of her own. In Nina's will, she had left everything in her estate to her two sisters who had both unfortunately died before her.

[Read more about Joe and Nina's case studies](#)

## 4. Online services

### Make your death grant nomination on EAPF Online

You can decide who you wish your lump sum death grant (of 3 times your assumed pensionable pay) to be paid to by completing an 'Expression of wish' nomination form. The easiest way to do this is via EAPF Online, your personal pension portal by selecting 'My Nomination' once logged in.

It's easy to register for your EAPF Online account; you just need your National Insurance number and personal details. Once you've registered online and made a nomination, you can easily check who you have currently nominated, and update or delete your nominations at a time that suits you!

Not only this but having it online means that you can review and refresh your nomination each year when you log on to view your annual pension statement. As you'll see from our earlier 'Death grant nomination special' story, it's really important to let us know your wishes are up to date, even if it's just to nominate the same person.

For more details on death grants and other benefits payable, [visit our Death and Dependants page](#).

**Register or Log in to make your nomination!**

## **Changes in how we communicate with you**

Since the recent developments in our online portal, with its increased security and improvements in logging on using Multi Factor Authentication (MFA) – going forwards the most secure way to communicate with you is using the online portal.

There are still further developments and new features we're working on, but in the interests of using the most secure route to correspond with you regarding your pension (without the need to send information via post or email) the new 2-way mailbox will be utilised more in the future.

Besides the fact that communicating with you on the online portal is the most secure route, importantly, there are environmental benefits too in reducing the carbon emissions associated with printing and posting.

**See what changes are coming**

## **5. Investments**

### **A royal honour for the EAPF to meet King Charles**

The most powerful tool our pension fund has to drive positive change is choosing where to invest.

The EAPF has chosen to invest 4% of our assets in nature - about £200m. This is enhancing biodiversity, enriching lives, tackling climate change and delivering a good financial return to boot.

So it was an honour for the Fund to be invited to St James Palace in November to participate in an event by the Circular Bio-economy Alliance.



**Find out more**

## **6. Communications**

## Christmas opening times

The EAPF's administrators, Capita will be closed from 12.30pm on Tuesday 24 December and will reopen at 9am on Friday 27 December. For New Year, Capita will close at 12.30pm on Tuesday 31 December and will reopen at 9am on Thursday 2 January 2025.

We wish everyone a Merry Christmas and a Happy New Year!



## Contributing member pension webinars 2024

Our popular Contributing member webinars returned through October and November this year.

We saw a record number of sign-ups this year – 2,691 in total! We also added an extra 'Increasing your benefits' session this year due to how popular this webinar was.

We surveyed those who attended our sessions and 366 of you completed our survey. We use this feedback to continually improve our webinars and service we provide you. See what our members thought about this year's sessions by clicking below.

If you didn't get a chance to attend this year, don't worry you can [watch our presentations on our website](#).

[See our webinar survey results](#)



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