Highland Pension Fund

lgps | Local Government Pension Scheme

Active and Deferred Members Pension Newsletter
Summer 2026 Edition

Knockan Crag Nature Reserve, Lairg. Photo by Claire Weaver – The Highland Council.

Welcome to our Summer 2026 Edition of Pension News

Introduction from the Chair

A strong year for Highland Pension Fund

The Highland Pension Fund (HPF) has continued to make positive progress during 2025/26, delivering improvements in performance, member services and staff development. Despite a challenging economic environment, including higher-than-target inflation and increased market volatility towards the end of the year, the Fund's assets grew to **£2.876 billion**, achieving a positive annual investment return of **6.78%**.

Significant enhancements were made to the **My Pension** online portal, including new document upload and secure communication features. Member engagement continues to grow, with over **65% of active members** and **over half of all members** now registered to use the service.

The Fund also celebrated achieving **Investors in People Standard Accreditation** as part of The Highland Council Corporate Cluster, recognising its commitment to supporting and developing staff.

Looking ahead, the Fund is undertaking its **2026 actuarial valuation**, a key exercise that assesses the Fund's long-term financial position and helps ensure it remains well placed to meet future pension commitments. The administration team will continue to focus on service improvements, closer employer engagement, and preparations for the introduction of the UK Government's **Pensions Dashboard**, which will allow individuals to view their pension information securely online in one place.

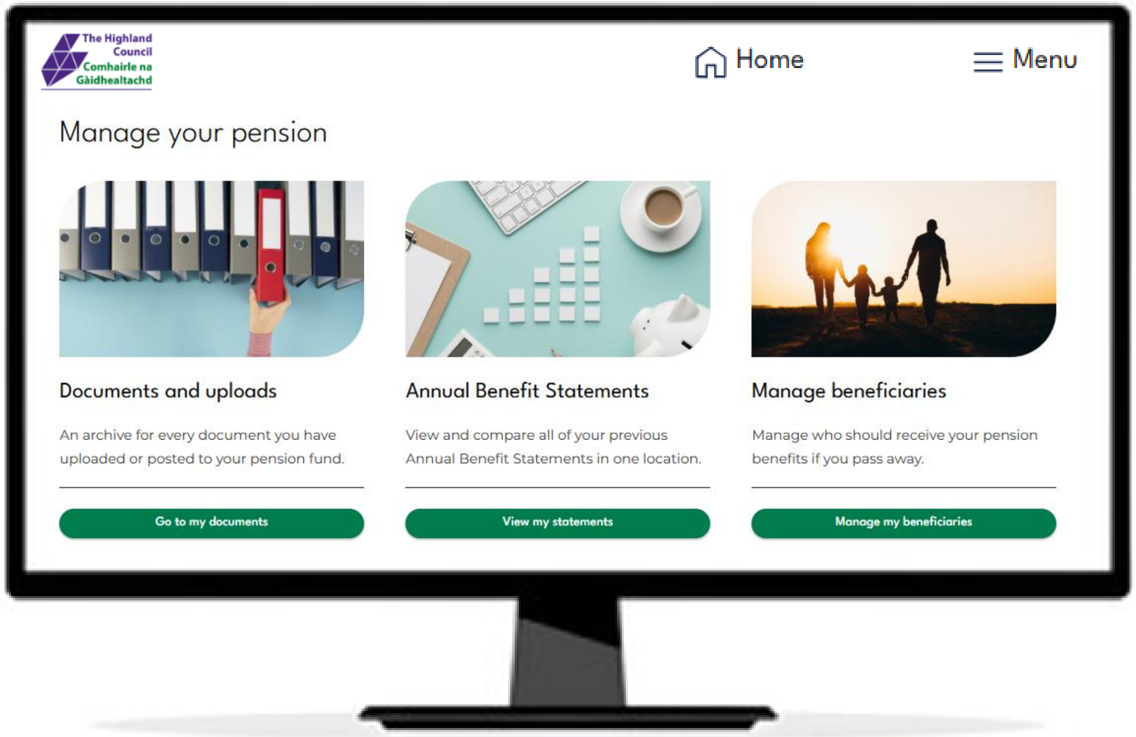
Paul Oldham – Chair of Highland Pension Fund Committee

My Pension portal

Manage your pension online using our secure member portal **My Pension**.

Through our **My Pension** portal, you can:

- View your 2026 annual pension statement
- Use retirement planning tools and estimate calculators
- Update your personal details and beneficiary nominations
- Access important updates and key documents



My Pension Portal

Scan me!

To log in or register for My Pension:

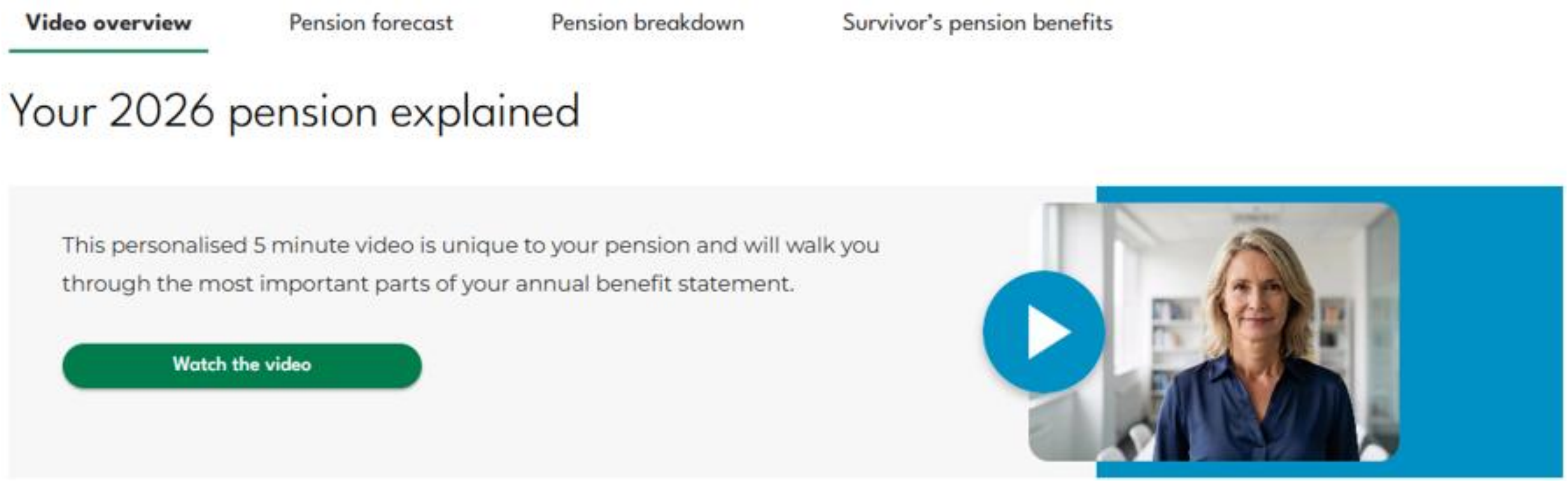
Scan the QR code above, or visit:
https://highlandpensionfund.mypensiondetails.co.uk/login

Almost **20,000** Highland Pension Fund members are already using **My Pension** to manage their pension online.

Join them today!

Your 2026 Pension update

Your latest pension update is now available online by logging into your My Pension account:



Your update includes:

- Personalised video overview – a short guide to help you understand your pension information.
- Pension forecast – see an estimate of your future pension benefits and help plan for retirement.
- Pension breakdown – view a detailed summary of your pension benefits.
- Survivor's pension benefits – the benefits that may be payable to your loved ones.

Important: When you view your pension update, take a few moments to check that:

- Your personal details are correct
- Your nominated beneficiaries are up to date
- Your projected retirement benefits meet your retirement plans

Need help understanding your pension statement?

We've created a Member Guide and FAQ to help explain some of the more technical information included in your Annual Pension Statement and step-by-step instructions on how to access it.

McCloud Remedy – Summer 2026 update

Book your place: Your pension and the public service pension remedy – Webinar

What is the McCloud Remedy?

When the Local Government Pension Scheme (LGPS) changed from a final salary scheme to a career average scheme in 2015, transitional protections were introduced for some older members. In 2018, the Court of Appeal ruled that younger members had been unfairly disadvantaged because these protections did not apply to them. To address this, the Government introduced changes known as the **McCloud Remedy**.

What is Highland Pension Fund doing?

Highland Pension Fund has continued its work to implement the McCloud Remedy, ensuring members receive accurate benefit calculations. Throughout 2025/26, we have been reviewing member records and working with employers to gather and verify historical pay information where required. If you are affected, we will compare your benefits under the career average and final salary arrangements for the remedy period and ensure you receive the higher value where applicable.

McCloud Information in Your 2026 Annual Pension Statement

Your 2026 annual pension statement includes information about your McCloud protection and any **estimated guaranteed amount** you are eligible to receive. We can only provide an estimate at this time as your actual McCloud underpin can only be calculated when your pension benefits become payable and may differ from the estimate shown on your annual pension statement.

Do I need to do anything?

For most members, **no action is required**. If we need any information from you, we will contact you directly. We are continuing to work closely with employers to gather the information needed to complete McCloud calculations.

More information about the McCloud Remedy can be found at: The McCloud Remedy :: LGPS Scotland

Pensions dashboards

The UK Government's **Pensions Dashboards Programme** is a major initiative that will allow individuals to view information about their pension savings online, securely and all in one place. Pension schemes across the UK are preparing to connect to the dashboard's ecosystem ahead of the connection deadline of **31 October 2026**.

The dashboards will allow you to:

- See your pension savings from multiple pension schemes in one place.
- Keep track of previous pension savings.
- Better understand your overall retirement benefits and planning options.
- Access pension information securely through a trusted digital service

Pensions Dashboards will not allow you to transfer or make changes to your pensions, but they will make it easier to find and view information about all your pensions in one place.

Preparing for Pensions Dashboards remains a key priority for the Fund. During 2025/26, we continued work to improve the quality and accuracy of member data, review administration processes and strengthen our systems to support future dashboard requirements. This work will continue throughout 2026/27.

To help ensure your pension information can be matched when Pensions Dashboards become available, it is important that your personal details are accurate and up to date. Please log into your My Pension account to check and update your details and let us know if anything has changed. Keeping your information up to date ensures you can find and view your pension information quickly and accurately through Pensions Dashboards.

We will continue to provide updates on our website as the Pensions Dashboards Programme progresses. In the meantime, members can already access much of their pension information through My Pension. **Find more information at: The Pensions Dashboards Programme.**

How much will you need in retirement?

If you're not sure how much you'll need in retirement, you're not alone. Research shows that 77% of savers don't know how much income they'll need when they stop working. The **Retirement Living Standards** website can help by showing the level of income needed for different lifestyles in retirement, from covering the basics to enjoying greater financial freedom, helping you to plan ahead with confidence.

Increasing your pension benefits

There are several ways to increase your LGPS pension benefits and save more for retirement.

Buy Extra Pension – You can choose to buy additional LGPS pension, which will be paid alongside your main pension when you retire. The cost depends on how much extra pension you want to buy and how long you wish to pay for it. Get a personalised quote using the online calculator.

Additional Voluntary Contributions (AVCs) – AVCs allow you to build up an additional retirement savings pot alongside your LGPS pension:

- Tax relief on your contributions meaning your savings go further.
- Contributions deducted directly from your pay.
- Flexible payments that can be started, stopped or changed at any time.
- The potential to take some or all of your AVC fund as a tax-free lump sum at retirement, subject to HMRC and scheme rules.

Shared Cost AVCs (SCAVCs) – If your employer participates in the Shared Cost AVC scheme, you may be able to save even more through a salary sacrifice arrangement:

- Save on Income Tax and National Insurance contributions.

A small increase in contributions today could make a big difference to your future retirement, helping to boost your retirement income or even retire earlier.

Pru part of M&G plc **AVCs:** Provided by Prudential
Find out more: www.pru.co.uk/rz/localgov/avcs

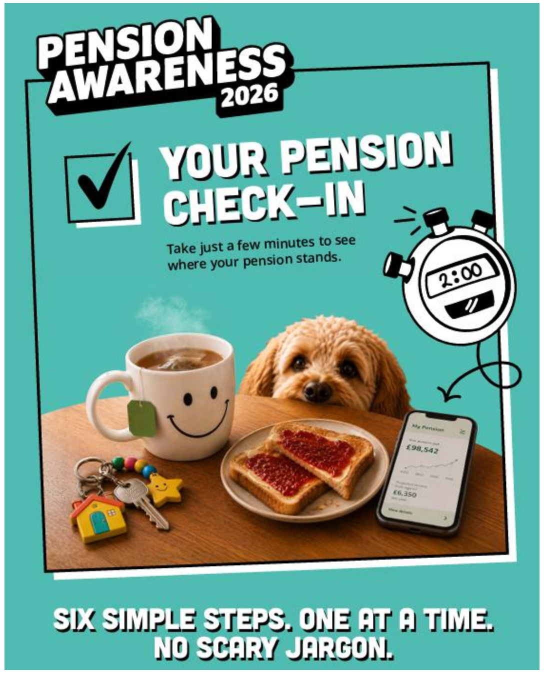
my money matters **SCAVCs:** Provided by My Money Matters
Find out more: http://www.my-money-matters.co.uk/

Your 2026 Pension increase

Each year HM Treasury issues a Pension Increase Review order which tells us how much we should increase your pension by. This increase makes sure that your LGPS pension benefits keep up with the cost of living.

This year, **your LGPS pension benefits increased by 3.8%**. The increase applies from 6 April 2026, the first Monday of the new tax year. **More information about** the 2026 Pension Increase is available here.

Pension Awareness week



Pension Awareness Week takes place from Monday 14 September to Friday 18 September 2026.

The week is designed to help people better understand their pensions plan for the retirement they want.

Throughout the week, you can take part in a range of free events, including:

- Live pension and money shows
- Interactive webinars
- Free pension clinics
- Live Q&A sessions with pension experts

Whether you're just starting to save or are approaching retirement, Pension Awareness Week is a great opportunity to learn more about your pension and improve your retirement planning.

Find out more and register for events at: www.pensionawarenessday.com

Accessing your LGPS pension

Your **Normal Pension Age (NPA)** is the age at which you can receive your LGPS pension in full, without any reductions.

- **Active members:** Your NPA is usually the same as your State Pension Age.
- **Deferred members:** Your NPA is shown on your deferred benefit statement, available through **My Pension**.

You can usually take your LGPS pension from age **55.** If you take your benefits before your NPA, they will normally be reduced as they are expected to be paid for longer. The earlier you retire, the greater the reduction. View the current early retirement reduction factors here.

The UK Government has announced that the **Normal Minimum Pension Age (NMPA)** will increase from age **55 to 57** from **6 April 2028**. This change will not affect members retiring due to ill health. Most LGPS Scotland members who joined the LGPS before 4 November 2021 are expected to qualify for a **Protection Pension Age (PPA) of 55**. This means they could retain the right to access their LGPS benefits from age 55 after 6 April 2028. The Scottish Government is progressing the regulatory changes required to implement these protections. We will continue to provide updates through the Highland Pension Fund website as more information becomes available.

Benefits of contributing to the LGPS

Being a member of the Local Government Pension Scheme provides a valuable package of benefits to you, and your dependants.

Key features of the LGPS:

- A secure guaranteed pension payable for life when you retire.
- Tax relief on the contributions that you pay, helping your money go further.
- Flexibility to pay more or less pension contributions.
- Freedom to choose when you take your pension, subject to scheme rules.
- The option to exchange part of your annual pension for a tax-free lump sum at retirement.
- Life cover and survivor benefits providing valuable financial protection for your dependants.
- Flexible retirement options. You may be able to reduce your hours or grade while accessing some or all of your pension benefits.

Find out more about your LGPS benefits on our national website: https://www.scotlgpsmember.org/.

Protect yourself from Pension Scams

Pension scammers continue to target people of all ages, often offering deals that seem too good to be true. Their aim is to gain access to your pension savings or personal information. The Pensions Regulator (TPR) provides tips on how you can protect yourself against pension scammers. You can read their booklet on how to spot a pension scam here or visit the Pension Regulator website for more information.

Watch out for warning signs

- 🚩 Unexpected phone calls, emails or text messages about your pension.
- 🚩 Promises of high investment returns or "guaranteed" returns.
- 🚩 Offers to access your pension before age 55 (other than in cases of ill health).
- 🚩 Pressure to make quick decisions or transfer your pension.
- 🚩 Requests for personal or financial information.

How to protect yourself

- ✅ Be cautious of unsolicited contact about your pension.
- ✅ Take time to check any offer carefully.
- ✅ Never feel pressured into making a decision.
- ✅ Use trusted sources of information, such as MoneyHelper
- ✅ Seek guidance from a regulated financial adviser if considering transferring your pension benefits.

The LGPS is a valuable defined benefit pension scheme that provides a secure income in retirement. Transferring out of the LGPS is an important financial decision and should not be taken lightly.

If something sounds too good to be true, it probably is. Taking a few extra minutes to check an offer could help protect your retirement savings. **Always verify that your financial adviser is legitimate and authorised** by checking The Financial Services Register before sharing your details or paying fees. In addition, MoneyHelper offers free, independent information on workplace pensions and retirement choices.

Highland Pension Fund Annual Performance Highlights 2025/26

£82.3 million
in contributions received
An increase from £75.9 million last year.

Fund assets increased
to £2.876 billion
Up £161million from 2024/25

£192 million investment return
Compared with
£110 million in 2024/25

£100.1 million in pension benefits paid
Supporting thousands of pensioners and beneficiaries.

36,773 members
up from 36,162 members in 2024/25

22 participating employers in the Highland Pension Fund, providing pension benefits to their employees

Lower cost per member
Reduced from £392.38 to £361.42

Responsible Investment & Financial Performance

Investing for the long term

The Highland Pension Fund continues to integrate Environmental, Social and Governance (ESG) considerations into investment decision-making, recognising that unmanaged ESG risks may impact long-term investment performance and the Fund's ability to meet future pension liabilities. The Fund's Responsible Investment Policy, approved in February 2022, provides a framework for ESG risk monitoring, stewardship and investment manager oversight. The Fund expects its investment managers to consider financially material ESG factors, including climate change, when making investment decisions.

During 2025/26, the Fund remained a member of the Institutional Investors Group on Climate Change (IIGCC) and continued to monitor investment managers' approaches to stewardship, responsible investment and ESG integration. The Fund also undertakes periodic reviews of ESG-related investment risks and considers ESG factors when appointing and monitoring investment managers.

Financial Performance

Despite continued economic uncertainty, higher inflation and increased market volatility during the year, Highland Pension Fund delivered a positive investment return of **6.78%**, generating approximately **£192 million** in investment gains. As a result, the Fund's net assets increased from **£2.715 billion** to **£2.876 billion** during 2025/26.

The Fund's investments are diversified across a broad range of asset classes, including global equities, bonds, property, infrastructure, private equity and private credit. This diversified approach is designed to manage risk while supporting long-term growth. Investment performance is monitored regularly by the Pensions Committee and Investment Sub-Committee, supported by professional advisers.

The Fund regularly reviews its investment strategy to ensure it remains appropriate for future pension obligations. As part of the 2026 actuarial valuation, the Fund's funding position and investment strategy are being reviewed to ensure the Fund remains well placed to pay members' benefits for many years to come.

The most recent actuarial valuation, as at **31 March 2023**, assessed the Fund as **136% funded**, with a funding surplus of **£633 million**. The Funding Strategy Statement and Valuation Reports are available in the Resources section of the Fund website.

Using artificial Intelligence (AI) tools for pensions decisions

Pension decisions you make can have long-term consequences and may be difficult (or impossible) to reverse.

AI tools such as **ChatGPT** or **Copilot** can help explain pension concepts, but when mis-used, they can also provide inaccurate, outdated or generic information that does not reflect an individuals' own personal circumstances.

Privacy risks arise when sensitive financial information is shared with AI tools and therefore, you should be mindful of the growing risk of AI-enabled pension scams, for example, AI-generated 'deepfake' videos using trusted financial figures to promote fake investment opportunities. Essentially, whilst AI can be a useful starting point for research, **important pension decisions should be verified using trusted sources and, where appropriate, discussed with a professional regulated financial adviser.**

If you are unsure about any of the information provided in this guide, please contact our team.

We recommend that you speak to a regulated financial adviser before making any financial decisions. Often large amounts of money are at stake, and they will be able to help you make the right decision for your individual circumstances.

Always check that any adviser you choose to use is regulated by the FCA Financial Services Register:

- Website: https://www.fca.org.uk/firms/financial-services-register.

MoneyHelper is a government backed service which provides free impartial pension information and guidance online, over the phone and via webchat:

- Website: www.Moneyhelper.org.uk
- Phone: 0800 011 3797.

Contact us

There are several ways to contact us if you need assistance accessing My Pension, or have a question about your Local Government pension benefits.

Telephone: 01463 702441
Our telephone lines are open Monday to Friday, 9am to 12noon.

Email: mypension@highland.gov.uk
When contacting us by email, please include your National Insurance number to help us identify your pension record and respond to your enquiry as quickly as possible.

Write to us:
Highland Pension Fund,
The Highland Council Headquarters,
Glenurquhart Road,
Inverness,
IV3 5NX.

In person visits:
Our office is open to visitors from 9am to 5pm, Monday to Friday. Please contact us by phone or email to book an appointment. This allows us to arrange for the most appropriate member of the team to help your enquiry.

Important Note

This newsletter is for general information purposes only and does not constitute financial advice. Your benefits are subject to the rules of the scheme and relevant legislation.