Arts Council Retirement Plan (1994)

Summary Funding Statement and Newsletter 2026

Arts Council Retirement Plan (1994)

Welcome and introduction from Mark Engelbretson

Welcome to your 2026 summary funding statement and newsletter for the Arts Council Retirement Plan (1994) ("the Plan").

This statement provides an update on the Plan's financial position and highlights key developments over the past year. A full actuarial valuation of the Plan is carried out every three years, known as a 'triennial actuarial valuation', with annual funding updates in the intervening years. The most recent triennial actuarial valuation was carried out at 31 March 2025.

As Trustees, we are responsible for monitoring the Plan's financial health and reporting its financial position to members. Legislation requires trustees and employers to work together to maintain the Plan's financial health, and we must issue the summary funding statement to all members.

This statement outlines the Plan's financial position at the 2025 actuarial valuation and how the financial position has changed since. It also gives you the latest updates on industry wide matters that could affect your pension, and how the Trustees have been managing the Plan, with a particular focus on responsible investment.

We hope this summary funding statement helps you understand the financial arrangements that support your retirement benefits.

How does the Plan work?

The Plan delivers defined benefits as set out in the Plan rules. These benefits are based on your pensionable salary at the point of leaving employment and how long you've been a member of the Plan. More information about your benefits in the Plan can be found on your dedicated member website, 'PRISM'. See page 7 for details of how to access the site.

The benefits are financed by contributions from the sponsoring employers and members, which are jointly paid into the Plan. Together with investment returns, this fund covers the payment of benefits to Plan members and/or their dependants now and for the future.

The sponsoring employers meet the Plan running costs.

UNDERSTANDING YOUR SUMMARY FUNDING STATEMENT

What does this word mean?

Pensions have a language of their own – words which have a specific meaning, and which are used as 'shorthand' when talking about pensions. Here is an explanation of some of the words we use in this statement.



Assets

This is all the money building up in the Plan as investments, such as company shares and bonds, properties, and bank balances.



Liabilities

This is everything the Plan owes now, and the expected value of benefits it will have to pay to members and their dependants in the future.



Surplus

If the Plan has more assets than liabilities, it has a surplus.



Shortfall

If the Plan has more liabilities than assets, it has a shortfall.



Funding level

This is the assets divided by the liabilities. If the value of the assets was equal to the liabilities, the funding level would be 100%.



Scheme Actuary

A professional appointed by the Trustees who is responsible for assessing the financial sustainability of the Plan and providing advice on contributions and risk management. The Scheme Actuary carries out the actuarial valuation.

YOUR SUMMARY FUNDING STATEMENT

The Plan's financial position

At the date of the most recent formal actuarial valuation of the Plan (31 March 2025), the Scheme Actuary found:

The Plan had assets of	**£236.8m**
The amount the Plan needed to provide benefits was	**£187.1m**
This gave a surplus of	**£49.7m**
This is the same as a funding level of	**127%**

How has this changed?

The Plan's financial position is estimated at least once a year. At 31 March 2026, the estimated funding position was as follows:

The Plan had assets of	**£265.2m**
The amount the Plan needed to provide benefits was	**£192.3m**
This gave a surplus of	**£72.8m**
This is the same as a funding level of	**138%**

Since 31 March 2025, the funding level has improved due to strong returns on the Plan's investments, which have increased the value of the Plan's assets. The Plan's liabilities have also increased over the period. The increase in assets has been greater than the increase to the liabilities. As a result, the funding level has improved since the last triennial valuation date.

What if the Plan started to wind up?

One of the periodic checks the Scheme Actuary carries out is to estimate the Plan's financial position if it were wound up and no further contributions were paid by the Plan's sponsoring employers. If, at the 31 March 2025 triennial actuarial valuation, the Plan was closed and the liabilities for all benefits up to that date were transferred to an insurance company, the Plan would have had sufficient assets to secure all benefits, with a surplus of £25.7 million remaining.

This is known as the Plan's 'full solvency' position and is equivalent to a solvency funding level of 112%, compared with 64% at the previous valuation in 2022.

We are required to estimate this position to give a complete picture of the Plan's financial health. It does not mean that the sponsoring employers are thinking of closing the Plan.

If the Plan closed and the sponsoring employers couldn't pay enough to secure members' benefits in full, the Pension Protection Fund (PPF) might take over the Plan and pay compensation to members. The PPF is not intended to replicate each member's pension, but to ensure that members receive most of their pension. This is typically around 90% of the pension earned for most members under normal pension age, and 100% for most pensioners. However, any increases to pensions once a scheme is in the PPF are less generous than the increases that the Plan would have provided.

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

You can also email **information@ppf.co.uk**

or call **0345 600 2541** from 9.00am to 5.30pm, Monday to Friday.

Recovery Plan

As the Plan had a surplus at the 2025 formal valuation, the sponsoring employers are not required to make contributions to the Plan towards any funding deficit, at least until 1 April 2029. The position will be assessed again at the next triennial valuation (at 31 March 2028).

Payments to sponsoring employers

We are required to let you know that there have been no payments to the sponsoring employers out of the Plan's funds since last year's summary funding statement was provided to you.

Statements about the Pensions Regulator's involvement with the Plan

Legislation requires us to tell you certain information about the Pensions Regulator's involvement in the Plan.

We confirm that the Pensions Regulator has made no modifications to or directions on the Plan since last year's summary funding statement was provided to you.

Chair's update and Plan news

Please read on for a message from the Trustee Chair together with the latest updates from the Trustees.

For more information or any feedback

We hope you find this summary funding statement and newsletter informative.

Please feel free to share any feedback you may have, or anything else you'd like to see included in future updates.

For any questions regarding the Plan, or for copies of Plan documents, contact the administrators using the details on the right of this page.

Keeping the Trustees informed

So that we can continue to send you information about your pension, please remember to let us know if your address changes. If you're an active member, you just need to let your employer know about your change of address. If you're a deferred or pensioner member, please contact the Plan administrators or update your details online via PRISM. (see page 7 for details of how to do this)

Please also remember to keep your Expression of Wish nominations up to date, particularly if your circumstances change. Expression of Wish forms allow you to request who you would like to receive death benefits and dependant pensions after you die. More than one person can be nominated if you wish. Whilst your nomination is not binding on the Trustees or Plan administrator; the Trustees will consider your wishes when making their decision.

You can update this information by contacting the Plan administrators, requesting a form from your employer's HR team, or updating your nominated beneficiaries online via PRISM (see page 7 for how to do this).

Address:

Arts Council Plan Administrators

Hymans Robertson

20 Waterloo Street

Glasgow

G2 6DB

Phone: 0141 566 7656

Email: artscouncil@hymans.co.uk

KEEPING YOU INFORMED ABOUT YOUR PENSION

Message from Mark Engelbretson

As Chair of Trustees, I am pleased to welcome you to the latest edition of your pension newsletter. Over the last year, the pensions landscape has continued to evolve, and we provide updates on recent Plan developments in this newsletter.

I am a pensions industry professional and have over 30 years of industry experience representing the professional trustees services firm Ross Trustees Ltd. During my career, I have worked in a number of senior pensions roles supporting pension arrangements for a range of large employers. As noted last year as a keen supporter of the arts, it continues to be an honour to be involved with the Plan.



Mark Engelbretson

Chair of the Trustees for the Arts Council Retirement Plan (1994)

The Plan's funding position continues to be strong

As shown on page 3, the actuarial valuation as at 31 March 2025, which was finalised during the year, showed a strong financial position. The Plan's funding position has improved from a deficit of £18.3 million at the 2022 valuation to a surplus of £49.7 million at the 2025 valuation, which is very encouraging to see.

Since the 2025 valuation the Plan's funding position has continued to improve, with a surplus of £72.8 million at 31 March 2026. This has largely been a result of good returns from the Plan's assets, as well as market conditions helping to offset the impact on the liabilities of further benefit accrual.

Support for our Plan and Vision

The three largest sponsoring employers remain committed to ensuring that all permanent employees have the right to be members of the Plan and continue to make contributions towards members' benefits. This strong employer covenant enables us as trustees to focus on achieving positive outcomes for the Plan.

As the Plan remains open to new members and benefits are still accruing, the timeline for paying benefits and investing assets remains very long term.

We therefore believe it is important to consider responsible investment issues when making investment decisions. Over the past year, we have continued our work on responsible investment, including the development of a responsible investment roadmap for the Plan.

More information about our approach to stewardship and responsible investment in managing your Plan's assets can be found on page 8.

Added Years contributions

We would like to remind active members in the Plan about the Plan's 'Added Years' benefit available to you. Added Years contributions are contributions that active members can choose to pay in order to purchase additional years of pensionable service in the Plan.

Benefits in the Plan are based on your final salary and your pensionable service. Purchasing additional years of service increases the pension and tax-free lump sum available to you from the Plan at retirement

Added Years contributions are paid as a percentage of salary, alongside normal member contributions. As with normal pension contributions, tax relief may be available, depending on your individual circumstances.

Added years contributions can only be set up annually from your birthday date – please allow at least 3 months of lead time in requesting to set up added years contributions, prior to your next upcoming birthday.

Further information can be found in the member booklet available on the Plan website:
Arts Council Pension Plan or by contacting Hymans Robertson, the Plan administrators.

Pension increases

Most pensions in payment increased by 3.8% in April 2026, fully in line with the annual rise in the Consumer Price Inflation (CPI) Index to September 2025, which is the same as the basis used by most public sector plans for determining pension increases. This includes elements of the pension where CPI increases are not guaranteed. These are discretionary pension increases which were approved by both the Trustee Board and Arts Council England as the Principal Employer.

GMP Equalisation

Following a High Court Ruling in 2018, pension scheme trustees are required to address an element of pension 'Guaranteed Minimum Pension' (or 'GMP'), to ensure pension benefits are equal for men and women. GMP was built up prior to 5 April 1997. For those of you who had a GMP element to your pension in payment at the time of the exercise, if you have been impacted by equalisation, you will have by now received a personal letter explaining the impact on your pension.

Changes to inheritance tax

The UK government has announced changes to inheritance tax and how this applies to pensions. For any deaths which occur after 6 April 2027, most unused pension funds and lump sum death benefits in pension schemes such as ours will be included as part of your estate when calculating the inheritance tax due to be paid.

The new rules do not currently include most benefits relating to dependants' pensions that your loved ones may receive from the Plan, or most lump sum death benefits if you die in service. These benefits may still be excluded from inheritance tax, although this will depend on your individual circumstances and the specific provisions of your different pension arrangements.

Inheritance tax can be a complicated area, so you should consider seeking advice to help you make the right decisions. You can find independent financial advisers local to you at **www.unbiased.co.uk**. For will writing and estate planning, it may be a good idea to engage with a solicitor, especially considering the new inheritance tax developments.

Pensions dashboard and finding lost pensions

The Plan continues to work closely with Hymans Robertson to progress one of the pension industry's most significant initiatives – the rollout of the Pensions Dashboard. This UK government-backed project allows individuals who have not yet retired to securely access their unclaimed state, private and workplace pension information in one place. This will help individuals to locate lost pensions and view existing ones, which are not yet in payment, with greater ease.

The Pensions Dashboard has not been made available yet. However, we would encourage you to use the Dashboard once it is available. If you have worked for other employers before or since your time at the Arts Council, you should be able to find and locate all of the pensions earned at these workplaces using the Dashboard. This can help give you a better idea of what your pension will be when you retire.

To ensure the best chance of seeing all your pension information once the Dashboard is available, it's important that all your pension schemes hold up-to-date personal information for you.

To view and update the personal data held for you by Arts Council Retirement Plan (1994), you can visit your PRISM dashboard as set out below.

Get online with PRISM

We continue to encourage you to log on to PRISM, our online secure member portal, and the home for all information about your benefits in the Plan. You'll find useful information on the home page as well as recent announcements and news about the Plan.

To get full value from everything available on the site, you'll need to register your details and go through a short security process. Once logged in, you can understand more about your projected pension at retirement with the Plan, view and update your personal details, add and update your nominated beneficiaries (we encourage you to review and update your beneficiaries regularly), plus much more.

Visit

www.artscouncilplan.co.uk
to log on

Scan

the QR code below
to register

If you're having problems logging into the site, please don't hesitate to contact the Plan administrators using the details on page 4.

INVESTMENT OF PLAN ASSETS

How is the Plan invested?

The Trustees invest the Plan's assets with the aim of ensuring members' benefits can be paid when they are due, while also taking a responsible approach to managing the Plan's investments. In doing so, they balance opportunities for growth against the risks involved in investing, while recognising the very long-term nature of the Plan. Pension payments are expected to continue for many decades and, with the Plan remaining open to new entrants and existing members continuing to build up benefits, the Trustees are therefore able to take a long-term approach to investing.

Responsible investment

The Trustees recognise that environmental, social and governance (ESG) issues can affect the long-term performance of the Plan's investments. Responsible investment is therefore an important part of how the Trustees manage the Plan's assets and protect members' benefits.

The Trustees believe that responsible investment should be built into investment decisions rather than treated as a separate activity. This includes considering ESG factors when selecting and monitoring investment managers and overseeing how managers engage with the companies in which they invest.

The Trustees' long-term ambition is reflected in their Vision for a Responsibly Invested Strategy:

"To invest in a manner where sustainability issues are not just considered as part of what managers do, but so that the invested assets contribute positively to a more sustainable future"

Over the past year, the Trustees have been reviewing their approach to responsible investment. The aim is to ensure that it continues to reflect best practice while remaining appropriate for the Plan's size and circumstances. As part of this work, the Trustees have identified a number of areas for future development and are exploring ways to make their approach to responsible investment and stewardship clearer and more accessible for members.

This includes developing a standalone Responsible Investment Policy and considering how member views can help inform the ongoing evolution of the Plan's approach. The Trustees expect this work to continue into the coming year as these developments are progressed and the Responsible Investment Policy is finalised.

Details of the investment strategy and the approach to responsible investment are in the Statement of Investment Principles, which is publicly available: https://artscouncilplan.co.uk/resources/statement-of-investment-principles/

In 2026, the Trustees were once again successfully admitted by the Financial Reporting Council (FRC) to be a signatory of the UK Stewardship Code. This remains a significant achievement for a pension scheme of the Plan's size and reflects the Trustees' ongoing commitment to high standards of stewardship and responsible investment.

The Trustees will continue to build on this achievement as they further develop their approach to stewardship and responsible investment over the coming years. The assets were broadly invested as shown in the chart here as at 30 June 2026.

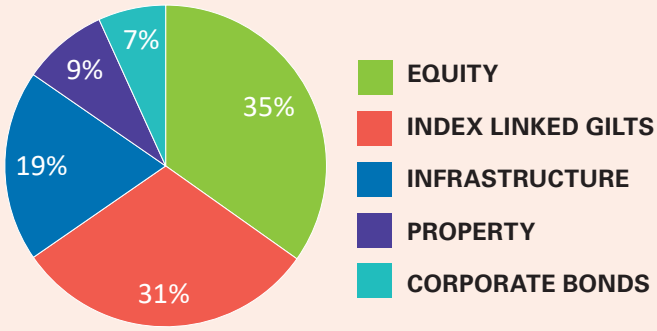


**Chart may not add to 100% due to rounding*

SCHEME INFORMATION

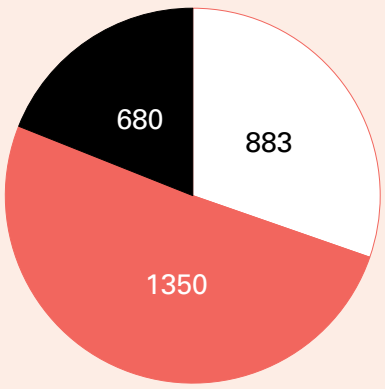
Who are the Trustees?

The Trustees are responsible for the efficient and effective running of your Plan. The Trustees that make up the Plan's board are:

Mark Engelbretson	Professional Trustee Chair
Ian Stevenson	Employer nominated Trustee (Creative Scotland)
Navees Rahman	Employer nominated Trustee (Arts Council England)
Lorna Virgo	Employer nominated Trustee (Arts Council of Wales)
Francis Runacres	Pensioner Member nominated Trustee
Mumtaz Ali	Active Member nominated Trustee

What is the membership of the Plan?

At 31 March 2026, the Plan had 2,913 members.



ACTIVE MEMBER

A member of the Plan who is at present accruing benefits earned from current service.

DEFERRED MEMBER

A member who has left the Plan but has not yet retired.

PENSIONER

A member who has retired and is receiving their pension benefits.

Who are the Plan's professional advisers?

The Trustees delegate some of their day-to-day responsibilities to professionals and take advice from experts when making decisions. The Trustees' advisers are:

Scheme Actuary	Bill Barnes, Hymans Robertson LLP
Independent auditor	Crowe U.K. LLP
Administrators	Hymans Robertson LLP
Investment managers	IFM Investors Legal & General Assurance (Pension Management) Limited Quinbrook Infrastructure Partners (GP3) Limited Storebrand Asset Management AS
Investment advisers	Hymans Robertson LLP
Additional voluntary contribution providers	Aegon Scottish Equitable plc
Legal advisers	Sacker and Partners LLP
Covenant advisers	Grant Thornton LLP



Pensions checklist

Every year it's worth asking yourself a few questions which might have an impact on your pension arrangements.

Ask yourself	What to do
Might you exceed the £60,000 annual allowance for the 2026/27 tax year? This is the maximum you or someone else (such as your employer) can contribute to all your pensions in one year, without incurring a tax charge.	Contact Hymans Robertson for a factsheet and consider seeking independent financial advice. You can find independent financial advisers local to you at **www.unbiased.co.uk**. If you think you're affected, then you should contact Hymans Robertson.
Might you exceed the lump sum tax allowances? The Lump Sum allowance applies a £268,275 limit on the amount of tax-free cash you can access from your pensions. The Lump Sum and Death Benefit Allowance applies a £1,073,100 limit on the amount of tax-free cash that can be paid in your lifetime and on death.	
Are you getting close to retirement and considering your options?	You should seek independent financial advice and contact Hymans Robertson if you want a transfer value or a retirement quotation. You can find independent financial advisers local to you at **www.unbiased.co.uk.**

Data controllers

The Trustees and the Scheme Actuary use your personal data to administer the Plan. Each acts as a data controller. Your personal data will be processed fairly and lawfully, in accordance with the principles of the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 solely in connection with the Plan. Details of how we use your personal data can be found in the privacy notice, upon request from the Plan administrator or on the Plan website: **www.artscouncilplan.co.uk/resources/privacy-notice/** If you have any queries about your personal data, please contact the Plan administrators using the details on page 4.

Thinking of leaving the Plan?

If you are thinking of leaving the Plan for any reason, we recommend that you take financial advice first. For a list of independent financial advisers local to you, go to **www.unbiased.co.uk**.

Avoiding pension scams

It is crucial to stay vigilant and informed to protect yourself from pension scams. Scammers often pose as Financial Conduct Authority (FCA) authorised advisors, offering attractive but fraudulent investment opportunities.

How to spot a scam:

- Be wary of unsolicited calls and offers, especially those offering 'free pension reviews' or promises of low-risk, high-return investments. Common scams include early pension release schemes, often targeting victims through social media or referrals.
- Promises of large returns if you transfer money overseas.
- Avoid paperwork requiring immediate signature, or advice to invest all savings in one place. Financial advisers generally suggest diversifying your assets.
- Be sceptical of claims about 'legal loopholes' allowing you to get 'cash back' from your pension.



If the offer seems too good to be true – it probably is!

Falling victim to a scam could lead to losing all of your pension savings, and in some cases you might get a tax bill on your pension pot of up to 55% for accessing funds early.

Follow the FCA's four key steps:

1. Reject unexpected offers
2. Verify who you're dealing with
3. Don't be pressured
4. Seek impartial information or advice

For more details, visit the avoiding pension scams guidance on the Plan's website: **https://artscouncilplan.co.uk/your-pension-knowledge/avoiding-pension-scams/**

For more information

If you would like more information about anything in this statement, please contact your Plan administrator using the details here:

Address:
Arts Council Plan Administrators
Hymans Robertson
20 Waterloo Street
Glasgow
G2 6DB

Phone: 0141 566 7656
Email: artscouncil@hymans.co.uk