



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 our Newsletters section on our website.](#)

If you have any feedback about the communications we send you, please email us at Engage@eapf.org.uk

2. Investments

Our Stewardship code submission

We recently published our Stewardship Code submission. This is our annual in depth report on our approach to responsible investment, covering the period 01 January 2024 – 31 March 2025. Investing in companies gives us the ability to engage with those companies to influence positive change.

This report outlines how we influence companies we invest in and how we contribute to wider change across the finance sector. The report also highlights successes throughout the reporting period.



[Read more and see our submission](#)

Your award winning Pension Fund

Your Pension Fund is an international leader in responsible investment. EAPF recently won an award for its 'pioneering' Natural Capital strategy at a conference in Rotterdam.

We also won an award for our 'forward-thinking' sustainable investment strategy at the Local Authority Pension Fund awards, closely followed by an award for Impact Integration at the Pensions for Purpose awards.

Reasons for winning these include our industry-leading target to allocate 4% of assets to protecting and enhancing nature and the 18% of assets we've already invested in climate solutions. We're really proud of these awards and will continue to strive to lead the way in these and other areas!

3. Pension news

Update on Government plans for LGPS pooling

The EAPF is a fund of the Local Government Pension Scheme (LGPS). Earlier this year we responded to a consultation concerning the Government's proposed changes to the way LGPS fund assets are managed.

In our response, we explained that we support the Government's need for LGPS assets to better support growth and green growth in particular but that we did not wish to compromise on our responsible investment approach.

[Find out more](#)

Access and Fairness consultation

The Local Government Pension Scheme (LGPS) is currently going through a government consultation. The consultation which closed in August, focused on improving access and fairness within the scheme.

The purpose of the consultation is to correct historic discrepancies in the regulations which could be deemed discriminatory. It also aims to improve some of the current complexities with administration.

[Read more about the consultation](#)

2025 Autumn Budget announcement

After much anticipation (and a considerable number of false rumours), the Chancellor of the Exchequer presented her second Budget on 26 November 2025.

The only pension related changes that would affect contributing EAPF members are:

- Extending the freeze on income tax thresholds from April 2028 to April 2031
- Where a Death Grant Lump Sum is subject to Inheritance Tax* (applicable from April 2027)

Click below to read more about these changes and how they might affect you.

[Read more about these changes](#)

Pensions dashboard update

Pensions Dashboard is a national initiative being driven and implemented by the UK government. It will enable individuals to access all of their pensions in one place through a secure, online portal. This includes access to information on any private pension savings, public sector pensions and the State Pension to help members find their pensions and understand what their retirement picture looks like.

Connecting all pension funds to the Dashboard is a complex task which began in April 2025 and will take some time to complete. However over 40 million pension records are already connected, which is around half of the total records. The State Pension also recently connected, which is another key milestone. The EAPF has been working closely with Capita and the national programme to connect.

[Find out more](#)



Tax allowances

The Lump Sum Allowance (LSA) is currently set at £268,275. LSA limits the amount of tax free lump sums (and the tax free elements of lump sums) that you can take in your lifetime.

The Annual Allowance (AA) limit is set by the Treasury and is currently £60,000 for the 2025/26 tax year. This is the amount by which the value of your pension savings may increase in any one year without you having to pay an excess tax charge.

[Find out more](#)



McCloud changes to your pension statements

Since 2024, we've been updating the details shown on your annual pension statement as part of the McCloud remedy improvements.

In August 2024, your pension statement was updated to show if you're eligible for the 'McCloud Underpin'.

In August 2025, we included the estimated value of any McCloud uplift that would apply on 31 March 2025 and at your Normal Pension Age.

[Find out more](#)

Inflationary increase rate for 2026 expected to be 3.8%

The increase in the Consumer Price Index (CPI) for the year ending September 2025 was confirmed by HM Treasury as 3.8%.

Official confirmation from HM Treasury as to whether the 3.8% increase will apply to public service pension schemes (including the LGPS) is expected by March 2026, before the increase takes effect on 6 April 2026.

How does 3.8% CPI affect my pension?

If HM Treasury confirms that the 3.8% Consumer Price Index (CPI) increase will be applied to public service pension schemes, your EAPF pension would be affected in the following ways:

Contributing members – the total amount of career average (CARE) pension* built up to 31 March 2026 would be increased by 3.8% on 6 April 2026. 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 2026 or, if you've had a deferred pension with the EAPF for at least a full year before April 2026, these would increase by 3.8% on 6 April 2026. However, if you haven't had either for a full year by April 2026, then you might receive a smaller increase.

*This includes any additional pension you may have bought up to 31 March 2026, or any transfers into the Scheme between 1 April 2014 and 31 March 2026, where you acquired an amount of 'earned pension', rather than final salary membership.

[See the expected pay bands for April 2026](#)

4. Pension basics

Partial retirement process - Roles and responsibilities

We wanted to include partial retirement as an item in this newsletter as it's increasingly become a very popular retirement choice over more recent years.

The popularity of partial retirement is because it allows members to ease into retirement by drawing their pension alongside reduced hours or responsibilities, rather than having a clean break – which can sometimes (for some people) seem more daunting.

However, from a process perspective – for Environment Agency employees, this process is led by the member and their line manager, and there's a responsibility for both to manage this process. There is guidance on the Easinet which takes you through the steps to take and the timings to allow for each part of the process.



[Read more about partial retirement](#)

5. Online services

Our new death grant nomination section

One of the key benefits of EAPF membership is financial protection for your dependants, both before and after retirement.

We've recently created a new 'Death grant nomination' website page which helps members understand why making a death grant is so important.

The EAPF has the discretion to pay a death grant lump sum to your nominee. Your chosen nominee can be anyone - a relative, friend or even a charity. It can also be split multiple ways, as long as you record the percentage against each nominee and this adds up to 100%.

In our new death grant section, you'll find useful information about:

- How to make a nomination
- Which type of members are eligible to make a nomination
- How much could be payable depending on the type of member you are
- Case studies showing what happens when you don't make or keep nominations updated

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

[Visit our new 'Death grant nomination' page](#)

Our transition to digital services

Using our online portal is the most secure way to contact us and also helps reduce carbon emissions from printing and mailing.

Choosing to email your pension enquiries to us can expose you to spam, viruses, and security risks, especially when having to share your personal information. The email contact option will eventually be phased out in 2026 to keep your data safe and make contacting us a more seamless process by using the portal.

We'll be writing to all our members over the next 10 months or so to update you about our plan on transitioning to digital services. These communications will explain your choices if the portal isn't right for you or if you don't have access to digital communication tools.

The portal gives you access your pension information 24/7 without needing to speak to a member of the team. You can update your contact details, make a nomination and view useful information about your pension, whichever type of member you are.

[Log in or register to EAPF Online](#)

5. Communications

Christmas opening times

The EAPF's administrators, Capita, will be closed from 12.30pm on Wednesday 24 December and will reopen at 8.30am on Monday 29 December. For New Year, Capita will close at 12.30pm on Wednesday 31 December and will reopen at 8.30am on Friday 2 January 2026.

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



Contributing member webinars 2025

We held our contributing member webinars in October and November of this year.

We saw a record number of 3,237 sign-ups this year and 1,873 of you attended which shows that you're interested in learning about your pension.

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

We've created a Q&A document following the questions asked in these webinars. You can access this document by clicking the button below.

We also surveyed those who attended our sessions and 425 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.

[Read more and see our webinar survey results](#)

Cyber incident update

In 2023, we informed you that Capita (our pensions administrator) had experienced a cyber-attack. On 15 October 2025, the ICO published the results of its investigation into Capita and the cyber-attack.


We've updated our Q&A in light of the ICO's decision. We keep the most up to date information in our Cyber Q&A on our Cyber hub at www.eapf.org.uk/cyber


We want to reassure you that it remains the case that there is no evidence that information resulting from this incident has been misused, or that it is available illegally including on any third-party websites. Capita continues to routinely monitor the dark web for any trace of exfiltrated data via independent third-party experts.

You can read the full information from the ICO's report on the [ICO's website](#).

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