



## News from the Environment Agency Pension Fund

### 1. Welcome

Welcome to your digital annual newsletter, which provides useful updates and information about your EAPF pension.

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

This is your newsletter so please let us know if there's anything you'd like to see included by emailing us at [Engage@eapf.org.uk](mailto:Engage@eapf.org.uk)

### 2. Investments

#### **EAPF wins Pension Fund of Year!**

The Environment Agency Pension Fund (EAPF) has been named European Pension Fund of the Year (and Best UK Pension Fund!) at the [Investment & Pensions Europe \(IPE\) Awards 2024](#).

"With challenging emission goals and the creation of a new investment category for natural capital, EAPF identifies itself with the background and specific knowledge of its members in a smart way. A true example for other funds to follow," said one judge for the IPE awards panel. It is an honour for our "innovative, sustainability focused

portfolios" underpinned by our science-based approach to be recognised as so well aligned with the expertise of our members.

[Find out more](#)

## 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 Bioeconomy Alliance](#). Established by King Charles III, this initiative seeks to put nature front and centre of our economy. It was inspirational to be alongside people from so many different walks of life who share our passion for making positive choices to look after the natural world.



[Find out more](#)

## 3. News from the EAPF

### Would you like to join our Pensions Committee?

We're looking to recruit to our Pensions Committee. The EAPF is looking for an individual who can represent deferred members.

You don't need any relevant experience, but you do need to have an interest in making sure our pension scheme works well and be able to represent the views of deferred members.

The role is open to anyone who is currently a deferred member of the fund.

It's an exciting and unique opportunity to learn about pensions, investments and how a pension fund is run. This role will take up around 10 days a year, and you'll have to attend at least 4 meetings every year and undertake some training, which we'd help you with.

Click below to read more on what the role involves, the skills required and how to apply.



[See more details about this role](#)

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## **EAPF responds to plans for pooling of LGPS assets**

Newly elected chancellor, Rachel Reeves used her Mansion House speech on Thursday 14 November 2024, to outline changes to the Local Government Pension Scheme (LGPS).

The chancellor set out plans to introduce a new Pensions Bill in 2025 that builds on outcomes from the July 2024 Pensions Review of both the LGPS and workplace defined contribution (DC) pensions schemes. The Pensions Review was set up with the twin objectives of improving pension outcomes for members and increasing investment in the UK.

The government has consulted on proposals to put the LGPS on a clearer, firmer trajectory to scale and consolidation, as well as measures to improve scheme governance and investment.

[Find out more](#)

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## **Your deferred annual pension statement**

Your statement tells you what your deferred pension is currently worth including the latest Pension Increase (Review) order. Your statement also reminds you about whether you've nominated beneficiaries and how your benefits compare against pension tax limits.

You'll also notice some changes on your statement this year due to the McCloud remedy. Click the button below to see more details about these changes.

Your latest deferred annual pension statement will be available on EAPF Online in July.



[Read more on the changes to your 2025 statement](#)

## 4. Pension news

### Normal Minimum Pension Age (NMPA) is increasing to 57

The normal minimum pension age (NMPA) for pension schemes is increasing from age 55 to 57 on 6 April 2028. The Finance Act 2022 received Royal Assent in February 2022.

The NMPA is the earliest age at which a pension scheme member can claim their pension benefits.

There are certain circumstances where it may be possible for a member to retain the right to retire at 55, **such as being a deferred member of the pension scheme before 4 November 2021**, but the Government have not confirmed whether they plan to implement this for the LGPS.

If you were a deferred member of the scheme before 4 November 2021, click our link below to read more about the changes that could affect you.

[Read the full update](#)

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### 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).

Inheritance tax is currently payable if your estate is greater than £325,000 and is left to someone other than a spouse or registered charity. The government estimates that the change will affect around 1.5% of total UK deaths.

A government consultation has been issued regarding the details of the changes which Capita are currently reviewing.

For the sake of clarity, the government is not proposing to include the value of survivor's pensions or children's pensions within the value of a person's estate for Inheritance Tax Purposes.

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## 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.

You'll also need to have available Lump Sum and Death Benefit Allowance (LSDBA), which, at £1,073,100, is higher than the LSA. If you have available LSA, you will usually have sufficient LSDBA, unless you have taken a Serious Ill Health Lump Sum from another pension arrangement.

For more information on the abolition of the LTA, as well as the introduction of the LSA and LSDBA, please visit <https://www.gov.uk/government/publications/lifetime-allowance-guidance-newsletter-march-2024/lifetime-allowance-guidance-newsletter-march-2024>



### Don't let a scammer get their hands on your pension!

In recent years the pensions industry has seen a dramatic rise in pension scams. Don't fall victim to a scammer, who doesn't deserve your hard-earned pension!

Scammers are now more sophisticated than ever before. They can be articulate and financially knowledgeable, as well as having impressive websites, making it really quite difficult to suspect anything untoward.

[Find out more](#)



### Annual revaluation 2025

Your benefits are adjusted annually in line with Pension Increase Orders, which is based on the increase in the Consumer Prices Index over the 12 month period to September 2024.

This means that there's an increase of 1.7% applied to your deferred benefits, from Monday 7 April 2025.

[Find out more](#)

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## McCloud remedy

The McCloud remedy was written into LGPS regulations on 1 October 2023.

'McCloud' refers to a 2018 court judgment, which ruled that the protection given to older members of public service pension schemes, when they reformed to become Career Average Revalued Earnings (CARE) pension schemes, was discriminatory against younger members of these schemes.

Depending on your circumstances, you may qualify for an underpin, which means

some members may be entitled to an increase. However, not all members will qualify, and most of those who do qualify won't get an increase. This is because, for most members, the pension they had in the CARE scheme is higher than they would've had, if the final salary scheme had continued beyond 2014.

For anyone who does qualify for an increase because of the McCloud remedy, you won't need to do anything as it's done automatically, and you'll be notified where this is the case.

### **Join the LGPS McCloud remedy webinars**

The LGPS has joined with Affinity Connect to develop McCloud webinars for both active and deferred Scheme members.

Webinar sessions are currently being held until 30 May 2025 and are aimed at those members who are protected by the McCloud remedy and would like to learn more about how they might be affected.

For more details about these webinars, the 'underpin' or McCloud in general, please visit our McCloud hub.

[Visit our McCloud hub](#)

## **5. Communications**

### **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 by completing an 'Expression of wish' nomination form. The amount payable for deferred members depends on when you stopped contributing to the Scheme. For more details on the death grant payable, please visit [www.eapf.org.uk/dgnom](http://www.eapf.org.uk/dgnom)

The easiest way to make a nomination 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. As a deferred member, it's easy to forget to update us if you have a change of circumstance that means your wishes have changed.

Our case studies below show how people can be affected by not keeping their nominations updated.



### 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 our full story and case studies](#)

## If you're over Normal Pension Age (NPA) your pension is payable now!

If you've passed your Normal Pension Age (NPA), then your deferred pension benefits with the EAPF are payable immediately.

If you left before 1 April 1998 and you're over your NPA, you can no longer defer your benefits. **This means you must receive the payment of your deferred benefits**, and therefore, you'll need to contact us to take them.

If you left on or after 1 April 1998 and you don't want to take your benefits at this time, **you must get in contact with us in writing and request to defer taking your benefits.**



[Find out more and how to apply](#)

## Deferred member pension webinar

We will be running a webinar later this year at some time in the summer months. Look out for our email invitation where you can register to attend. This will include details about how to access the webinar and the topics we'll be covering.

We'll be covering a number of interesting topics and other issues related to your pension benefits. There will also be a chance for you to ask questions and raise any areas of concern.

## Keeping us up to date

It's really important to keep us up to date with your current personal email address, so we can let you know when your digital newsletters and pension statements are available each year.

This also lets us keep you up to date when important Government changes happen that may affect your deferred EAPF pension.

You can update your details by:

- [Logging into your EAPF Online account](#)
- Submitting a contact form at [www.eapf.org.uk/ask-us-a-question](http://www.eapf.org.uk/ask-us-a-question)
- Emailing us at [info@eapf.org.uk](mailto:info@eapf.org.uk)
- Calling 0800 121 6593

Our communications give you important information about your pension and the options available to you to help you plan for retirement.

## 5. Online services

### Making a death grant nomination online

You can decide who you wish your lump sum death grant to be paid to by completing an 'Expression of wish' nomination form. The amount payable depends on when you stopped contributing to the Scheme. For more details on the death grants payable, please visit [www.eapf.org.uk/dgnom](http://www.eapf.org.uk/dgnom)

The easiest way to make a nomination 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. 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 about other death benefits payable, [visit our Death and Dependants page](#).

[Register or Log in to make your nomination](#)



## Cyber incident update

You will be aware that Capita experienced a cyber-attack in March 2023, where member data was exfiltrated. Since then, a third-party expert has monitored the dark web daily for any trace of this data. Whilst the monitoring continues, there is no evidence to date of any data leak or misuse.

Your free Experian membership will not be extended after it comes to an end in the coming months. You may therefore wish to consider extending your membership at this time, at your own cost. More information about the options available can be found under the 'Identity theft' section on the Experian website at [www.experian.co.uk/consumer/which-product-is-right-for-me.html](http://www.experian.co.uk/consumer/which-product-is-right-for-me.html)


To date, the Information Commissioners Office (ICO) has yet to publish its adjudication, nor do we have any timeline. However, we acknowledge that such cyber investigations can take several years to complete.

More information about assurance and the ICO judgment can be found on our Cyber hub by clicking the button below.


[Visit our Cyber hub](#)


If you need a version of this newsletter in a more accessible format, please email us at [engage@eapf.org.uk](mailto:engage@eapf.org.uk) or call us using the telephone number shown below.

Please tell us what format you need so we can try and arrange this for you.

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**Environment Agency  
Pension Fund**

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