



# The High Commission of Canada in the United Kingdom Locally Engaged Staff Pension Scheme

## Member Newsletter – January 2026

The Trustees of the High Commission of Canada in the United Kingdom Locally Engaged Staff Pension Scheme (the Scheme) are pleased to issue this annual newsletter to all Scheme members, which provides an update on the Scheme's financial position as well as commentary on the following topical pension issues that may affect you.

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### The Trustee Board

The current members of the Trustee Board are:

- Dalriada Trustees Ltd, Employer Nominated and Chair, represented by Adrian Kennett and Greig McGuinness
- Greg Giokas, Employer Nominated
- Randolph Mank, Employer Nominated
- Mario Bot, Employer Nominated
- Isaac Che Suambe, Member Nominated

Since the previous newsletter, Michelle Cassidy has left the Trustee Board. We are in the process of selecting a new member nominated trustee, and communications have already been issued around this.



### Clarity and Pension self-service

To save on printing and postage, and to reflect that most of us communicate electronically, we encourage access to member communications via electronic means (rather than by post).

Barnett Waddingham's **Pension self-service** platform within their **Clarity from BW** secure site provides access to all essential information for members. This platform allows you to manage your pension and receive electronic communications. Once you have an account, you will receive an email to let you know when new statements or information are available to download. If you haven't set up an account or want to know more about Pension self-service, please contact Barnett Waddingham – details shown at the end of this newsletter.

Copies of general correspondence, as well as other useful documents, are also available on the Scheme's website: [www.highcommissionofcanada-pensions.co.uk](http://www.highcommissionofcanada-pensions.co.uk).

If you are currently receiving information by post but would like to switch to electronic communication (or vice versa), you can do this at any time by letting Barnett Waddingham know, quoting your pension reference number.



## Financial Update

An update of the Scheme's financial position to 30 June 2025 is set out below. Since the previous newsletter, we have completed the 30 June 2025 annual update. The next triennial valuation will be carried out as at 30 June 2026.

### Monitoring the Scheme's finances

The Scheme provides retirement benefits to members linked to their length of service and salary, as well as benefits to members' dependents, known as Defined Benefits or "DB".

Your contributions, and those from the Treasury Board of Canada and other participating employers (referred to as the "Employers") are invested by the Trustees across a portfolio of assets that are held completely separate from the Employers. Members' benefits are paid out of this portfolio of assets. Members that have paid Additional Voluntary Contributions have those assets individually earmarked.

Every three years the Scheme's Actuary undertakes a detailed assessment to see if the assets built up are sufficient to meet the expected cost of the benefits that members have earned. This requires the Actuary to make a number of assumptions, such as when will members retire, how long will they draw their pension, the level of inflation, and the returns earned on the Scheme's investments, amongst other factors. The Actuary can then advise whether the Scheme has sufficient money already or, if there is a shortfall, recommend more money to be paid in by the Employers.

As well as the triennial check, an annual update is carried out to monitor progress. The detailed assessment, known as an actuarial valuation, was last carried out as at 30 June 2023, and annual updates were carried out as at 30 June 2024 and 30 June 2025. The results of these reviews are shown in the table below.

£Million	Actuarial valuation 30 June 2023	Annual update 30 June 2024	Annual update 30 June 2025
Scheme assets	100.9	109.1	107.2
Expected cost of benefits	86.8	86.8	80.7
<b>Surplus</b>	<b>14.1</b>	<b>22.3</b>	<b>26.5</b>
Funding level	116%	126%	133%

### Changes since the previous update

Since the previous annual update as at 30 June 2024 the value of the Scheme's assets and the expected cost of benefits have both reduced, but a healthy surplus has been maintained.

The actuarial valuation in 2023 showed the Scheme was in sound financial health, with a surplus of £14.1M at the valuation date. The surplus has increased since then, partially due to additional contributions of around £3.2M and £1.6M paid by the Employers in April 2024 and May 2025 respectively.

The Scheme continues to be in a healthy financial position.

### Contributions being paid in

Active members contribute 6% of Pensionable Salary. From 1 July 2024, the Employers contribute 29.6% of Pensionable Salaries to cover the balance of the cost of building up new benefits and meeting the Scheme's running expenses.



The employer has demonstrated strong support for the Scheme which, as a result, continues to be in a strong financial position.

We continue to monitor the position carefully with our advisers and the contributions will be reviewed as part of the 30 June 2026 actuarial valuation.

### The solvency position

The Actuary's valuation as at 30 June 2023 included a test of whether the Scheme could afford to secure all of its benefits with an insurance company, for example if the Scheme were to wind up. However, there is no intention of winding-up the Scheme in the foreseeable future.

The solvency position is a much harsher test than the ongoing Scheme funding position, as it reflects that insurance companies have to invest in very secure, low growth assets. Margins are also needed to cover insurance companies' administration charges and profits. This means that even if a Scheme is fully funded on its long-term plan, the solvency funding level may be less than 100%. Most ongoing schemes have substantial shortfalls under this solvency test.

As at 30 June 2023, the Actuary estimated that there would have been enough money to secure up to 97% of members' benefits earned up to that date with an insurance company, representing a shortfall of around £3.2M based on insurance company terms.

### The Pension Protection Fund (PPF)

If the Employers were unable to support the Scheme (for example if they became insolvent – which is very unlikely) and there was insufficient money in the Scheme, then the PPF may take over the Scheme and pay compensation to members. The PPF does not provide full protection, so members would still see a reduction to their retirement benefits if compensation became payable. The PPF's website [www.ppf.co.uk](http://www.ppf.co.uk) provides further information.

As at 30 June 2023, the Actuary estimated that Scheme had had sufficient assets to cover 132% of its liabilities on the PPF valuation basis and therefore would have been unlikely to require support from the PPF.

### Investment strategy

The current investment strategy includes holding an allocation of assets to match changes in the expected cost of benefits and a diversified portfolio of assets to provide investment returns. The Trustees are considering the next evolution of the investment strategy in line with the long-term needs of the Scheme, particularly with the recent consideration of the Scheme's funding strategy and work on strengthening the funding basis.

### Other information

We must also tell you if there have been payments to the Employers out of Scheme funds, or the Pensions Regulator has directed us to take certain action to better serve members' interests. We are pleased to say that neither of these events have happened.



### Drawing benefits from age 60

Current and past employees who have built up benefits in the Scheme can start to draw a pension from age 60 without reduction for early payment. If you are approaching age 60, or you are over age 60, and would like an illustration of the benefits you could receive then you can obtain an online illustration via the Pension self-service platform or you can contact Barnett Waddingham directly – details shown at the end of this newsletter.



## Member booklet

As mentioned in the newsletter last year, there is a refreshed version of the member booklet that sets out the benefits provided to members by the Scheme and other useful information. There were some minor amendments during the year and the latest version is available on the Scheme's website (link above) or your Clarity account.



## Expression of Wish forms

One of our roles is to decide who to pay lump sum benefits to in the event of your death. These are valuable benefits paid free of inheritance tax, but only if paid by the Scheme at the Trustees' discretion.

It is important to complete an Expression of Wish – so we know who to consider if paying benefits in the event of your death. If you cannot remember if you have completed a form, or if your circumstances have recently changed, such as getting married, divorced, or having children, then please review your wishes. We encourage you to update your Expression of Wish online via the Pension self-service platform – details shown at the end of this newsletter.



## Pension scams – don't let a scammer enjoy your retirement

Pension scheme members in the UK continue to be targeted by pension scammers, frequently promising to unlock significant amounts of cash for you or offering 'opportunities' that promise high investment returns, often in overseas companies. Tempting though these offers may sound, the sad reality is that most individuals who accept them end up losing almost everything and it can be devastating.

**Money and Pension Service figures from the financial year 2023/24 showed that 833 people reported a total loss of over £13.6m due to financial scams.**

Pension scams can be hard to spot. Scammers can be articulate and financially knowledgeable, with credible-looking websites, testimonials and materials that can be hard to distinguish from the real thing. Please remain vigilant if contacted about transferring your pension benefits. There is a ban on cold calling individuals about their pension savings – but scammers often find loopholes or simply break the law. More information on scams is available from the FCA's website [www.fca.org.uk/scamsmart/how-avoid-pension-scams](https://www.fca.org.uk/scamsmart/how-avoid-pension-scams) but a summary of their guidance is:

- Reject unexpected offers to review or cash-in your benefits
- Check who you are dealing with
- Don't be rushed or pressured
- Get impartial information and/or advice

## Keeping safe online

You will be aware in the media of high-profile cyber and data exfiltration attacks during the past year. Pension schemes are also a potential target for cyber criminals due to the data they hold. We take data security seriously and work with Barnett Waddingham to ensure there are controls in place in the day-to-day administration of the Scheme.

While every effort is made to keep your data safe, below are some steps you can take to help protect yourself:

- ✓ **Look out for phishing emails or fraudulent activity** on your pension and other online accounts
- ✓ **Reset passwords** on your online accounts
- ✓ **Use strong, unique passwords** for each online account you have



## Environmental, Social and Governance factors for investing

From 1 October 2019, it became a requirement for Trustees to include Environmental, Social and Governance (ESG) considerations and stewardship approaches into their investment decision making for the Scheme.

ESG considerations encompass a more sustainable approach to investment, explicitly acknowledging the importance to the investor of creating or enhancing value for all stakeholders – employees, customers, suppliers and wider society including the environment. Therefore environmental, social and governance factors become a specific group of risks or opportunities to weigh up when selecting investments. This differs from ethical investing which is based upon a set of moral or ethical principles with which investments must align.

With the assistance of our advisers, we have considered how ESG and ethical factors should be taken into account within their investment strategy and updated the Scheme's Statement of Investment Principles (SIP). From 1 October 2021, both the Scheme's SIP and an Implementation Statement setting out how the policies in the SIP have been followed, must be made available on a publicly accessible website. These are updated from time to time and the latest versions are hosted on the Scheme's website (link above).



## Inheritance tax and death benefits

In July 2025, the UK Government published draft legislation that proposes significant changes to the tax treatment of unused pension savings and death benefits. From April 2027, in most cases, these benefits will be brought within the scope of inheritance tax (IHT).

Following pensions industry feedback, the Government has changed its policy so that responsibility for reporting and paying IHT liability will now fall to the deceased member's personal representatives (rather than the pension scheme administrators). HMRC has confirmed that IHT will apply even on death before the normal minimum pension age.



## Autumn Budget 2025 – Salary Sacrifice

In the 2025 Autumn Budget it was announced that the UK Government is changing the legislation around salary sacrifice for pension contributions from April 2029 – placing a limit on the amount that will be exempt from National Insurance Contributions. However, as active Scheme members do not pay pension contributions through salary sacrifice, we can confirm that you will **not** be affected by this change.



## Normal Minimum Pension Age

Currently, the earliest age you can draw your benefits is 55. This is known as the Normal Minimum Pension Age (NMPA). The UK Government has put in place measures to increase the NMPA to age 57 in 2028 to coincide with the rise of the UK State Pension Age to 67. Therefore from 6 April 2028 you will not be able to access your pension savings, including your benefits from this Scheme before age 57 unless retiring due to ill-health (subject to clarification of certain protections).



## Pensions Dashboards

It's hard to keep track of different pensions you may have built up from various workplaces over the years. Pensions Dashboards are a Government-led initiative which will allow you to view all your pension information from multiple workplace schemes online, securely and all in one place. You'll also be able to see information about your State Pension entitlement. Pensions Dashboards will support better planning for retirement and growing financial wellbeing.



There will be a staged onboarding process for pension schemes which is expected to be completed by October 2026, with this Scheme due to be connected to the Pensions Dashboards environment by 31 May 2026. Public access to dashboards will not be launched until later, when all the required infrastructure and connections are in place - the Government is still to announce this "Dashboard Available Point".

You'll be able to use the Dashboards to search the records of most pension schemes to confirm whether you're a member. The Dashboards will help you plan for retirement by:

- finding your various pensions
- reconnecting you with lost pensions
- including information about the State pension
- providing an estimated retirement income to help you understand the total value of your pensions



### Questions or need to find out more?

#### Online access – Pension self-service – your membership platform

Through your Clarity from BW account, you'll have access to **Pension self-service**, giving you secure access to managing your pension online wherever and whenever suits you.

Log into your account or register at: <https://account.claritybw.co.uk>

60% of the membership already have an account. If you would like to set up an account please ask Barnett Waddingham to send you a registration key.

#### Additional information

The Trustees prepare various documents relating to their funding and investment decisions. Further details are available on request from Barnett Waddingham.

The Money and Pensions Service has been set up by the Government to provide free and impartial guidance to the public. Its purpose is to provide guidance to help you better understand your options around your retirement savings. You can access this guidance through their website at [maps.org.uk](https://maps.org.uk) or by phone on 01159 659570.

#### Contact us

If you need any further information please contact the Scheme administrators at:

Barnett Waddingham, 3 Devon Way, Birmingham, B31 2TS

Tel: 0333 11 11 222 e-mail: [HCC@barnett-waddingham.co.uk](mailto:HCC@barnett-waddingham.co.uk)

If you are a current employee and have questions about your pension benefits, you can also contact the HR team at the High Commission of Canada, using the following details:

Tel: 0207 004 6079 e-mail: [LDNHumanResources@international.gc.ca](mailto:LDNHumanResources@international.gc.ca)

By law, the Trustees and the Scheme's administrators cannot give you advice about your pension arrangements. If you are thinking about making any changes, you should obtain independent financial advice first.