The 2026 annual newsletter of the L&Q Housing Trust Staff Benefits Plan

# Saving for retirement

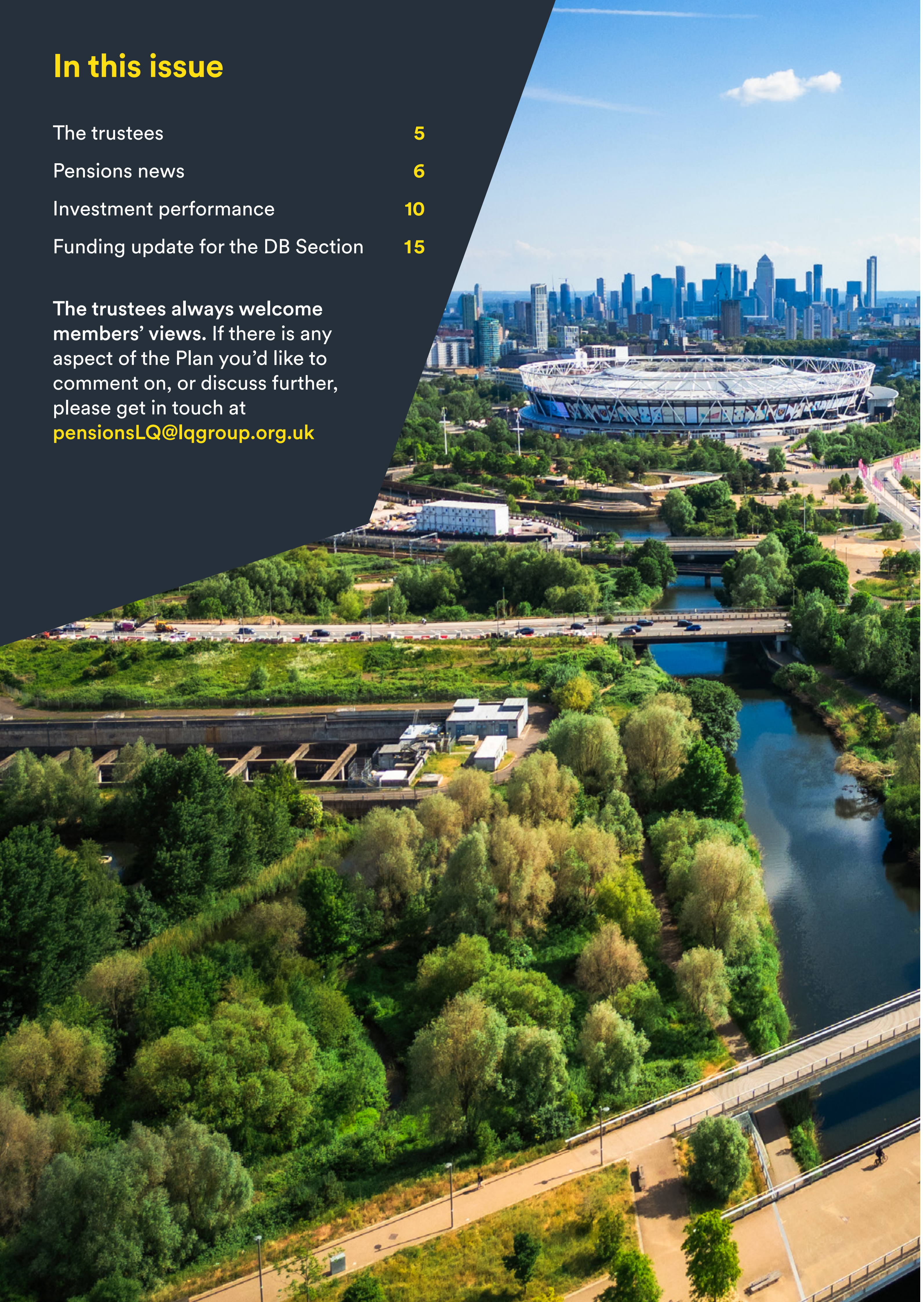
L&Q

You can contact our pension advisers, Hymans Robertson, at LQpensions@Hymans.co.uk or 0121 210 4334.

# In this issue



**The trustees always welcome members' views.** If there is any aspect of the Plan you'd like to comment on, or discuss further, please get in touch at **pensionsLQ@lqgroup.org.uk**



# Our trustees

Our trustees are responsible for running the Plan in accordance with the Trust Deed and Rules - the legal documents that govern it. As part of their responsibilities, the trustees invest the Plan's assets and oversee the payment of benefits to members and other beneficiaries. **Our current trustees are:**

| Trustees | |
|---|---|
| Joanne Fairbairn (Chair) | Independent trustee, Zedra Governance Limited |
| Tom Nicholls | Employer appointed trustee |
| Amy Gilham | Employer appointed trustee |
| Jasmin Bryan | Member nominated trustee |
| Paul Hornsby | Member nominated trustee |

## Member nominated trustee exercise

The trustees are currently running a process to appoint two new member-nominated trustees following the transfer of the DC section to the Standard Life Master Trust. Further communications for this exercise are being distributed to members separately to this newsletter, with instructions on how to nominate a suitable candidate (or yourself if you are eligible) for one of these positions, if you are interested in doing so.

## Plan Structure

**Defined Benefit (DB)**

A pension scheme where the pension paid is based on a set of calculations, using a member's pensionable salary and pensionable service. This is sometimes known as a final salary scheme.

**Defined Contribution (DC)**

The amount in your pension pot at retirement is based on how much has been paid in and how well your investments have performed.

**Updates to the Plan Structure**

In early 2026, the benefits held in the plan's defined contribution (DC) section were transferred to the Standard Life Master Trust. The defined benefit (DB) section remains within the plan and has not changed.

**What does this mean for you?**

This newsletter relates to **defined benefit (DB) benefits only.** If you also have DC benefits, you will receive separate communications directly from Standard Life.

# Pensions news

## Inherited pensions

The tax treatment of inherited pensions is changing.

Generally, inheritance tax currently applies to estates worth £325,000 or more and pensions left to a spouse or partner are not subject to inheritance tax. From 6 April 2027, unused pension funds and death benefits will be included in estates for inheritance tax, subject to a few conditions. Please note that the exact conditions of inheritance tax could vary depending on individual circumstances.

Inheritance tax is a complex matter, so if you plan to pass on your pension savings, you may wish to review your options. We recommend speaking to a financial advisor if this is the case, to understand whether these changes could affect you and your loved ones.

### Expression of wish form

Whilst reviewing your options, take the opportunity to complete your expression of wish form, if you have not done so already. This is a form for you to nominate beneficiaries in the event of your death. It tells the trustees who you wish to receive any benefits payable on your death. The trustees will not be bound by your expression of wish form but will always take it into account when making its decision. You can complete, or update, your expression of wish form via the Plan website or by emailing **LQpensions@Hymans.co.uk**

## State Pension

The State Pension continues to be protected by the triple lock, meaning it increases each year by whichever is highest:

- Inflation
- Average earnings growth
- 2.5%

As a result, both the basic State Pension and new State Pension increased by 4.8% from April 2026.

## State Pension age changes

The State Pension age is gradually rising:

- From age 66 to 67 between April 2026 and April 2028
- A further increase to age 68 is currently planned between 2044 and 2046, although this timetable could change before legislation is finalised.

## Minimum pension age

The minimum age at which most people can access their pension benefits is increasing from 55 to 57 on 6 April 2028.

## Could this affect you?

If you will be age 55 before April 2028 and are considering retiring before age 57, you should check how these changes may affect your plans. Contact the Plan Administrator for more information: **LQpensions@Hymans.co.uk**

## Your pension plan website

Have you logged into your pension account recently? The plan website gives you secure access to important pension information whenever you need it.

On the website you can:

- View and update your personal details
- Check information about your pension
- Update your beneficiary details
- Tell us how you would like us to contact you.

Visit: **www.lqpensionplan.co.uk**
Not registered yet? Register online at:
**https://secure.lqpensionplan.co.uk/register**

The registration process is quick and includes a short security check to protect your information.

Explore the pension knowledge centre. The website also contains useful guidance on topics including:

- Pension scams
- Retirement planning
- Pension payment dates
- Frequently asked questions.

Visit the **Your Pension Knowledge** section for more information: **https://www.lqpensionplan.co.uk/your-pension-knowledge/**

## Pension Dashboard

In addition to your pension in the Plan, it is important to be aware of other pensions you may have, including your State Pension.

The Pensions Dashboards Programme is an upcoming initiative for all pensions in the UK that will transform how you access your pension information. When launched, the dashboard will allow you to see your pension details, including your State Pension, all in one place. Please note that the dashboard will only show pensions not yet in payment and not those currently in payment. This will help you better understand your total retirement savings and plan effectively for the future.

Key advantages of the dashboard:

- **Consolidated view** – You will be able to see information from multiple pension providers, including any workplace or personal pensions, as well as your State Pension, all in one place.
- **Reconnecting with lost pensions** – The dashboard will help you reconnect with any lost or forgotten pension pots.
- **Better planning** – With all your pension data at your fingertips, you can make more informed decisions about your retirement planning.

We have been working behind the scenes with the Plan administrator, Hymans Robertson, to connect to the dashboard. The Plan officially connected to the dashboard in December 2025. It is expected that the dashboard will become available to members of the public in late 2026 or early 2027. We will keep you informed of developments in this area and when you will be able to access it.

# Pensions news (continued)

## Getting financial advice

Your pension is a valuable asset, and your choices will affect the standard of living throughout your retirement. Many people underestimate how long they will live, and underestimate how much income they need in retirement. If you are unsure as to what action to take or are thinking of leaving the Plan for any reason, we strongly recommend that you seek independent financial advice first. Please note that independent financial advisers charge a fee for their services, which you will have to pay. Neither the trustees nor L&Q are able to provide financial advice on your retirement or transfer options. A directory of independent financial advisers in your area can be found at **www.moneyhelper.org.uk**

MoneyHelper is a free government-backed service which provides information, video guides and online tools to help you manage your money by making choices clearer and cutting out the jargon. It also has a team of specialists you can talk to. Visit **www.moneyhelper.org.uk** or ring **0800 011 5780.**

If you are looking for help with any aspect of your personal finances, including your pension, you may find MoneyHelper a useful resource.

Money Helper

## Beware of pension scams!

Scammers are often unknown contacts who will attempt to gain your trust by making false claims. They will likely say they are authorised by the FCA and present unsolicited but attractive investment opportunities, in an attempt to gain control of your pension pot. In other circumstance the money may be stolen outright.

If an offer seems too good to be true, it's likely exactly that. Some warning signs to watch out for include low risk, high return investment opportunities, "free" pension reviews, aggressive sales tactics and complicated investment plans, where it's unclear where your money will end up. If you are called by an unknown number and presented any of these opportunities, it's almost certainly a scam. You should be aware however, that following the cold call ban of 2019, many scammers focus on social media to reach people.

Another way scammers operate is to ask their victims to refer friends, family and colleagues to them. At this point the scammers have usually built a strong relationship with their original victim, who believes they have received a good service. It can be many years before it becomes apparent that someone has lost their pension. If you are referred to someone you are told can help you with your pension, please stay vigilant and check the advisor is who they say they are.

Common scams to be aware of are early pension release and pension review scams. Any scheme offering to help you release cash from your pension before you are 55 is almost always a scam.

Additionally, pension review scams contact people unexpectedly, offering a free pension review. This could be a phone call, an email, text message or an offer in an online advert. Most of the companies offering free pension reviews are not FCA authorised but may falsely claim they are.

The trustees ask you to be suspicious of all unexpected telephone calls, emails, and text messages, and be vigilant on social media platforms. You should not download software or an app unless you know it is safe. When visiting websites, always look for the padlock next to the URL to show a safe connection. The Financial Conduct Authority (FCA) has a register of authorised financial advisers on its website **https://register.fca.org.uk/**

You can also access it by calling **0800 111 6768** or you can learn how to protect yourself from pension scams by visiting the FCA's Scamsmart website **www.fca.org.uk/scamsmart**

The Pensions Regulator, the UK regulator of workplace pension schemes, is also keen to raise awareness of pension scams. Its guidance can be found at **www.thepensionsregulator.gov.uk/en/pension-scams**

## Equalisation of Guaranteed Minimum Pension (GMP) benefits

In 2018, the UK High Court ruled that pension schemes must equalise benefits to address differences in Guaranteed Minimum Pensions (GMPs) between men and women.

For our Plan, this means that some members may receive a small increase to their benefits, while others will see no change (there will be no reduction to the overall value of any member's benefits in the Plan). The members who may be affected are those who were active within the defined benefit section of the Plan between 17 May 1990 and 5 April 1997.

## Current progress

The trustees and their advisers are continuing to work through the detailed calculations required. This is a complex project, but good progress is being made.

If your benefits are affected, we will contact you directly once the review has been completed.

## Keeping the Trustees informed

So that we can continue to send you information about your pension, please remember to let us know if your address changes.

Please also remember to keep your beneficiary nominations up to date, particularly if your circumstances change. You can get a form via the Plan website or by emailing **LQpensions@Hymans.co.uk**

### Your opinion matters

We're always looking for ways to improve the service we provide to members. Whether your feedback is positive, constructive, or simply a suggestion for improvement, we'd love to hear from you.

### Get in touch

**pensionsLQ@lqgroup.org.uk**

**LQpensions@Hymans.co.uk**

Your feedback helps shape the support and services we provide.

# Investment performance

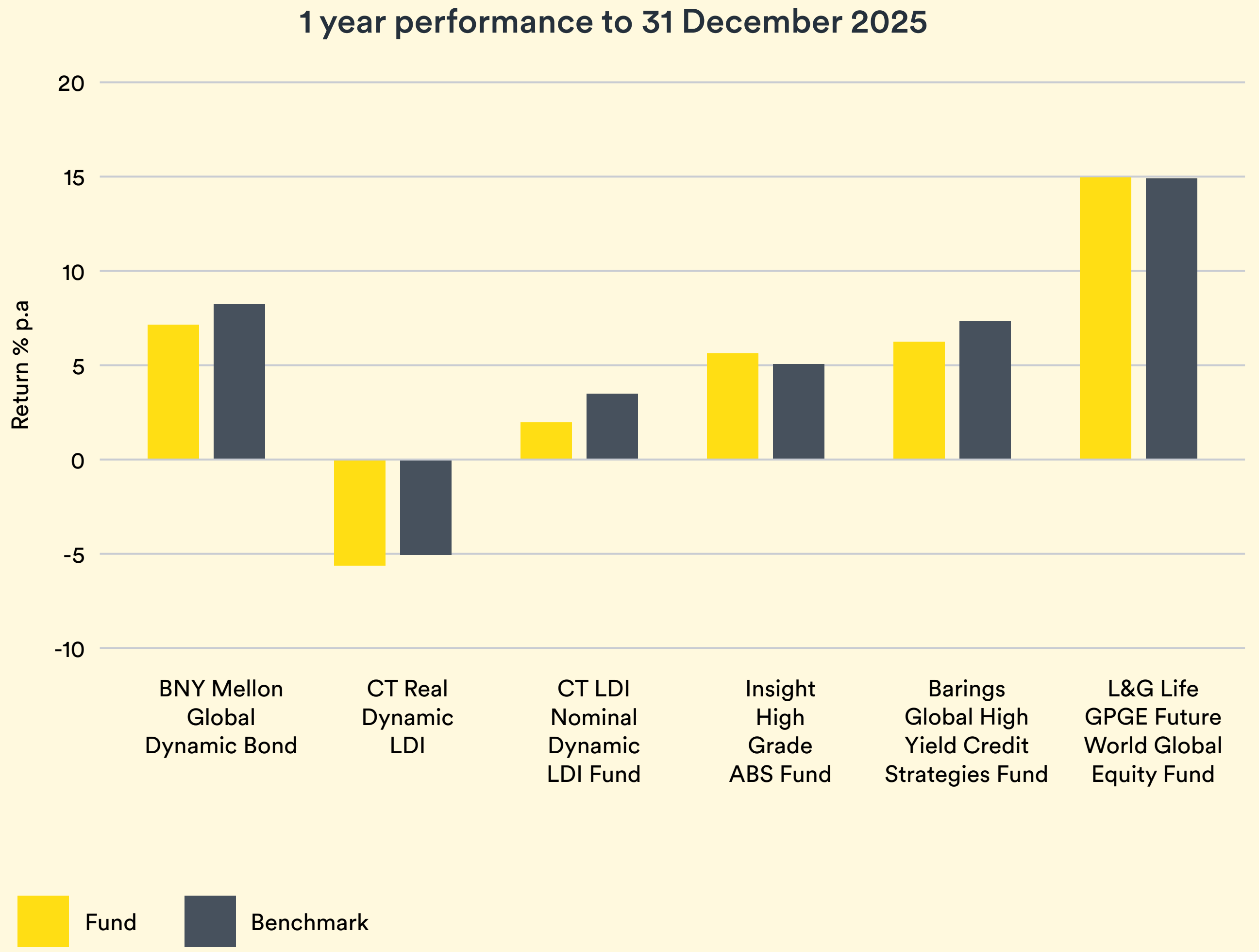
## Defined Benefit (DB)

A pension scheme where the pension paid is based on a set of calculations, using a member's pensionable salary and pensionable service. This is sometimes known as a final salary scheme.

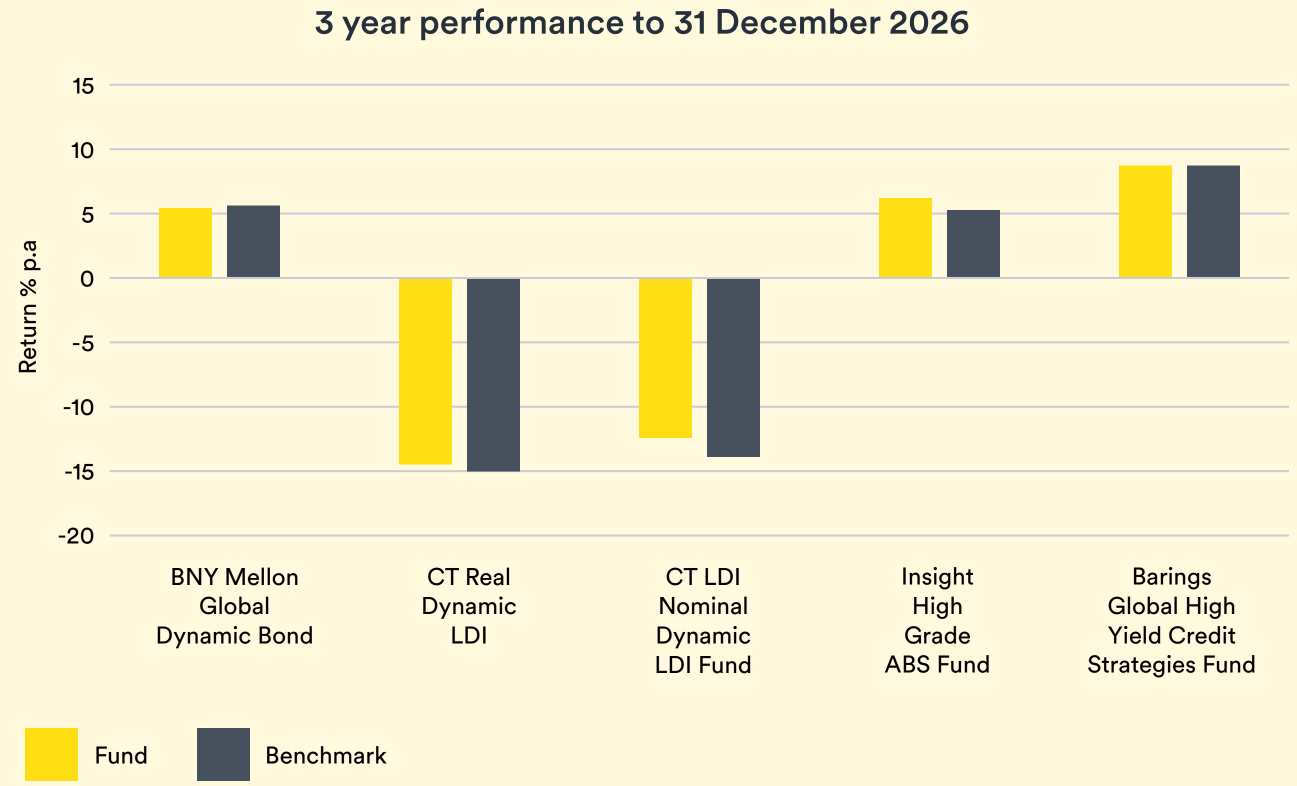
### DB Investment Performance

The trustees are responsible for regularly reviewing the performance of these funds and whether the strategy remains appropriate for meeting the Plan's liabilities over the long term.

The charts below show the returns achieved by the DB investment funds against the benchmark returns over one year and three years to 31 December 2025.




* **Note:** Fund performance is shown net of fees, provided by Mobius and Investment Managers.




* **Note:** Fund performance is shown net of fees, provided by Mobius and Investment Managers.
Some funds have not been in place for three years and therefore are not shown on the chart above.

# Funding update for the DB Section

Please note the following information is only relevant to members with benefits in the DB section of the plan.

## 2025 summary funding statement

This statement lets you know about the Plan's financial position and updates you on developments over the year to 1 April 2025. A full valuation of the Plan's financial position is done every three years, with annual updates in intervening years. The most recent actuarial valuation was carried out at 1 April 2025, with the results being finalised in March 2026. The results are summarised below, along with the estimated position as at 1 April 2023 and 1 April 2024.

| | 1 April 2023 | 1 April 2024 | 1 April 2025 |
|---|---|---|---|
| Total value of the plan's member benefits | £109.9m | £101.8m | £94.3m |
| Total value of the plan assets | £104.3m | £98.5m | £89.9m |
| Surplus/(shortfall) | (£5.6m) | (£3.3m) | (£4.4m) |
| Funding level (assets/value of member benefits) | 95% | 97% | 95% |

The funding position as at 1 April 2025 has deteriorated slightly since the last update as at 1 April 2024. Over the period since 1 April 2025, the value of the Plan's expected future member benefits decreased, primarily due to an increase in yields on government bonds which are used to value these in present terms. The Plan's assets have also decreased due to the nature of the Plan's investment strategy, although this was partially offset by contributions paid by the employer. It's worth noting that, even though the value of the Plan's expected future member benefits has decreased, the benefits in payment or future benefits promised to members have not changed.

The 1 April 2025 actuarial valuation showed that the Plan had a funding deficit relative to the Plan's statutory funding objective. Therefore L&Q is required to pay regular deficit reduction contributions of £205,000 per month from 1 April 2025 to 31 March 2026, £102,500 per month from 1 April 2026 to 30 April 2027, and a lump sum contribution of £820,000 by 31 March 2026.

## 2026 Summary Funding Statement

The Plan's financial position as at 1 April 2026 has also been estimated and is shown below, along with updates on the development over the year to 1 April 2026. Note, some figures may not add due to rounding.

| | 1 April 2026 |
|---|---|
| Total value of the plan's member benefits | £90.8m |
| Total value of the plan assets | £91.6m |
| Surplus/(shortfall) | (£0.7m) |
| Funding level (assets/value of member benefits) | 99% |

The funding position as at 1 April 2026 has improved since the actuarial valuation as at 1 April 2025. Over the period since 1 April 2025, the value of the Plan's expected future member benefits decreased, primarily due to an increase in yields on government bonds which are used to value these in present terms. The Plan's assets have also increased due to contributions paid by the employer and investment returns, although this has been partially offset by benefits paid. It's worth noting that, even though the value of the Plan's expected future member benefits has decreased, the benefits in payment or future benefits promised to members have not changed.

## What if the Plan started to wind up?

One of the periodic checks the scheme actuary carries out is the funding level of the Plan if it were wound up with no further contributions from the employer. If at the last formal actuarial valuation at 1 April 2025, the Plan were closed and the liability for all benefits up to that date were transferred to an insurance company, the Plan would have needed an additional £14.1m of assets to ensure benefits were paid in full. This is the scheme's full solvency position, and is equivalent to a solvency funding level of 86%.

We are required to estimate this figure to get a complete picture of the Plan's financial health. It does not mean that the employer is thinking of closing the Plan and transferring benefits and assets to an insurance company.

If the Plan closed and the employer couldn't pay enough to secure members' benefits in full, the Pension Protection Fund (PPF) might take over the Plan and pay compensation to members. The PPF is not intended to replicate each member's pension, but to ensure that members receive most of their pension. This is typically around 90% of the pension earned for most members under normal pension age, and 100% for most pensioners. However, there is a cap on pensions, which may apply, and any increases to pensions once a scheme is in the PPF are less generous than the increases that the scheme would have provided.

Further information and guidance is available on the Pension Protection Fund's website at **www.ppf.co.uk**

You can also email **information@ppf.co.uk** or call **0345 600 2541,** from 9.00am to 5.30pm, Monday to Friday.

Or you can write to the Pension Protection Fund at:

Pension Protection Fund
PO Box 254
Wymondham
NR18 8DN

## Payments to the employer

The trustees are required to notify you if there have been any payments to the employer out of the plan since the previous summary funding statement. We confirm that there have not been any such payments.

## Statements about the Pension Regulator's involvement with the Plan

The trustees are also required to tell you certain information about The Pensions Regulator's involvement in the plan. We confirm that The Pensions Regulator has made no modifications or directions on the plan and has not imposed a schedule of contributions on the plan.

## Contact details

**For questions relating to the Plan or your benefits please contact the administrator, Hymans Robertson:**


0121 210 4334

London & Quadrant Housing Trust Staff Benefits Plan
Hymans Robertson
Seventh Floor
45 Church Street
Birmingham
B3 2RT

**LQpensions@hymans.co.uk** quoting your name, the Plan name and your National Insurance number.


L&Q

**For more information**


L&Q Group
T: 0300 456 9998
www.lqgroup.org.uk