Scottish Enterprise

Scottish Enterprise Pension & Life Assurance Scheme

Know your pension

2025

In the know

Know your trustees

The assets of the scheme are held in trust for the benefits of members and are managed by the trustees of Scottish Enterprise Pension & Life Assurance scheme. Learn more about the board of trustees at https://www.sepensions.co.uk/about-us/the-trustee-board/

Dear Member,

This is my first introduction as Chair, following in the footsteps of Alistair Gray. He set a very high bar and I am hugely grateful for the excellent state in which he left the Scheme. Sincere thanks to him and to the other trustees who stepped down at the same time. Between them they dedicated many valuable years of service to the Scheme.

It has been very enjoyable getting to know the Scheme, my fellow trustees, our advisers and you, the members. I am particularly impressed by the enthusiasm and commitment of all concerned. This year we have added the role of Pensions Manager to the team. Those of you who attend our webinars will already know Michael Wright. He has made a big impact on the way the Scheme runs, and we are delighted to have him on board.

It seems that there is constant change in the world of pensions. We aim to keep you up to date through the webinars, and it is really encouraging to see how well attended they are, and to be able to answer questions that matter to you as best we can. Your engagement and feedback is really valuable to us, and helps us to deliver what you want.

We will soon be getting to grips with the new funding regime as we carry out the Scheme's triennial funding valuation next year. You can read more about the current state of the Scheme's funding in this newsletter and will see that the Scheme is in good health. We are working through the way we invest its assets to keep it that way. There is also more about our investments in this newsletter.

Other changes are in the pipeline. Following UK Government legislation, the minimum pension age (the earliest age at which you can take pension benefits) will rise to 57 from April 2028. Keep this in mind if you plan to retire early. The Pensions Dashboard is also on its way. This will help you keep track of pension benefits you have earned over your working life. We are working hard to ensure that the Scheme is ready to connect to the Dashboard. It is likely to go live in early 2027.

We really welcome your feedback so please let us know if you have comments on anything you read in this newsletter or anything else about the Scheme that we can help you with.

Best,

Julia Miller, Chair of trustees

Know the latest news

Take control of your future with a Midlife MOT

If you're in your 40s or 50s, retirement might still feel a long way off. But even if your next financial milestones are years ahead, it's never too early to start planning – and staying engaged with your finances is key.

To support people at this important stage of life, the Government offers a free Midlife MOT – a valuable service for those in their 40s, 50s, and early 60s. It provides a timely check-in to help you assess your pension savings and retirement plans. The Midlife MOT encourages you to reflect on your work, health, and finances, helping you make informed decisions and feel more confident about the future.

Taking the time for a Midlife MOT could be a key step in securing the retirement you want. It's free, easy to access online, and could make all the difference.

Find out more by visiting MoneyHelper at www.moneyhelper.org.uk/midlife-mot

The trustees have been working on a Retirement Checklist to help members plan for retirement. This is available on the Scheme website at https://www.sepensions.co.uk/scheme-documents/retirement-checklist/

Proposed changes to Inheritance Tax rules

As part of the 2024 Autumn Budget, the Government has proposed changes that could affect how pension savings are treated for Inheritance Tax (IHT) purposes in future.

From 6 April 2027, most unused pension savings or death benefit payments may become part of your estate for IHT purposes and could therefore be subject to IHT.

What could this mean for you?

If the proposal goes ahead, it may affect how your pension benefits are treated after your death, particularly if you plan to leave unused pension savings to your loved ones. Under the current proposal, personal representatives would be responsible for calculating and paying any IHT due on these pension benefits. However, death-in-service lump sums would remain outside the scope of IHT.

Do you need to do anything now?

No, these changes are currently part of draft legislation and are subject to further consultation. So, there may be further updates to what is included as part of this change. However, you may wish to speak with a regulated financial adviser to help you determine what this could mean for your individual circumstances. You can find firms authorised by the Financial Conduct Authority by searching the Financial Services Register at https://register.fca.org.uk/s/

Once approved, the changes would take effect from 6 April 2027. We'll continue to keep you updated as more details become available.

To learn more about the current rules around Inheritance Tax and pensions, visit the Government website at https://www.gov.uk/inheritance-tax

Know the finances

We receive regular payments from the company which we invest and use to pay benefits. Here is a summary of the money we received and the payments we made over the last scheme year.

Value at 31 March 2024	**£562,648,713**
Payments received	
Employer contributions*	£15,333,628
Member contributions	£359,813
Transfer in	£2,444,823
Other income	£252,799
Total received	**£18,391,063**
Payments out of the scheme	
Benefits paid or payable	(£28,332,125)
Payments to leavers	(£581,916)
Life Assurance premiums	(£223,403)
Admin expenses	(£1,184,296)
Total paid	**(£30,321,740)**
Return on investments	
Investment income	£13,993,356
Change in market value of investments	(£36,121,675)
Investment management expenses	(£1,010,280)
Net returns on investments	**(£23,138,599)**
Value at 31 March 2025	**£527,579,437**

Members in the scheme

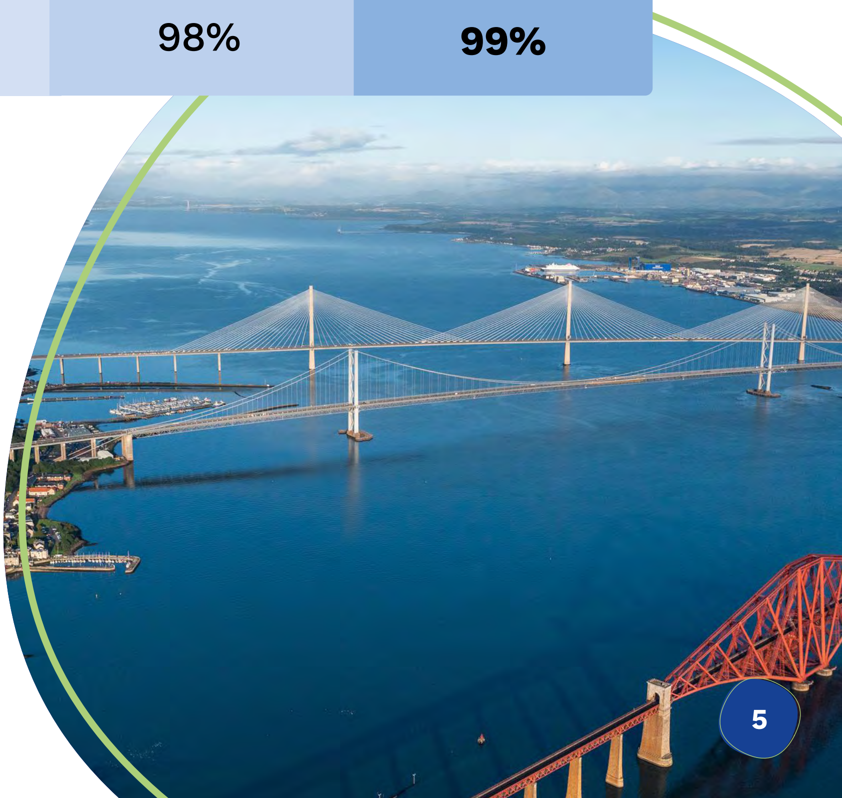
* Most members pay into the Scheme through the salary sacrifice arrangement. During the year, employer contributions totalling £3,333,017 were made under this arrangement.

Know your summary funding statement

The trustees must make sure the scheme has enough money to pay members' benefits both now and in the future, and so every three years a full valuation of the scheme is undertaken, with annual checks in between. These calculations are carried out by an Actuary appointed by the trustees. Here is a summary of the funding position at the last full valuation, which was as at 31 March 2023, and how this compares with the latest annual update as at 31 March 2025.

Assets	**Liabilities**	**Surplus/ (Shortfall)**
The value of the scheme's investments	The estimated costs of providing members' benefits	The difference between the assets and the liabilities
Value as at 31 March 2023 £570.9m	Value as at 31 March 2023 £570.8m	Value as at 31 March 2023 £0.1m
Value as at 31 March 2024 £562.6m	Value as at 31 March 2024 £573.9m	Value as at 31 March 2024 (£11.3m)
Value as at 31 March 2025 **£527.6m**	**Value as at 31 March 2025** **£533.1m**	**Value as at 31 March 2025** **(£5.5m)**

Funding level The assets as a percentage of the liabilities	As at 31 March 2023 100%	As at 31 March 2024 98%	**As at 31 March 2025** **99%**



The scheme's financial position

As you can see, as at 31 March 2025 the Scheme had a slight shortfall, with 99% of the money it needed to pay all benefits due now and in the future. As long as the company continues to support the Scheme, your benefits will be paid in full when they become due.

Over the year, the assets of the Scheme have decreased as a result of benefits paid out of the Scheme, coupled with lower than expected returns on the Scheme's assets. The benefits paid out, together with an increase in the expected return on the Scheme's assets, have also reduced the Scheme's liabilities. As a result, the funding level of the Scheme has remained stable comparing to 31 March 2024.

Your pension is a defined benefit pension which means it does not depend directly on market movements. The trustees remain focused on their long-term objectives to:

1. pay all pensions on time, and in full, and
2. be a sustainable, relevant and secure scheme for current and future generations.

Protecting your benefits

The trustees aim to have enough money in the scheme to pay pensions and other benefits to members. So long as the company continues to support the scheme, your benefits will be paid in full when they become due.

Scottish Enterprise is fully committed to supporting the scheme so that members' benefits are paid in full and we have no reason to believe that this support will not continue. We are required by legislation to provide details of the funding position if the scheme ceased to exist, was wound up and trustees had to secure members' benefits by buying an insurance policy.

Securing benefits in this way is expensive. For example, at the last full valuation date it would have cost £811.4m to secure members' benefits if the scheme had wound up as at 31 March 2023, compared to the assets of £570.9m at the same date.

If there is not enough money in the scheme to buy out all the benefits with an insurance policy, the company would have to make up the shortfall.

For cases where a company goes out of business and doesn't have the money to pay the benefits promised, the Government has set up the Pension Protection Fund (PPF) where it provides compensation to members of eligible UK pension schemes, like ours. If the Scheme enters the PPF, the pension you receive may be less than the full amount you earned under the Scheme. The amount of compensation you receive depends on your age and when your Scheme benefits were built up. You can find out more about the PPF on their website www.ppf.co.uk

Please note that the inclusion of this information does not imply that the company or the trustees are thinking of winding-up the scheme. It is simply required to form part of our report.

Know the investments

Our investment strategy

The scheme's investment strategy is set by the trustees after taking appropriate independent advice. The scheme's assets were allocated to the following investment types.

- Liability driven investments **27.0%**
- Property and infrastructure **8.6%**
- Cash **9.6%**
- Other income and credit **38.7%**
- Gilts **6.5%**
- Equities **9.5%**

The trustees have considered environmental, social and governance criteria when setting the investment strategy.

More information about our investment strategy is published in our Annual Report and Accounts and our Statement of Investment Principles, which are both available on the scheme website, www.sepensions.co.uk

Know the jargon

Liability driven investments
Aim to match the sensitivity of the scheme liabilities to movements in interest rates and inflation.

Property and infrastructure
Investments in commercial property and infrastructure.

Cash
Aims to maintain value by investing in money market funds and fixed deposits.

Other income and credit
Investments in a broader range of alternative credit and income-generating assets.

Gilts
Bonds issued by the UK Government.

Equities
Shares in a company which are bought and sold on a stock exchange.

The legal bit
Legally, we have to confirm that the company has not taken any surplus payments out of the scheme in the last 12 months and that there has been no intervention from The Pensions Regulator to use its powers to modify the scheme, or to impose a direction, or a schedule of contributions.

Want to know more?

Where can I get more information?

These websites are a useful source of information about pensions and general financial matters.

www.gov.uk for Government information and public services, including workplace pensions and State benefits.

www.moneyhelper.org.uk is the one stop service for Government-backed guidance, bringing the support offered by The Money Advice Service, Pension Wise and the Pensions Advisory Service under one roof.

MoneyHelper aims to make your money and pension choices clearer; to cut through the jargon and complexity, explain what you need to do and how you can do it. It is free to use and provides impartial guidance and can recommend further, trusted support if you need it.

You can also ring MoneyHelper free on **0800 011 3797**, Monday to Friday 9am to 5pm.

Stay safe from pension scams

Pension scams continue to cost people their hard-earned savings, with millions lost each year to fraudsters who target those approaching or in retirement. Scammers may promise tempting offers such as unusually high investment returns, early access to your pension, or even free pension reviews – all designed to convince you to part with your money.

You can protect yourself by pausing before responding to any unexpected contact about your pension. Genuine providers will not pressure you into making quick decisions, and any offer that sounds too good to be true almost certainly is. Make sure you know who your pension provider is, the value of your benefits, and where they are held.

Always deal only with firms authorised by the Financial Conduct Authority (FCA) and never share personal or financial details unless you are certain who you are speaking to. For more advice, visit the FCA's ScamSmart website at www.fca.org.uk/scamsmart or call Action Fraud on **0300 123 2040**.

Your pension is there to support you in retirement – don't let scammers take it away.

Scheme information

More information about the scheme is available in our Annual Report and Accounts which is available on the scheme website at www.sepensions.co.uk

Copies of any other documents can be obtained from the scheme administrator, including:

- the trust deed and rules
- actuarial valuations
- the schedule of contributions
- the statement of investment principles

The scheme administrator is:

Scottish Enterprise Pension & Life Assurance
Scheme Administration
Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB

scenadmin@hymans.co.uk

0141 566 7655

Your data

If you would like to find out more about how we use your personal data please see the scheme's privacy notice on our website at:
https://www.sepensions.co.uk/scheme-documents/privacy-notice/

Are you on the move?

Please remember to update your address within your online account if you move home, so that we can keep in touch with you and make sure your benefits are paid on time.