

**Biffa Pension Scheme**

DB section

# Review

September 2025



**Do you have a Retirement Account in the DC section?**

If you do, please read our DC section newsletter.  
This is also on the Scheme website.

## From the Trustee Chairman

**The Scheme's latest health check shows that it continues to have more than enough assets to cover the value of the benefits that members have built up.**

We are also making good progress as we work to make the Scheme less dependent on the Company for financial support. This is part of our long-term goal to increase the security in place for your benefits.

These are a couple of the headlines from our latest valuation as at 31 March 2024. For more details, please turn to page 2.

We hope you find this newsletter interesting. If you would like more information about the Scheme or your benefits, please visit the Scheme website or get in touch. The details you need are on page 10.

**Keith Jones**

Trustee Chairman



**Biffa**

# Funding your benefits

## The background

We work with the Company to make sure the Scheme has sufficient funds to pay the benefits that members have built up in the DB section, whenever they need to be paid. This amount is the Scheme's 'funding target'.

To help us assess how the funding target is developing, the Scheme actuary carries out a health check called a valuation at least once every three years. We use the results of the valuation to identify and agree with the Company on the level of contributions the DB section needs to receive to support the benefits that will build up in the future.

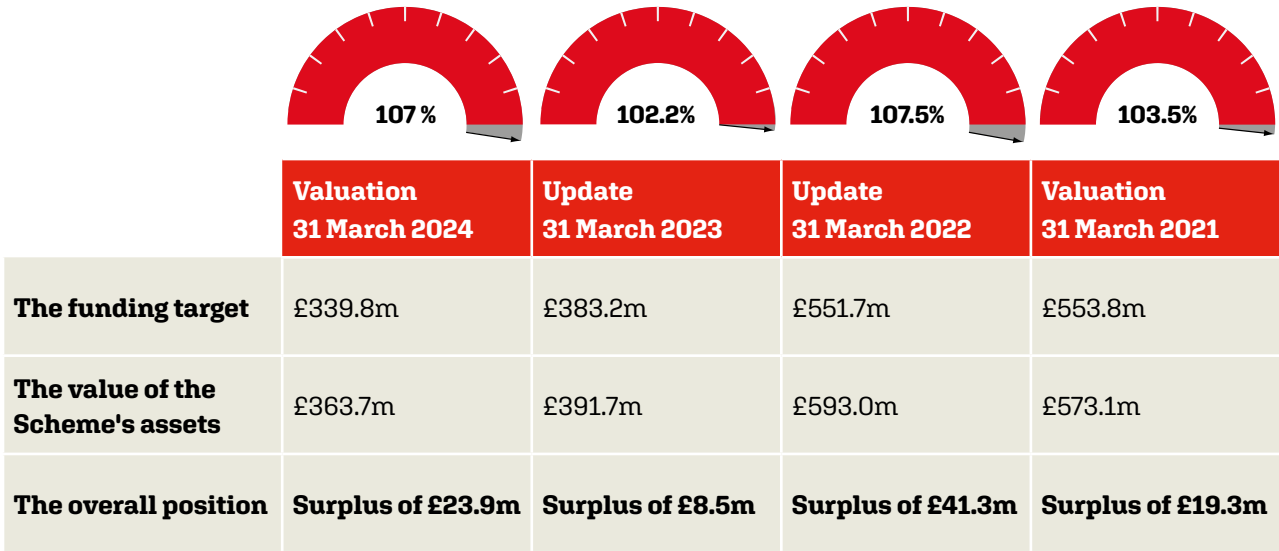
To help us monitor developments in the years between valuations, the Scheme actuary provides us with yearly updates.

This section brings you up to date with the level of funding in the DB section. It contains the results of the latest valuation at 31 March 2024. It also looks at how the funding position has changed since our previous Review.

## The headlines

The results of the latest valuation show that on 31 March 2024, the surplus in the Scheme had risen to £23.9 million. This means the funding level has gone up to 107.0%.

This improvement is mainly the result of changes in market conditions, which reduced the funding target. The value of the assets fell in a similar way – but not by quite as much.



The figures above do not include the value of members' AVCs, which are invested separately.



## The Company's support

As the Scheme had more than enough assets to cover the value of the benefits that members had built up at the time of the 2024 valuation, there was no shortfall to make up. However, the Scheme continues to depend on the Company for ongoing financial support.

## Additional contributions to help strengthen the funding level

As we have reported in previous newsletters, we want the Scheme to be less dependent on the Company. Our goal is for the Scheme to be fully funded on a 'low dependency' basis. In support of this aim, the Company agreed to continue paying additional contributions to help strengthen the funding level:

- It paid £358,333 to the Scheme each month up to 31 July 2025.
- It will pay £358,333 into an 'escrow' account from 1 August 2025 until 30 June 2028. This is an account governed by a legal agreement between the Company and the Trustee, which sets out the situations in which the money in the account can be used to support the Scheme or returned to the Company. If the account is not set up in time, then these contributions will continue to be paid to the Scheme.

The Company may stop these contributions if the Scheme has been fully funded on the 'low dependency' or 'solvency' basis for three consecutive quarters.

The Company also agreed to pay 20% of any dividend or distribution paid by the Company to shareholders

or other companies in the group (subject to a cap of the lower of the deficit on the low dependency and solvency bases) into the escrow account. If the account is not set up in time, then these contributions will be paid to the Scheme instead. This requirement will be in place until the completion of the next valuation or until 30 June 2028 if that is earlier.

## Other contributions

The Company will continue to pay contributions to support the benefits that active members will build up in future.

The Company will also pay the following:

- the Pension Protection Fund levy (see below) and other levies collected by the Pensions Regulator; and
- the cost of enhanced redundancy terms or any augmentations to benefits.

The actuary will check progress at the next valuation, which is due to take place as at 31 March 2027.

## What if the Scheme started to wind up?

As part of a valuation, the actuary is required to assess what the Scheme's funding level would have been if it had started to wind up - known as the 'full solvency' position. This is a legal requirement and does not mean that the Company has any intention of winding up the Scheme.

The full solvency funding level is almost always likely to be lower than the 'ongoing' funding level

(which is what is shown on page 2). This is because the Company would have to provide all members' benefits at once and secure them with insurance policies. The cost of the insurance policies would include insurance providers' administration costs and a profit margin. Insurance companies also tend to use low-risk investments, which would be likely to grow more slowly than the kind of investments the Trustee Directors would choose. So even if a scheme is 100% funded on the ongoing basis – as ours is – the full solvency funding level is likely to be less than 100%.

If the Scheme had started winding up at 31 March 2024, the actuary estimated that the full solvency level would have been 93%. This was equivalent to a solvency deficit of £27.2m.

The Pension Protection Fund ('PPF') may provide compensation to pension scheme members who face losing their benefits because their scheme is being wound up and their employers cannot cover the cost of providing their benefits.

[www.ppf.co.uk](http://www.ppf.co.uk)

The Scheme has not made any payments to the Company since the January 2021 Review.

The Pensions Regulator has the power to change the running of UK pension schemes, change the way they are funded or impose a schedule of contributions. The Regulator has never had to use its powers in this way for the Scheme.

[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

# Facts and figures

The information in this section is from the Scheme's latest audited Report and Financial Statements. It looks at the DB section's development over the year to 31 March 2024.

## There were 3,171 members in the DB section on 31 March 2024.

- 25 active members paying contributions and building up benefits
- 1,439 deferred members who no longer pay contributions, but have benefits left in the Scheme for when they retire
- 1,707 members receiving a DB section pension, including retired members and the dependants of members who have died

## The DB section received income of £4.9 million during the year.

This includes more than £4.8 million from the Company.

## The DB section paid out £18.5 million during the year.

- This includes:
- £14.9 million in benefits
- £1.8 million to members who transferred benefits out of the DB section
- £1.8 million in administration expenses

## At 31 March 2024, the value of the DB section's assets was £362.8 million.

This is £25.5 million lower than the position at 31 March 2023. This is mainly due to another year of difficult investment conditions (see page 5).



### Further reading

The full Report and Financial Statements is on the Scheme website. It is in the secure area of the website, so you will need to log in to see this document.

## Investment update

Our investment strategy is designed to support the long-term development of the DB section. The aim is to make sure the Scheme has sufficient assets to pay members' benefits, whenever they need to be paid.

The chart on the right shows the different types of assets we held in our investment portfolio at 31 March 2024 and how they help the DB section. We monitor the investments closely and adjust the mix of assets from time to time if it is in the DB section's best interests.

## Performance

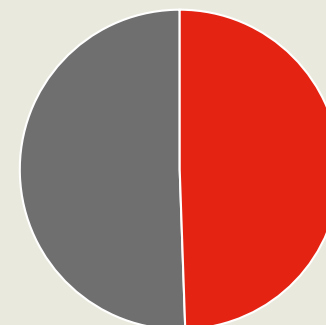
Investment conditions were calmer after the volatility that marked the year to 31 March 2023. However, it was another challenging period for the DB section's investments. The total return over the year to 31 March 2024 was -2.6%, after taking into account investment management expenses. Though negative, this is still a better return than the benchmark that we use to assess the DB section's investment performance.

### Return-seeking assets: 50.3%

These assets are designed to generate the returns that will help the DB section to continue growing. They include equities and property. The value of these assets was £179.1 million.

### Matching assets: 49.7%

These assets protect the DB section against unfavourable changes to interest rates and inflation – both of which can increase the Scheme's funding target. They include bonds and gilts (which are managed under an approach called 'Liability Driven Investment') and cash. The value of these assets was £176.7 million.



## Further reading

There are more details about our investment strategy on the Scheme website. You do not need to log in to see these documents.

- Our Statement of Investment Principles explains our investment objective and strategy, how we manage the various risks the Scheme faces, and how we work with the advisers and managers we appoint to help deliver our strategy.
- Our Implementation Statement explains how we have made our investment approach work. It includes examples that show how the investment managers have engaged with companies they invest in on environmental, social and governance issues, and the results of this engagement.



# News update

## Autumn Budget 2024

Among the changes announced in the Budget was a proposal to bring some items of pension savings into inheritance tax from 6 April 2027. The Government has been consulting on the processes that need to be in place to support this change. We will keep you up to date with developments.

## Your pensions tax allowances for 2025/26

Here is a summary of the tax allowances that apply to pension benefits in the current tax year. There are more details on the Government website at [www.gov.uk/tax-on-your-private-pension](https://www.gov.uk/tax-on-your-private-pension).

Please note that you are responsible for monitoring your tax position. If you are unsure about the allowances and what they might mean for you, we suggest speaking to an independent financial adviser (see page 10).

### Annual Allowance

This applies to the pension benefits you can build up each year tax-free. If you go over the Annual Allowance, you will pay a tax charge at your highest rate on the extra.

In the current tax year, most people will have an Annual Allowance of £60,000. Some people will have a smaller allowance. This includes:

- higher earners and
- anyone with retirement savings in a defined DC pension arrangement (like the Scheme's DC section) who has started to use these to provide certain benefits.

The Lifetime Allowance has been abolished. This used to apply to the total pension benefits you could build up tax-free over your working life.

### Lump Sum Allowance

This is a new allowance that applies to the total tax-free cash you can take when you retire. This is currently £268,275.

### Lump Sum and Death Benefit Allowance

This is another new allowance. It applies to the total tax-free cash that can be paid to you when you retire and your beneficiaries following your death. This is £1,073,100.

If you have elected one of the forms of Lifetime Allowance protection that were previously available through HM Revenue & Customs, you will have a bigger Lump Sum Allowance and Lump Sum and Death Benefit Allowance.

## Dashboards update

Work is continuing on the 'pensions dashboards' project – a major Government initiative that will eventually give you secure access to information about all your pension benefits in one place online.

The Government has not yet indicated when the dashboards will be available for the public to use.

We will keep you up to date with developments.

## Get to know the State Pension

The State Pension will be an important part of your retirement income when you retire. If you are starting to think about life after work, make sure you know how the State Pension works and how it will fit into your plans.

There are three 'easy read' guides on the Government website you might find helpful. These explain:

- what the State Pension is, when it starts and how much you could get;
- how to apply for it; and
- how you will receive it.



To see the guides, go to [www.gov.uk/government/publications/easy-read-new-state-pension](https://www.gov.uk/government/publications/easy-read-new-state-pension).

For more details, go to [www.gov.uk/new-state-pension](https://www.gov.uk/new-state-pension).



Easy Read

How we pay new State Pension

Easy Read

How to apply for new State Pension

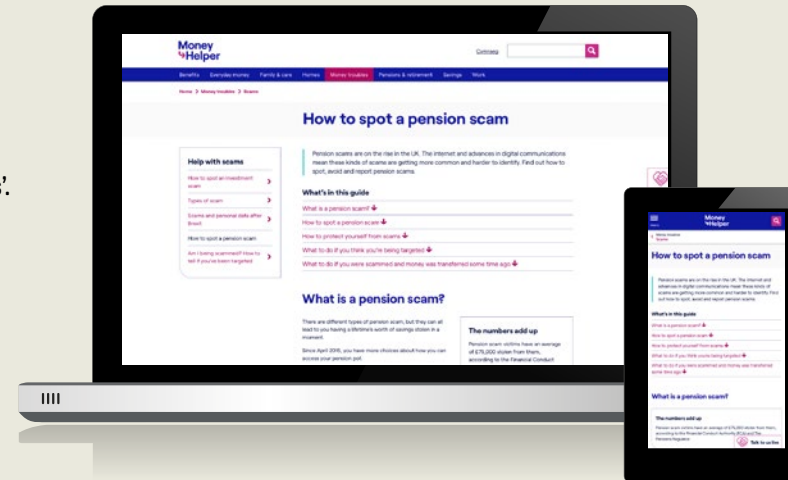
Easy Read

## Pension scams

Pension scams remain a major problem and it is important that you know how to keep your benefits safe.

The MoneyHelper website contains a lot of helpful information, including how to spot a scam and what to do if you think you have been targeted by scammers. Go to [www.moneyhelper.org.uk](https://www.moneyhelper.org.uk) and search for 'pension scams'.

The Financial Conduct Authority website also contains useful resources. Go to [www.fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart).



# Running the Scheme

## The Trustee

The Scheme is run separately from the Company by a body called Biffa Pension Scheme Trustees Limited.

There are currently six Trustee Directors. Three have been appointed by the Company and three have been nominated by members.

Together, we are responsible for running the Scheme in line with all members' best interests and pensions law.

### Company Trustee Directors:

- Keith Jones (Chairman)
- Bhavdeep Grewal
- Richard Plaice

### Member-nominated Trustee Directors:

- Simon Bott
- Tim Lowth
- Emily Munnoch

To help the Trustee operate even more efficiently, we have increased the length of time that someone can be a member-nominated Trustee Director from five years to eight years.

We have done this because our member-nominated Trustee Directors have a range of valuable skills and have developed a detailed understanding of the Scheme and how it works. Extending their term of office will allow the Scheme to benefit from their knowledge and expertise for longer.





## Our advisers

The Trustee Directors appoint a team of advisers to assist us in areas where particular expertise is required. These advisers include the Scheme actuary, administrators, investment consultant and managers, auditor and legal adviser. There is a list of our current advisers in our latest Report and Financial Statements.

We work with our advisers to make sure the Scheme runs to the highest of standards at all times. This includes following the new 'general code of practice' set by The Pensions Regulator – the body that regulates UK workplace pension schemes – and making any changes we decide are necessary.

## The general code of practice

The code sets out how trustees should manage and administer their schemes. It covers a wide range of subjects, including:

- our knowledge and understanding of pension matters;
- how we work with our professional advisers;
- our funding, investment and administration arrangements;
- how we manage risk; and
- the information we give you about the Scheme and your benefits.

It also explains trustees' roles and responsibilities, and the standards The Pensions Regulator expects us to meet when we carry out our duties.

To find out more, visit The Pensions Regulator's website.

Go to **[www.thepensionsregulator.gov.uk/en/document-library/code-of-practice](https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice)**.

# Finding out more

## The Scheme website

The website contains general information about the Scheme and your benefits.

The address is **<https://pensioninformation.aon.com/biffa>**.

When you retire, you will have a number of options about the way you take your Scheme benefits. When we send you your retirement pack, we will give you access to an online modeller you can use to explore your options and see the potential income each could provide. There will be full details in your retirement pack.

## The Scheme administrators

If you cannot find the information you need on the Scheme website, or if you need to speak to someone about your benefits, please contact the Scheme administrators:

- Phone: **0370 850 2883**
- Email: **[biffa.pension.scheme@aon.com](mailto:biffa.pension.scheme@aon.com)**
- Write to: **Biffa Pension Scheme, Aon,  
PO Box 196, Huddersfield, HD8 1EG**

If you phone the Scheme administrators, make sure you have your DB section reference number to hand. (If you are also a member of the DC section and have a question about your DC account, you will need your DC section reference number.)

If you write in or send an email, please include your full name, date of birth and reference number(s).

## MoneyHelper

MoneyHelper is a free, impartial guidance service that provides support on a wide range of topics including pensions. Go to **[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)**.

## Getting financial advice

We are unable to give you financial advice about your benefits, tax position or retirement. If you would like personalised financial advice, we strongly suggest speaking to an independent financial adviser ('IFA').

If you are an active or deferred member, the Trustee will pay for you to receive one session of impartial advice from a firm of regulated financial advisers called Isio Wealth Planning ('Isio'). Isio know how the Scheme works and will be able to give you impartial advice about your benefits and retirement options.

To contact Isio:

- Phone: **0203 727 9794**
- Email: **[biffaadvice@isio.com](mailto:biffaadvice@isio.com)**

Say you are a member of the Biffa Pension Scheme and would like to arrange an advice appointment. Isio will explain how the advice process works and what you can expect.

If you would prefer to choose your own IFA, there is information on how to find one on the MoneyHelper website. Go to **[www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser](http://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser)**. If you choose your own IFA, you will have to pay for any advice you receive. (The Trustee will only pay for you to receive advice from Isio.)



If you would like to receive a printed copy of Review in future, please tell the Scheme administrators. You will need to give them your Member Number. This will be on any letters they have sent you.