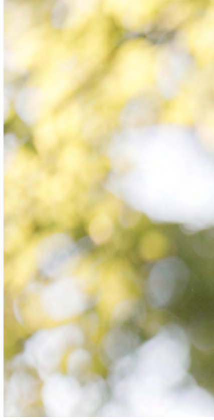
Pensions News 2026

Keeping you in touch with your pension

umss



Chair's welcome

Welcome to the latest edition of Pensions News, brought to you by the University of Manchester Superannuation Scheme (UMSS). The purpose of this newsletter is to keep you updated with the latest changes that impact your pension, and provide you with helpful information for your retirement planning.

Scheme updates

This year, the Trustee has taken the important decision to appoint a specialist external administrator for the Scheme. Following a careful review of the long-term risks and requirements associated with pension administration, the Trustee concluded that this was the right step to support members and the Scheme in the years ahead.

This change is not a reflection on the University Pensions Office, whose staff will remain part of the University, and it will not affect members' benefits. Members can, however, expect enhanced online services, including real-time benefit quotations for most members and improved self-service functionality. Further information will be provided later this year. See page 4 for a little more information.

Alongside this newsletter, please look out for some additional communications. Active members will be receiving their Annual Benefit Statement (ABS) so please take time to review this carefully.

Active and deferred members will also receive information about becoming a Member-Nominated Trustee (MNT) so please take a look at this and consider the opportunity to represent members' interests and gain valuable experience.

The Trustee has also focused on two important projects this year: completing the Scheme's 2025 actuarial valuation and strengthening governance arrangements in response to evolving regulatory requirements. Further information on both can be found later in the newsletter.

Boost your pension

On pages 6-9, we have also included:

- an article on the benefits of Additional Voluntary Contributions (AVCs) as a way to boost your pension savings.
- a spotlight on our pension modeller tool to help you understand the retirement you're on track for, and
- the latest Retirement Living Standards, which give you an understanding of how much you may need to save for the retirement lifestyle you'd like.

We're here to help

I hope you enjoy reading Pensions News, and encourage you to explore the tools and information available throughout this newsletter and on our website. If you have any queries, we're always happy to help, so please get in touch with the Pensions Office using the contact details on the **back page**.

Mandy Kaur-Sadler
Chair of the Trustee Board – UMSS

Strengthening administration for the future

The Trustee has taken the important decision to appoint a specialist external administrator to provide administration services for the Scheme.

The Trustee recognises that this is a significant change and is not a decision that has been taken lightly. However, the Trustee believes it is the right step to help ensure members continue to receive a high-quality service in the years ahead.

Importantly, this decision is not a reflection on the University Pensions Office, which will remain part of the University and continue to play an important role in supporting pension provision. Nor will the change affect members' accrued or future benefits.

For members, the change will bring access to enhanced online services and greater self-service functionality. For most members, this will include the ability to obtain real-time benefit quotations online, alongside a wider range of information and services.

As we move through the transition, our priority will be to ensure members remain informed and supported. We will write to members later this year with more information about the new arrangements and what they mean in practice.

Alongside this change, the Trustee is also keen to continue improving how we communicate and engage with members. Working with the Pensions Office, we will be reviewing our communications and engagement activity during the coming year to consider how we can better support all members in understanding and getting the most from their pension benefits.

For now, members do not need to take any action. Please look out for future communications and updates as further information becomes available.

Pensions Dashboards – a new way to view your pension savings

Pensions Dashboards are being introduced across the UK to help people see information about their pension savings online in one place. Once available, dashboards will allow individuals to view details of their State Pension and participating workplace and personal pension arrangements through a secure service.

Our Scheme is preparing to connect to the Pensions Dashboards ecosystem in line with legislative requirements. This work includes ensuring that member data is accurate and that the information we hold can be matched correctly when members use a dashboard service.

Although Pensions Dashboards are not yet widely available to the public, we encourage members to ensure that their personal details, such as their name, address and date of birth, are kept up to date with UMSS. This will help make it easier to match your pension records in the future.

We will provide further updates as Pensions Dashboards become available and let members know what action, if any, they need to take. You may also start to see this being communicated by the Government and discussed in the media.

Strengthening governance

Like all pension schemes, we operate in an increasingly complex regulatory environment. New legislation requires the Trustee to regularly assess whether a scheme's governance arrangements are operating effectively and to be transparent about the results with members.

During the year, the Trustee worked with the Scheme Secretary and external advisers to undertake a comprehensive review of the Scheme's governance framework. This included reviewing existing policies and developing new ones where appropriate, covering areas such as business continuity, cyber security, conflicts of interest, and risk management.

The Trustee concluded that the Scheme's governance arrangements are effective overall and support the secure management of members' benefits. As part of the review, a number of opportunities for further improvement were identified, including enhancing member communications and engagement, strengthening oversight and assurance processes, and ensuring the new governance framework becomes fully embedded in the Scheme's day-to-day operations.

Governance may not always be the most visible aspect of pension scheme management, but it plays a vital role in helping ensure the Scheme remains well managed, resilient and focused on delivering good outcomes for members.

Boost your benefits

Knowing how much to save towards your pension can feel like a difficult choice. You can find tools and resources on our website, which help you stay on track for the retirement you want.

View your pension statement

If you're still building up a UMSS pension, we send you a pension statement every year which you should receive alongside this newsletter. This shows how much pension you've built up so far, and what it could be worth at your Normal Retirement Age (NRA). You can currently take your benefits any time after age 55, increasing to 57 from 2028.
Learn more at **umss.co.uk/retiring/planning-your-retirement**

Access the online pension modeller

The modeller helps estimate your retirement income based on your savings, salary, and contributions. If you're age 64 or over, contact the Pensions Office using the details on the **back page** for a more accurate retirement quote.

Try our modeller today at **umss.co.uk/paying-in/check-you-re-on-track**

Increase your savings

Once you've checked whether you're on track, you might want to think about saving more for your retirement. One way to do this is by making Additional Voluntary Contributions (AVCs).

You can choose:

- How much you want to pay in AVCs.
- Whether to make regular payments.
- Whether to make a one-off payment.

Regular AVCs are deducted from your salary like your normal pension contributions. This means you get tax relief (and National Insurance savings if you pay through PensionChoice).

How it pays to save

Jane is 35, earns £24,000 a year and doesn't pay AVCs.

By paying just 1% of her salary in AVCs, or £20 a month, she could receive an extra £1,333 a year in pension and £3,999 extra cash lump sum.

Consider getting financial advice

You can find a verified independent financial adviser near you from the Financial Conduct Authority's website at **register.fca.org.uk**. You're responsible for any costs of getting this advice. You can also speak with a member of the Pensions Office if you wish, but please note they are not able to provide financial advice.

How to make AVCs

1. Go to People - Connect and make a request to amend your AVCs.
2. Complete the online form and we will get a quote and provide you with the illustration, where you can then confirm if you wish to proceed.
3. Alternatively, you can pop into the Pensions Office (see **back page** for manned hours) and we can arrange for a quote to be provided.

Your pensions journey

Wherever you're up to in your career, it's important to understand the benefits of long-term pension saving and managing your money.

Throughout working life

Get to know your UMSS pension. Read through the Scheme website at **umss.co.uk** to understand how your pension works and the benefits you receive.

Consider booking an appointment with a member of the Pensions Office to discuss and understand your pension.

Time to retire

Contact the UMSS Pensions Office using the details on the **back page** of this newsletter to start the process of taking your benefits from the Scheme.

Thinking about retirement

Consider how much income you'll need in retirement. Useful tools such as MoneyHelper's Budget Planner at **moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner** are available, as are the Retirement Living Standards (see page 9). You can also use the online State Pension calculator at **gov.uk/check-state-pension** to see how much you might receive.

Get financial advice

An independent financial adviser can help you make the best decision for your benefits. You can find an adviser from the Financial Conduct Authority's website at **register.fca.org.uk**. You're responsible for any costs of getting this advice.

For active members, the University also arranges some pre-retirement courses, noting that these are not reserved for those just about to retire. For further information, see **staffnet.manchester.ac.uk/talent-development/learning-and-professional-development** which will take you through to Canvas, the University's digital training platform.

In retirement

Don't forget to keep in touch. We need to ensure we still have the correct contact and bank details for you so that we can keep paying your pension and get in touch with you if needed.

You can also view your pension payslips through the Clarity Member Portal at **account.claritybw.co.uk**

Your income in retirement

According to Pensions UK, 51% of people are more focused on short-term financial needs than long-term savings, and only 23% of people know how much they need to save for retirement.

To get an idea of the income you might need when you retire, you can take a look at the Retirement Living Standards by Pensions UK at **retirementlivingstandards.org.uk** The figures have recently been updated to reflect the rising cost of living but the decrease in energy prices as well as some small spending adjustments across the research participants. They don't include housing, social care, or tax on pension income.

The Retirement Living Standards

Minimum

Covers all your needs, with some left over for fun.
Included: eating out once a month, a holiday in the UK and affordable leisure activities about twice a week.

How much you might need:
£13,900 a year for a single person
£22,500 a year for a couple

You might also have noticed that this minimum amount is more than the current Basic State Pension (£12,548 for the 2026/27 tax year).

Moderate

Provides more financial security and flexibility.

Included: an annual holiday abroad, eating out a couple of times a month, owning a car and DIY maintenance.

How much you might need:
£32,700 a year for one person
£45,400 a year for a couple

Comfortable

Gives you more financial freedom and some luxuries.

Included: holidays abroad, along with UK mini-breaks, generous spending on birthday gifts for others.

How much you might need:
£45,400 a year for one person
£62,700 a year for a couple

Further help

You can find clear money help and guidance that's backed by the Government and free to use through the MoneyHelper website at **moneyhelper.org.uk**

Your Midlife MOT

When was the last time you checked in on yourself and your money? Taking the time to pause and check in now could make a big difference for your future self.

The Department for Work and Pensions' Midlife MOT website brings together a wide range of services, tools and resources to help you think about your work, health and money, with the future in mind.

Whether you want to take stock of your finances, create a healthy working life, plan for a more secure retirement or review your current pension arrangements, the Midlife MOT can help provide the support you need.

Your work	If you're still working, you can find out about flexible working options or learn new skills to suit your changing needs.
Your health	Maximise your exercise, get mental health support, learn about eating well and take an NHS health check.
Your money	Check what benefits and support you could be entitled to, understand your personal budget and use MoneyHelper's Money Midlife MOT tool.

Want a Midlife MOT? Visit **jobhelp.campaign.gov.uk/midlifemot**

The State Pension has increased

For the 2026/27 tax year, the State Pension increased by 4.8%, which reflects the increase in the Consumer Prices Index (CPI).

This is part of the 'triple lock' system, which ensures that the State Pension rises each year by the highest of 2.5%, inflation, or earnings growth.

As a result:

- The full, new State Pension (for those who reached State Pension age (SPA) after April 2016) is now **£241.30 a week**, an increase of £574.60 a year.
- The full, basic State Pension (for those who reached SPA before April 2016) is now **£184.90 a week**, an increase of £335 a year.

Financial guidance at your fingertips

If you're looking to make the most of your savings, need help understanding your spending habits, or want someone to cut through financial jargon, **MoneyHelper** is here to assist you.

MoneyHelper offers free and impartial Government-backed guidance about your money and pensions. You can talk to trained staff who can help you work out how to keep on top of your finances, or point you in the direction of someone who can.

How MoneyHelper can help

Find out more about your options and get guidance on:

- Clearing your debt
- Checking your entitlement to benefits
- Reducing your spending
- Family care and help
- Making the most of your income
- Building up savings, including your pension

Contact MoneyHelper

- Go to **moneyhelper.org.uk**
- Use the webchat function on the MoneyHelper website – it's open Monday to Friday, 9am to 6pm
- Call **0800 011 3797** – lines open Monday to Friday 8am to 6pm for money advice and 9am to 5pm for pensions advice

Scheme numbers

Value of the Fund

2025	£429.8m
2024	£453.3m
2023	£440.1m

The aim of the Trustee's investment strategy is to ensure UMSS is well funded, so that there is enough money to pay your benefits – it is not necessarily to grow the size of the Fund each year. The Trustee appoints investment managers to look after UMSS' investments on a day-to-day basis. The Trustee reviews the Scheme's investments at least quarterly, including its investment portfolio and returns.

The rise in interest rates in recent years has had the effect of reducing the value placed on the Scheme's liabilities. A large portion of the Scheme's investment portfolio is designed to move in a similar way to the value placed on the liabilities i.e. when the value of the liabilities falls, so does the assets.

Therefore, despite the fact that the Scheme has decreased in size in the last two years, the important point to note is that the value placed on the liabilities has also significantly fallen.

Membership

31 July 2025

1,578	Active
3,808	Deferred
2,846	Pensioner

8,232 members

31 July 2024

1,757	Active
3,818	Deferred
2,778	Pensioner

8,353 members

Income and expenditure

Here is a summary of the Scheme's income (money paid in) and expenditure (money paid out):

	2025	2024
Income	£23.4m	£24.1m
Expenditure	− £24.4m	− £23.9m
Net investment growth	+ (£23.4m)	− £13.0m
Decrease/Increase in Fund value for the year	= Decrease in Fund value for the year (£24.4m)	= Increase in Fund value for the year £13.2m

See the previous page for more information on the change in Fund value.

If you'd like a copy of the full report and accounts, please visit **umss.co.uk/about-the-scheme/documents-and-forms** or you can get in touch with the Pensions Office using the contact details on the **back page**.

Summary funding statement

Every three years an actuary carries out a financial health check of UMSS. This is known as a 'full actuarial valuation'.

The most recent full actuarial valuation was as at 31 July 2025. You can see the results below alongside the previous assessments as at 31 July 2024 and 31 July 2023 for comparison.

UMSS's funding level is broadly similar compared to the last two assessments. Having carefully considered the situation and updated legislation, and in consultation with its professional advisers, the Trustee has agreed a new rate of contributions payable from 1 August 2026. This will see the employer contribution rate fall, but with higher quarterly payments made by the University to clear the deficit. The employee rate of 6.5% remains unchanged. Whilst the employer contribution rate has fallen, please be assured there is no reduction in the way that you build up benefits in the Scheme.

The Trustee and University have also confirmed that they remain comfortable with the investment strategy and agreed a long-term funding target.

	31 July 2025	31 July 2024	31 July 2023
Assets	£428.9m	£454.7m	£439.7m
Liabilities	£506.9m	£542.4m	£531.8m
Shortfall	£78.0m	£87.7m	£92.1m
Funding level	**85%**	**84%**	**83%**

Funding update – wind-up basis

By law, at each actuarial valuation, the actuary must assess UMSS' funding position if the Scheme were to wind up. This does not mean that the University intends to wind up the Scheme.

The full actuarial valuation as at 31 July 2025 showed that, if UMSS had wound up on that date, its funding level would have been 72% (64% in 2022). This means that the additional amount needed to secure members' benefits would have been £167.4 million (2022: £370.4 million).

The assessment assumes that, in the event of a wind-up, your benefits would be paid in full through an insurance policy. As insurers must take a cautious view of the future, the estimated money required to secure benefits through an insurance company is much more than shown in the ongoing funding level (shown on page 14).

The Government set up the Pension Protection Fund (PPF) to help pension scheme members if a scheme winds up because it becomes insolvent. If the University were to become insolvent and there were not enough assets in UMSS to provide benefits to all of you, the PPF might be able to take over UMSS and pay compensation to members.

Further information and guidance is available on the PPF website at **ppf.co.uk**.

The Pensions Regulator's (TPR's) directions

TPR is a body that protects UK workplace pensions, ensuring all schemes are properly run. As part of this summary, we're required to tell you whether TPR has used its legal powers to make directions to:

- Change the rate at which you earn benefits
- Change the way that a pension scheme values your benefits
- Set the future level of contributions
- Set a date when a shortfall has to be met

We can confirm that TPR has not used any of its powers in relation to UMSS.

By law, we also need to confirm whether the University has taken any money out of UMSS. We can confirm that this has not happened.

Contact the Pensions Office

If you have any general queries about your UMSS benefits, get in touch with the Pensions Office – we'd love to help!

Active members should raise a query via **People – Connect**

Deferred and pensioner members should email us at: **umss@manchester.ac.uk**

0161 275 2043
(Phones are generally manned 10:00am to 3:30pm on Tuesdays and Wednesdays.)

Visit us in person – our drop-in hours are on the left

The Pensions Office
Room G.029
John Owens Building
The University of Manchester
Oxford Road
Manchester
M13 9PL

Getting in touch

You might want to let us know that you've moved house, that you're thinking of leaving the Scheme and would like a transfer quote, that you'd like to retire, or that a member of the Scheme has died.

Whatever you need from us, we're here to help. You can email, call or send us a letter using the details above. **However you contact us, please make sure you let us know your staff number or your pension number.**

Keep your records up to date

It's really important that your UMSS records are up to date as this helps us to keep in touch with you about your pension, and make sure it's paid on time.

Let us know when your contact details change

Whether it's a new phone number, email address or home address, please get in touch with the Pensions Office to let us know. We might not be able to pay your pension if the address on our records doesn't match your home address.