

# Biffa Pension Scheme

DB section

# Review

June 2026



## 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.

## Did you know...?

The DB section paid £14.9 million in benefits during the last Scheme year. See page 4.

**Welcome to our latest Review, which brings you up to date with news from around the Scheme and the work we are doing to look after your benefits.**

The headline is that the Scheme remains in a strong financial position. Our latest funding update showed that at 31 March 2025, the Scheme had an estimated funding level of 105%. In other words, it still has more than enough assets to cover the value of the benefits that members have built up. For more details, see 'Funding your benefits' on page 2.

Elsewhere, we look back at the DB section's development over the last Scheme year. We also share a few news updates we want to bring to your attention.

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 9.

**Keith Jones**

Trustee Chairman



**Biffa**<sup>®</sup>

# Funding your benefits

This section brings you up to date with the level of funding in the DB section. It contains the results of the latest funding update at 31 March 2025. It also looks at how the funding position has changed since our previous Review (the September 2025 issue), when we shared the results of the valuation at 31 March 2024.

### 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'.

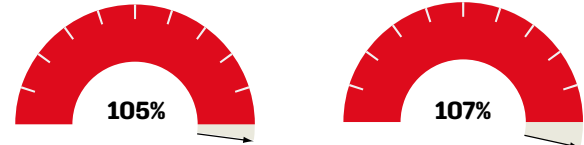
To help us assess how the funding target is developing, the Scheme actuary carries out a health check called a valuation at least once every three years. We use the results of the valuation to identify and agree with the Company on the level of contributions the DB section needs to receive to support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

**The headlines**

The latest funding update shows that at 31 March 2025, the Scheme had an estimated surplus of £15.8 million. This is equivalent to a funding level of 105%.

As the table below shows, this is slightly lower than the position at the 2024 valuation. This is mainly the result of changes in market conditions, which reduced the value of the funding target and the value of the Scheme's assets – with the latter falling by a slightly greater amount.



	Update 31 March 2025	Valuation 31 March 2024
<b>The funding target</b>	£305.2m	£339.8m
<b>The value of the Scheme's assets</b>	£321.0m	£363.7m
<b>The overall position</b>	<b>Surplus of £15.8m</b>	<b>Surplus of £23.9m</b>

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

## The Company's support

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. As a result, 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

Our goal is for the Scheme to be less dependent on the Company. As such, our aim is for it 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 30 September 2025.
- It agreed to pay £358,333 into an 'escrow' account from 1 October 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.

The agreement stated that the Company may stop these contributions if the Scheme has been fully funded on the 'low dependency' or 'solvency' basis for three consecutive quarters. This was the case by Q1 2026 and so the Company ceased paying additional contributions from April 2026.

The Company also agreed to pay 20% of any dividend or distribution it pays to shareholders or other companies in the group into the escrow account (subject to a

cap of the lower of the deficit on the low dependency and solvency bases). Under this agreement, the Company paid £11.7 million into the escrow account in September 2025. This requirement has also ceased and would resume if the Scheme were less than fully funded on the Self-sufficiency and Solvency bases.

### Other contributions

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

It will also pay the following:

- the Pension Protection Fund levy (see right) 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. This is due to take place 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 3). 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 funding level would have been 93%. This was equivalent to a deficit of £27.2m.

At 31 March 2025, the full solvency funding level had risen to an estimated 95% (equivalent to a deficit of £18.3m).

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 our previous 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)

# Review of the year

## Snapshot

**There were 3,119 members in the DB section on 31 March 2025.**

- 25 active members paying contributions and building up benefits
- 1,343 deferred members who no longer pay contributions, but have benefits left in the Scheme for when they retire
- 1,751 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 £16.7 million during the year.**

This includes:

- £13.7 million in benefits
- £1.3 million to members who transferred benefits out of the DB section
- £1.7 million in administration expenses

**At 31 March 2025, the value of the DB section's assets was £320.0 million.**

This is £43.0 million lower than the position at 31 March 2024. This is mainly due to another year of difficult investment conditions (see 5).



### Further reading

The full Report and Financial Statements is on the Scheme website.  
You will need to log in to see this document.

The information in this section is from the Scheme's latest audited Report and Financial Statements for the year to 31 March 2025.

## 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.

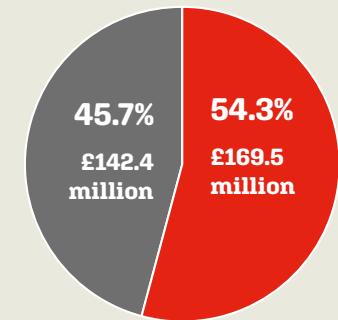
To help us maintain this position, the Scheme invests in a mix of assets:

- Our 'growth' assets are designed to generate the returns that will help the DB section to continue growing. These assets include equities and property.
- We also invest in 'matching' assets. These are designed to protect the DB section against unfavourable changes to interest rates and inflation, both of which can increase the Scheme's funding target. These assets include bonds and gilts (which are managed under an approach called 'Liability Driven Investment') and cash.

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.

The chart below shows the Scheme's investments at 31 March 2025 and their value on that date.

- Growth assets
- Matching assets



## Performance

Investment conditions were difficult during the year to 31 March 2025. The total return on the DB section's investments was -9.2%. This was the same as the benchmark that we use to assess the DB section's investment performance.



## Further reading

- 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.

These documents are on the Scheme website.

# News update



## Age matters

There are a couple of age-related changes to be aware of as you plan your retirement.

### State Pension age

The age you can start receiving your State Pension age is going up from 66 to 67. This change started in April and will take place gradually over two years to April 2028. When the change is complete, people born on or after 6 March 1961 will be able to claim their State Pension when they reach age 67.



Use the calculator on the Government website to check when you will reach State Pension age and how much your State Pension might be: [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension).

### Normal minimum pension age

The normal minimum pension age is the earliest you can usually start to receive your pension benefits. This is currently age 55 but is going up to 57 from April 2028. This change will affect people born after 6 April 1971.

## Your pensions tax allowances for 2026/27

### 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 DC pension arrangement (like the Scheme's DC section) who has started to use these to provide certain benefits.

### Lump Sum Allowance

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

### Lump Sum and Death Benefit Allowance

This allowance 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.

There used to be a Lifetime Allowance for the total pension benefits you could build up tax-free over your working life. (The allowance was abolished in 2024.) If you 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.



You are responsible for managing your tax position.

Visit the Government website to learn more about the pensions tax allowances: [www.gov.uk/tax-on-your-private-pension](http://www.gov.uk/tax-on-your-private-pension).

If you are unsure about the allowances and what they might mean for you, please consider speaking to an independent financial adviser (see page 9).

## Pensions and inheritance tax

Certain pension-related payments will start to count towards inheritance tax from 6 April 2027, under new rules set out in the Finance Act 2026.

These include any cash sum the DB section pays to dependants or beneficiaries if a member dies within five years of retiring. These will form part of the member's estate and be subject to inheritance tax.

There is no change to the position regarding other pension-related payments, which will not be subject to inheritance tax. These include:

- any cash sums payable if a member dies in service;
- any regular DB section pension the Scheme pays to a dependant; and
- any cash sums the Scheme pays to a surviving spouse, civil partner or registered charity.

Inheritance tax is a tax on the estate of someone who has died. Under the current rules, there is inheritance tax to pay if the value of someone's estate is over a certain amount. For the 2026/27 tax year, the main individual allowance is £325,000. Anything over this amount may be subject to inheritance tax of 40%.



Visit the Government website to learn more about inheritance tax.

[www.gov.uk/inheritance-tax](http://www.gov.uk/inheritance-tax)

## Dashboards update

The Money and Pensions Service has started user-testing the MoneyHelper pensions dashboard – the first of the online dashboards that will be available for the public to use. (As reported in previous issues, the dashboards are a Government initiative that will eventually give people secure access to information about all their pension benefits in one place online.)

The first phase of user-testing is well under way, with people able to use the dashboard for the first time and see up-to-date information about their pensions. The testing process is also identifying areas that need fine-tuning.

Testing will continue during the rest of the year.

We are waiting for the Government to confirm when the public will be able to start using the dashboards. We will keep you updated.

## Be AI aware

Artificial Intelligence (AI) is playing an increasingly significant role in many people's lives – whether we are looking for information or help with tasks. However, AI might be quick and easy to use, but it is not always reliable. It can only work from information that is publicly available online. (For example, a lot of information about the Scheme is not publicly available.) And the results it serves up usually come with a warning along the lines that 'AI-generated content may be incorrect'.

The bottom line is that you need to be clear about what AI can do – and also its limitations.

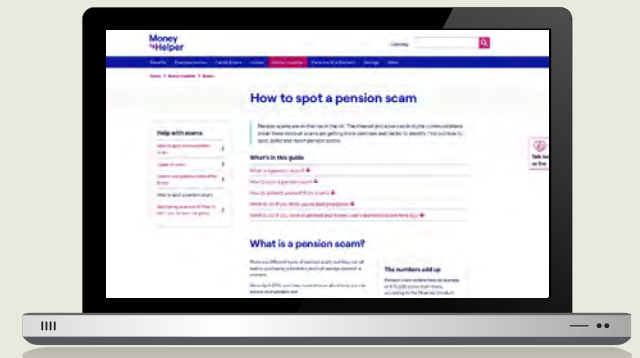
In particular, if you want information about the Scheme or your benefits, you should look for this on the Scheme website. If you cannot find what you are looking for, please contact the Scheme administrators (see page 9).

## Pension scams

Pension scams are a big problem and you need to 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](http://www.moneyhelper.org.uk) and search for 'pension scams'.

The Financial Conduct Authority website also contains useful resources. Go to [www.fca.org.uk/consumers/protect-yourself-scams](http://www.fca.org.uk/consumers/protect-yourself-scams).



# 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

## 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 'general code of practice' set by The Pensions Regulator – the body that regulates UK workplace pension schemes. The code explains trustees' roles and responsibilities, and the standards we are expected to meet when we carry out our duties. If you would like to know more, visit The Pensions Regulator's website. Go to [www.thepensionsregulator.gov.uk/en/document-library/code-of-practice](http://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**
- 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.

### 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**

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 are a pensioner, or an active or deferred member who would prefer to choose your own adviser

The MoneyHelper website contains information on how to find a regulated financial adviser. 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).

Please be aware that you will have to pay for any advice you receive. The Trustee will only pay for the advice that Isio provide.



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.