

Simply Pensions Winter 2025/2026

SMA Section (formerly the Scottish Mutual
Assurance plc Staff Pension Scheme)

Santander (UK) Group Pension Scheme (the Scheme)

Your pension | Your future



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A welcome from the Chair

Welcome to the latest edition of Simply Pensions. It's been another busy year for the Trustees. We've now experienced one full year with Gallagher as our Scheme administrator.

There has been a period of adjustment, but we're now seeing service to members in line with the agreed levels. Member feedback has been a little sparse, and I'd encourage you to complete the surveys available online and when you telephone Gallagher so we can get some insight into how you're finding the new administration service. We've also had some changes to the Trustee Board, including the selection of a new Member Nominated Director, which you can read about on [page 4](#).

As always, our priority as Trustees is to run the Scheme in your best interests, ensuring pension benefits are paid to members correctly and on time. There are some actions you can take to make that task easier, such as keeping your personal information up to date. See [page 8](#) for more information.

We hope you enjoy this edition of Simply Pensions, and find the Scheme updates useful and informative.



Frank Oldham
Chair of Santander (UK) Group Pension
Scheme Trustees Limited

Throughout this document, 'the Section' refers to the SMA Section (formerly the Scottish Mutual Assurance plc Staff Pension Scheme).



If you have any feedback, please contact Gallagher using the details on the [back page](#).

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Retiring online and retirement planning

As you prepare for retirement, Mercer's Pension Decision Service remains available to support you in making well-informed decisions about accessing your retirement benefits. The Retirement Relationship Managers offer free, impartial guidance and will walk you through your options.

Boosting your benefits with AVCs

If you have AVCs with LifeSight, you can use them to boost your pension benefits. For more information about LifeSight AVCs, active members can visit the **My Benefits** section of the **My Place** website (previously OneHR).

If your AVCs aren't with LifeSight, you can check if they come with additional benefits like Guaranteed Annuity Rates or Guaranteed Investment Returns. You should also look out for any restrictions, such as Early Redemption Charges if your AVCs are invested in With-Profits funds, before deciding how to use them.

If you haven't already built up AVCs, you can't start paying them now. However, there are still actions you can take, including paying into a different pension arrangement.

Normal Minimum Pension Age

The government will be increasing the Normal Minimum Pension Age (NMPA) from age 55 to age 57 from 2028.

NMPA is the earliest age that you can start taking your benefits without triggering tax charges. For most people, this is currently age 55. But from 6 April 2028, it will increase to age 57 to bring it 10 years below the State Pension age. If you're likely to be impacted by this change, or you're thinking about retiring soon, you can run your own retirement quotes on the member portal at www.pensionportal.co.uk/santander



To get in touch with Gallagher, call **0330 678 4782**.



Read the information on our [Scheme website](#) or [member portal](#) to find out more.



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Pensions dashboards update

Pensions dashboards are set to transform how you access information about your pension.

Dashboards are a government initiative, bringing information about workplace pensions, private pensions, and your State Pension together in one place. When dashboards become available, and all schemes have connected, you'll be able to log in and see the combined value of all the money you'll have available for your retirement.

The government and its providers have completed their development and testing phase and have begun connecting pension schemes to the dashboards for testing. The Scheme has now connected.

Please note that pensions dashboards are a retirement planning tool and will therefore only show pensions not yet in payment.

Results of the MND selection and changes to the Trustee Board

In the last edition of Simply Pensions, we invited members to apply to join our Trustee Board as one of our Member Nominated Directors (MNDs).

We're pleased to announce that Helen Hermant has been selected as our new MND.

Helen began her official appointment on 1 August 2025 after shadowing the Trustee Board and attending meetings in preparation.

We can also confirm that Mark Colman has been reappointed for a second term as a MND from 1 August 2025.

Lee Grant has also joined the Board from July 2025 as a Company Nominated Director following Marc Hauert's departure. We thank Marc for his service.

We'd like to thank everyone who applied for your engagement and commitment to the Scheme – the selection process was extremely competitive this year, with more than double the number of applicants we received for our last vacancy.



Look out for more information about when dashboards will be available to you.



You can read more about Helen, Mark and Lee on the Scheme website at mysantanderpension.co.uk/about/trustees

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Inheritance tax and your pension

The government has announced changes that will affect how unused pension pots are treated for Inheritance Tax (IHT) purposes. These changes, which are expected to apply from 6 April 2027, are designed to encourage people to use their pensions for retirement income rather than as a tool for transferring wealth.

Many people will be unaffected. The value of your assets (your pension, home or other things of value that you own) would need to be more than £325,000 to trigger any IHT liability, and the tax paid is only on the value above that amount.

The government estimates that, out of around 213,000 estates with inheritable pension wealth in 2027 to 2028, 10,500 estates (around 1.5% of total UK deaths) will be liable for IHT, which previously wouldn't have been.

Spouse's and civil partner's pensions generally payable from defined benefit schemes are exempt from these changes, as are death-in-service lump sums. The personal representative of a person's estate will be responsible for ensuring they comply with the new rules.

The Trustees continue to monitor developments and are working with Gallagher, the Scheme's administrator, to ensure that robust processes are in place to support personal representatives when the new requirements take effect.

An update to the Privacy Notice

We've recently updated the Scheme's Privacy Notice so that we can share information with insurers if the Trustees decide to arrange a 'buy-in'. A buy-in is where a pension scheme buys an insurance policy which covers a portion of its liabilities (the cost of paying pensions). This is one of the steps that the Trustees may take as part of their long-term strategy to reduce risk and help secure members' benefits.



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Protecting yourself from scams

Pension scams are becoming more sophisticated with the development of technology and AI. With pension scam fraudsters having stolen £17.6m from UK savers in 2024, it's a sadly familiar story.

Five steps to stay scam-proof

We want you to know the signs of a potential scam and what to do if you suspect you're being targeted. Here are five things to keep in mind to help you have a scam-free 2026.

STEP
01

Be cautious

A legitimate financial adviser or pension provider will never contact you out of the blue. Be wary of cold calls, phishing emails and high-pressure sales tactics such as limited time offers.

STEP
02

Take time to plan

AI tools can be helpful for providing general information but are not always accurate. They can be out of date and not tailored to your personal circumstances. Make sure you check the official scheme information or speak to an authorised advisor before making retirement decisions.

STEP
03

Stay protected

Make sure you're using strong passwords and keeping them confidential. Keep your devices and browsers up to date so that you have the latest software to guard against attacks.

STEP
04

Know your pension

Understanding how your pension works will help you detect a suspicious offer. Generally, you can only take money from your pension when you're 55 or over (rising to 57 from April 2028).

STEP
05

Check the register

Always make sure you're dealing with someone genuine. The Financial Conduct Authority (FCA) keeps a register of authorised advisers. Go to register.fca.org.uk to check it.



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We continue to prioritise sustainability because we believe that appropriate treatment of related risks and opportunities for the Scheme's investments should provide better long-term outcomes for members.

We have set stewardship priorities to focus our monitoring and engagement with our key investment managers on specific environmental, social and governance (ESG) factors.

These are climate risk, board diversity, and modern slavery & human trafficking. These priorities were selected because we believe they are key market-wide risks and areas where good stewardship and engagement can improve long-term financial outcomes for members.

Alongside support from our investment advisers in monitoring our key investment managers' responsible investment approaches, we also meet with these investment managers to discuss their approaches and to encourage improvements, with a particular focus on the three stewardship priorities. We have been encouraged by the progress seen between consecutive meetings with each manager.

Climate change and net zero continue to be a focus for the Scheme. We have been pleased to see the reporting capabilities of the key investment managers improving over time, better enabling us to track their progress towards meeting our climate-related targets. With the support of specialist advisers, we have overseen a range of other activities as part of the Scheme's climate approach over the year. This incorporates thinking about how the Scheme's assets and liabilities, as well as support from the Bank, may evolve as climate change unfolds.

We recognise that climate change is a systemic risk: one that impacts the entire financial system, and cannot be removed through investment decisions alone. As a result, our actions include asking key managers to show how they are using their influence at a systems level (for example by engaging with policy makers and regulators) to address climate change.

Further details of our approach to addressing climate risks can be found in the Scheme's Climate Change Report on the Scheme website at mysantanderpension.co.uk/resources/documents – to request a paper copy, please contact Gallagher using the details on the back page of this newsletter.



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Managing your pension doesn't have to be complicated. There are a few simple steps you can take to make sure your pension is up to date:

STEP
01

Register for the member portal

To register, visit pensionportal.co.uk/santander, choose 'First time user?'

You'll need your Unique ID, which Gallagher sent to you by email or post in November 2024. If you're unable to find your Unique ID, contact Gallagher using the details on the back page.

STEP
02

Review your personal details

Log in to the member portal to check that your personal details are accurate. This makes it easier for the Scheme to get in touch with you. You can also update your email address to receive Scheme communications quickly and sustainably.

STEP
03

Nominate a beneficiary

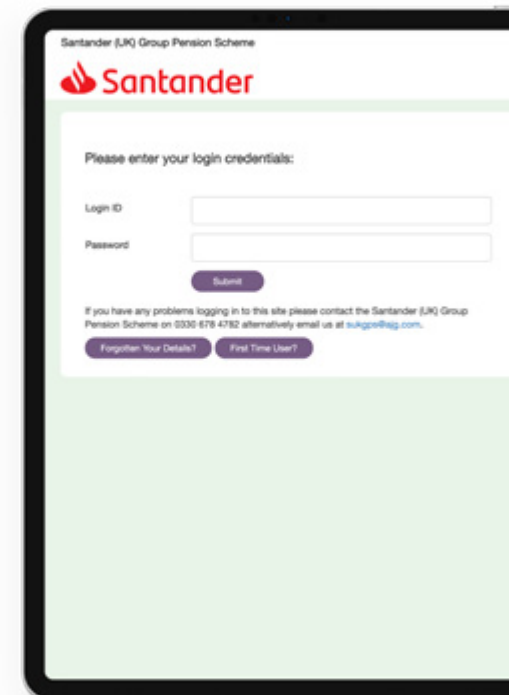
When you die, your loved ones may receive benefits from the Scheme. The Trustees decide who these benefits are paid to, but you can tell them your wishes by nominating a beneficiary. This helps us make the payments more quickly. To nominate a beneficiary, visit the member portal at pensionportal.co.uk/santander

STEP
04

Protect yourself from scams

Pension scams are still on the rise and getting more sophisticated. Here are some key actions The Pensions Regulator (TPR) suggests you can take:

- Ensure your pension account details are up to date and using two-step verification to add an extra layer of protection. To find out more, visit stopthinkfraud.campaign.gov.uk/protect-yourself-from-fraud
- TPR's analysis showed that members between 50 and 69 are most at risk of impersonation techniques. For tips on avoiding impersonation scams and how to recognise them, read the City of London Police's Identity Fraud guidance under 'Personal fraud' and 'Identity fraud' at cityoflondon.police.uk/advice/advice-and-information/fa2/fraud



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You are your best defence against fraud. Visit stopthinkfraud.co.uk for more information on how to protect yourself.

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Help and support

There's a lot of additional support available to help you with your pension and financial planning. You can see some key contacts below.

MoneyHelper

is a free service from the government. Its website has information and guidance about a range of money matters including pensions and retirement.

Read more at moneyhelper.org.uk

The Bank Workers Charity

provides support to the banking community, including advice and information, as well as practical and financial support.

Read more at bwcharity.org.uk

AgeUK

is a charity helping everyone make the most of later life. They provide companionship, advice, and support for older people.

Read more at ageuk.org.uk

The Silver Line

is a free and confidential telephone service for older people, and is available 24 hours a day, seven days a week.

Read more at thesilverline.org.uk or contact them on 0800 470 8090.



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Annual Report and Accounts

The Trustees produce a full Report and Accounts each year, showing how the value of the Section has changed over the year to 31 March 2025. You can see a summary below.

£'000s	
Section value as at 1 April 2024	
372,505	
Money paid in	
Contributions from members	2
Company contributions	139
Transfers in	140
Other income	9
Total money in	290
Money paid out	
Pensions paid to members	11,451
Lump sums on retirement	2,622
Individual transfers out	300
Administrative expenses	1
Other payments	3
Total money out	14,377
Money in minus money out	(14,087)
Net return on investments	(29,044)
Section value as at 31 March 2025	329,374

Membership of the Section

This shows the number of members in the Section as at 31 March 2025, with the previous year's figures below for comparison.

2025	
Active members	6
Deferred members	820
Pensioner members	763
Total members	1,589
2024	
Active members	6
Deferred members	882
Pensioner members	708
Total members	1,596

If you'd like a copy of the full Report and Accounts, please contact Gallagher using the details on the [back page](#).



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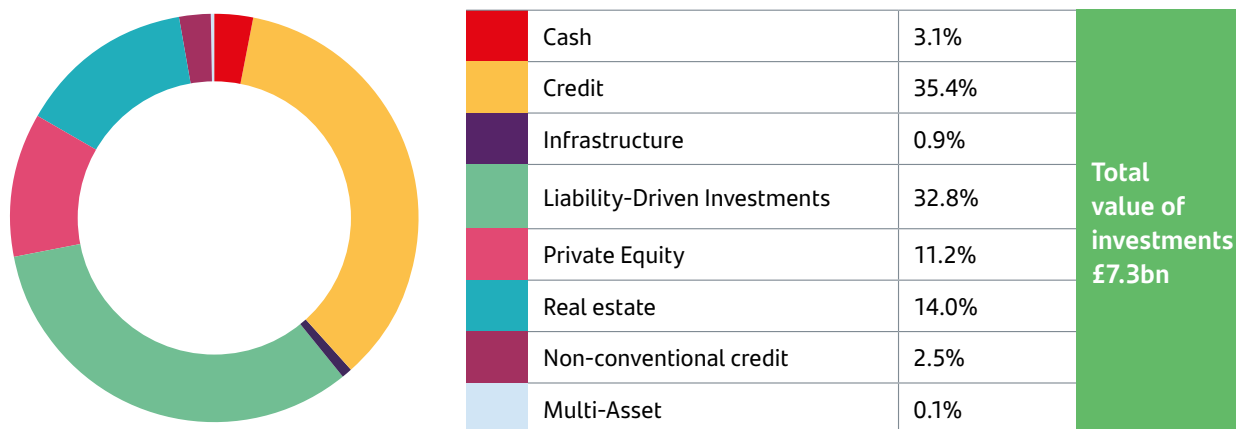
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Investment summary

The money in the Scheme is invested in the Common Investment Fund. You can see the types of investments the Common Investment Fund makes below, as at 31 March 2025.



Over the year to the end of March 2025, the Fund returned -8.5%, underperforming the Gilts + 1% Benchmark return of -5.3%, and the Portfolio Weighted Benchmark return of -4.6%.

The negative absolute performance (the overall drop in value) was driven by rising Gilt yields, which reduced Liability Driven Investments. Falls in Private Equity and Infrastructure assets also contributed, but to a lesser extent. The falls were partly offset by gains in Property and Investment Grade Credit assets.

As the negative absolute performance was driven by rising Gilt yields, the Scheme-wide funding level deteriorated by just -0.8 percentage points from 99.2% to 98.4%. The Fund maintains a high level of interest rate hedging, so most of the fall in assets was offset by the fall in the present value of the Scheme's liabilities.

The negative relative performance (the underperformance compared to the benchmarks) was driven by Private Equity and Infrastructure assets, which lagged their Inflation + 5% benchmarks, and Liability Driven Investments, which lagged the Liability Proxy Benchmark. This was partly offset by strong performance by Property assets, which outperformed the wider market. The Investment Grade Credit and Private Credit assets performed in line with their benchmarks. The Fund did not have any Listed Equity assets during the period.

During the year, the Fund increased its level of interest rate and inflation hedging from 90% to 100%, further insulating the funding level from market volatility. The phased sell-down of the directly-held UK Property assets continued, and there were also sales of most of the Infrastructure assets and a small portion of the Private Equity assets. Any surplus cash arising from these sales and other distributions was reinvested in Liability Driven Investments or Investment Grade Credit.

The Fund's performance benchmarks were reviewed, and the legacy Strategic Benchmark was replaced by the Portfolio Weighted Benchmark and the Gilts +1% Benchmark.

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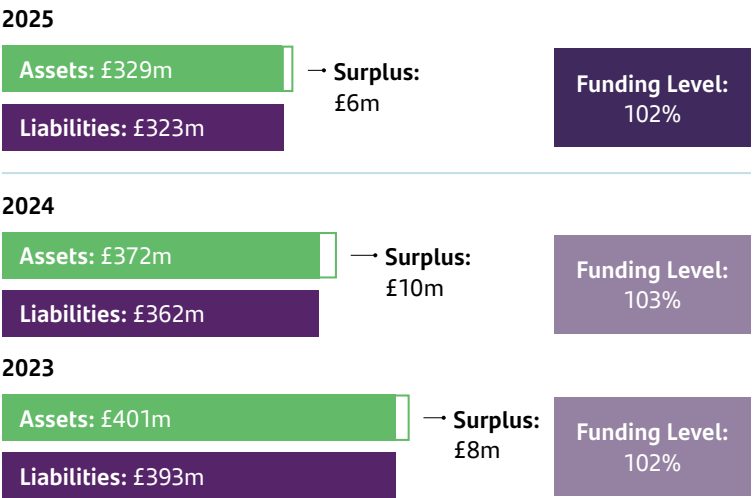
The Trustee Board commissions a full valuation of each Section of the Scheme, called an 'Actuarial Valuation', every three years.

In the years between these, it receives annual actuarial reports for each Section. The Actuarial Valuation helps the Trustee Board to plan for the future, while the annual reports allow it to see whether or not its plans are on track.

Latest funding position

Below you can see the Section's funding level on an, ongoing basis' based on:

- The 31 March 2025 full Actuarial Valuation
- The 31 March 2024 actuarial report
- The 31 March 2023 actuarial report



Change in funding position since the previous Summary Funding Statement

At 31 March 2025 (the date of the Actuarial Valuation), the funding level was 102%, a worsening of 1% since 31 March 2024. The main reason for this was losses on some of the Section's private equity and infrastructure assets over the year.

Long-term view

This chart shows how the value of the Section has changed over the last five years.

31 March	Value of the Section	Change from previous year
2025	£329m	-11.5%
2024	£372m	-7.2%
2023	£401m	-34%
2022	£608m	+1.6%
2021	£601m	+1.7%

The 'ongoing basis' funding level assumes the Section continues in its current form.

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If the Section had to wind up

Although there are no plans to wind up the Section, we're required by law to also tell you what the funding level would be if the Section had been wound up at the date of the last formal Actuarial Valuation.

This 'solvency position' is the Scheme Actuary's estimate of how much would be needed to 'buy out' the Section's benefits with an insurance company if the Company was no longer able to fund the Section.

The Actuary estimated that the Section's full solvency position as at 31 March 2025 was 97% (89% as at 31 March 2022). This means that, in addition to the existing Section assets, an estimated amount of £10 million would have been needed to make sure that all the members' earned benefits (as at 31 March 2025) could be bought in full from an insurance company.

Recovery Plan

At each formal Actuarial Valuation, the Scheme Actuary, Trustee Board and Company agree a Recovery Plan and Schedule of Contributions with the aim of eliminating any shortfall.

To fund the benefits earned by active members over every year, the Company contributes 32.6% of the members' capped pensionable salaries, and members either pay nil or 1% of their capped pensionable salary (depending on which benefit category they're in).

No recovery plan is required as the Section is in surplus. However, contingent contributions could be payable if there are any losses on the Section's illiquid assets (e.g. infrastructure and real estate), there is a material deterioration in the Company's financial position, or if a shortfall emerges before 31 December 2025.



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Payments made by the Section

Finally, we are required by law to let you know if there have been any payments made by the Section to the Company since the last Summary Funding Statement, and whether or not The Pensions Regulator has modified the Section, issued directions to the Trustee Board or imposed a Schedule of Contributions.

We can confirm that no such payments have been made, and that The Pensions Regulator hasn't needed to take action.

The Trustee Board takes care to ensure the Scheme's money is invested sustainably. You can view the Scheme's Taskforce on Climate-Related Financial Disclosures (TCFD) report, which outlines how it does this, on the Scheme website at mysantanderpension.co.uk. To request a paper copy, please contact Gallagher using the details on the back page.



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If you have a question about the Scheme or your benefits, please scan the QR code or visit mysantanderpension.co.uk where you'll find lots of information and useful documents.

The quickest way to check on your pension benefits or make a change to your personal details is through the member portal. Visit mysantanderpension.co.uk and select 'Login'.

If you can't find what you need online, please contact Gallagher, the Scheme administrator:

Helpline: 0330 678 4782

Email: SUKGPS@ajg.com

Write to:

The Santander (UK) Group Pension Scheme
Gallagher (Bristol)
PO Box 319
Mitcheldean
GL14 9BF

Stay informed

Sending your communications online allows us to get information to you quickly and sustainably.

We no longer send communications by post, unless you've made a specific request to receive printed communications. To make sure you continue to receive updates from us, please check Gallagher holds your correct email address by scanning the QR code and logging in to the member portal.

