The Bupa Pension Scheme

Annual Funding Statement and Newsletter 2025

May 2026

Welcome to the annual newsletter from the Trustee of The Bupa Pension Scheme

The Bupa Pension Scheme (the "Scheme") provides valuable benefits to you and your dependants. This newsletter tells you about developments in the Scheme year from 1 July 2024 to 30 June 2025 including information about the Scheme's financial position.

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A Message from the Chair of the Trustee Board

I'm pleased to share this year's update on the Bupa Pension Scheme. Over the past year, our main focus has been on protecting members' benefits, while also making progress on a number of important initiatives to support the Scheme's long term future.

One of the biggest highlights was completing the Scheme's annual **Actuarial Review** as at 1 July 2025. I'm pleased to report that the results showed the Scheme remains in a very strong position, with funding at 122% on the **Technical Provisions Basis**. This is reassuring, especially given the ongoing market and political uncertainty.

We've also been busy delivering several key regulatory and strategic projects. The Scheme is now connected to the Pensions Dashboard, and work continues on equalising and converting Guaranteed Minimum Pension (GMP) benefits. Both are significant, industry wide initiatives designed to improve fairness, transparency and access for members. You'll find more information on these later in the newsletter.

Sustainability continues to be a major priority for us. Over the year, we've made meaningful progress against our climate goals and published our third Climate Disclosures Report, which sets out the work we've done and the steps we're taking next. This builds on the improvements highlighted in our 2024 report, and all of our disclosures are available at **www.bupa.co.uk/pension-schemes-and-useful-documents.**

None of this would be possible without the hard work and commitment of my fellow Trustee Directors and the Bupa Pensions team. Their expertise plays a crucial role in looking after the Scheme, and I'd like to thank them sincerely for everything they've contributed over the year.

While there were no changes to the Trustee Board this year, two of our Member Nominated Directors (MNDs) will be coming to the end of their terms in 2026. We're pleased that both have indicated they'd like to stand again, but the MND selection process is open to all Scheme members. If you'd like to find out more about what's involved or are interested in applying, please get in touch with the Bupa Pensions team before the end of June 2026.

Just to let you know, Bupa Pensions may check your details against an external database with a registered credit reference agency which may record the search. This type of search is to check your identity and reduce the risk of fraud, it will not affect your credit rating. If you do not want Bupa Pensions to verify your details in this way, please let them know using the contact details at the end of the newsletter.

Martin

Martin Potkins
Chair of the Trustees

Membership Statistics

Scheme membership at 1 July 2024 and 30 June 2025:

Membership category	1 July 2024	30 June 2025
Deferred	4,393	4,056
Pensioner	6,243	6,466
TOTAL	**10,636**	**10,522**

Summary Accounts

Value of Final Salary Category as at 1 July 2024	£1,415.9m
Changes over the year	
Plus income This is mainly income from investments with some other small amounts; the Scheme is closed and has a surplus, so no contributions are currently needed.	+ £34.7m
Less expenditure Covering pensions and other benefits of £48.3m. Also includes administrative and investment management costs.	- £56.7m
Change in market value	
A decrease in the value of assets during the year	- £64.2m
Value of Final Salary Category as at 30 June 2025	**£1,329.7m**

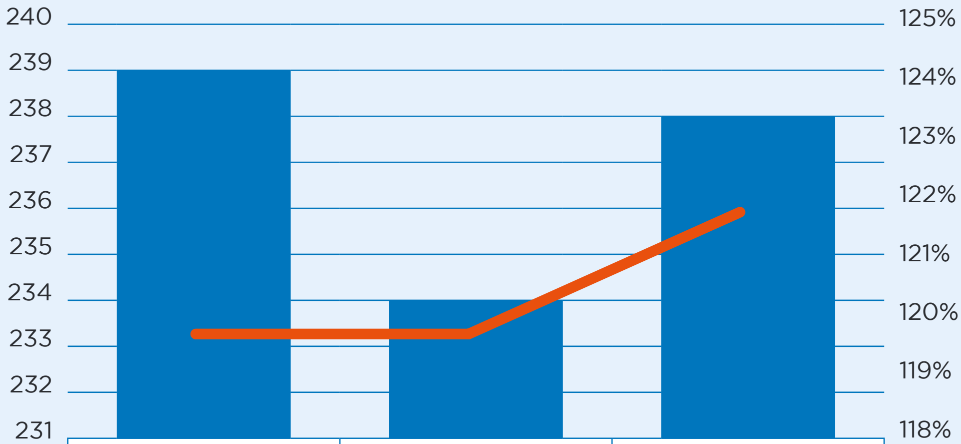
Summary Funding Statement

We're sending you this statement to keep you updated about the financial security of the Scheme. We recommend you take some time to read it through, as the Scheme supports the benefits you receive in retirement. We assess this by looking at the **Funding Position** (the proportion of the Scheme assets to its liabilites – the latter being the pensions it has promised to pay you and your fellow members). There's a jargon buster to help you understand some of the terms we use, which are highlighted in **bold.**

What were the results of the most recent Actuarial Review?

The latest **Actuarial Review** was carried out as at 1 July 2025. and showed a **Funding Position** of 122% on a **Technical Provisions Basis** with a **Surplus** of £238m. The funding level has remained strong over the past three years:

Change in Technical Provisions Funding Level and Surplus (£m)



	2023	2024	2025
Surplus (£)	239	234	238
Funding Level (%)	120%	120%	122%

How has the Scheme's Funding Position changed?

Over the year the Scheme's **Assets** and **Liabilities** have remained relatively stable.

In the year to 1 July 2025, the value of the Scheme's **Assets** fell by £86m and over the same period, the value of the Scheme's **Liabilities** fell by £90m, which means that the **Surplus** has increased by around £4m to £238m.

The Scheme adopts a 'hedging strategy' which is designed so the value of the assets move broadly in line with the value of the Scheme's **Liabilities**, which means that the Scheme remains in a strong financial position.

Is there anything else I need to know?

Snap-shot

An **Actuarial Valuation** and an **Actuarial Review** are snap-shots of the value of the **Assets** and **Liabilities** at a given date. In practice, these values are continually moving. It's important to remember that the Trustee regularly monitors the Scheme's **Funding Position** and investment performance and makes changes to its investments or funding strategy as required.

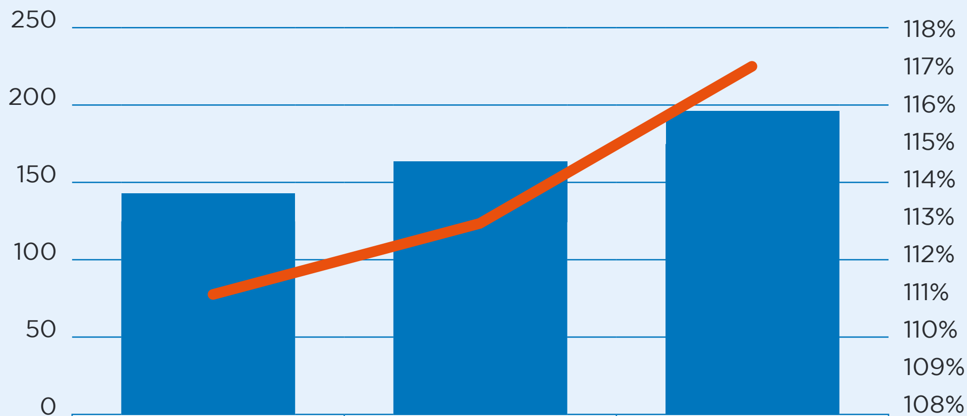
How much does Bupa pay into the Scheme?

As the Scheme is closed to future accrual, no further contributions are payable. Furthermore, as the Scheme is currently in **Surplus**, no additional contributions from Bupa are required. If the Scheme funding level was to drop far enough to go into **Deficit**, Bupa would be required to make good this deficit over a reasonable timeframe.

Wind-up valuation

The Trustee is required to inform you of the wind-up (sometimes referred to as 'solvency' or 'buy-out') valuation as if the Scheme had been wound up on 1 July 2025. It important to note that this is not an indication that the Scheme will wind up.

Change in Windup Funding Level and Surplus (£m)



	2023	2024	2025
Surplus (£)	141	163	196
Funding Level (%)	111%	113%	117%

In real terms, this means that on this basis the Scheme would have expected to secure 100% of members' benefits with an insurer from the existing **Assets.** Some pension schemes have a significant shortfall when measured on a **Wind-Up Basis**, so the Scheme is in a strong position in real terms. In the event of the Scheme winding up, Bupa would be legally required to ensure that member's benefits were secured.

The Trustee is also required to inform you of the Pension Protection Fund (PPF) valuation (which assesses the funding level against the benefits that would be payable by the PPF).

The PPF was set up by the Government in 2005 as a 'lifeboat' fund to help members of schemes where there are insufficient assets to provide a certain level of pension benefits. Although the level of benefits provided by the PPF may be lower than those that would have been provided by the Scheme, it does act as a 'safety net' for pension schemes where the sponsoring employer becomes insolvent.

As at 1 July 2025, on a **PPF Basis**, the Scheme was estimated to be fully funded.

Visit the PPF website for further details: **www.ppf.co.uk**

Payments to employers

One further point that the law requires us to tell you, is to confirm there have been no payments to Bupa out of the Scheme **Assets** during the past year (1 July 2024 to 30 June 2025).

The Pensions Regulator

We can confirm that the Regulator has not used its legal powers in relation to the Scheme to make directions as to any of:

- The level of benefits available from the Scheme going forward;
- The method or assumptions used to calculate the **Liabilities**;
- The contributions that should be paid to the Scheme under any Schedule of Contributions.

Jargon buster

Actuarial review
An interim review of the funding position carried out by the Scheme Actuary each year between actuarial valuations.

Actuarial valuation
An in-depth review of the Scheme's financial health, in particular its funding position, carried out by the Scheme Actuary at least once every three years.

Assets
The value of investments (including investment returns) bought with (previous) member and employer contributions for the exclusive purpose of financing the Scheme.

Deficit
Value of liabilities exceeds the value of assets.

Funding Position
The proportion of assets to liabilities. A fully funded scheme would have an equal amount of assets and liabilities (i.e. a funding position of 100%).

Liabilities
The expected cost of providing all members' pensions & benefits, i.e. pensions for current pensioners, former actives and deferred members and, as applicable, their dependants. Liabilities can be measured using different actuarial assumptions. For example, in this document we refer to liabilities calculated on a Technical Provisions Basis, PPF Basis and Wind-Up Basis.

PPF Basis
An actuarial assessment to calculate the value of the liabilities in accordance with the lower level of benefits that would be provided by the Pension Protection Fund in the unlikely event of Bupa suffering an insolvency event.

Surplus
Value of assets exceeds the value of liabilities.

Scheme Actuary
A professionally qualified actuary appointed by the Trustee, who provides the Trustee with advice on all aspects of the funding of the Scheme.

Statement of Investment Principles
A document which sets out the Scheme's investment strategy and how it manages its investments.

Technical Provisions Basis
An actuarial assessment to calculate the value of the liabilities in accordance with legislation (the Scheme Funding regime) which assumes that the Scheme will continue to run on indefinitely with the support, if needed, of Bupa.

Wind-up Basis
An estimate of the cost of buying lifetime pension policies for every member with an insurance company. Sometimes referred to as a 'solvency' or 'buy-out' valuation.

Pension News

Pension scams – what they can look like

Unfortunately, pension scams are still happening. The internet and advances in digital communications mean these kinds of scams are getting more common and harder to identify.

There are different types of pension scam, but they can all lead to you losing a lifetime's worth of savings in a moment. Pension scams can take many forms, and usually appear to be a legitimate investment opportunity, but pension scammers can be very clever and know lots of tricks to persuade you to hand over your savings.

They might try to persuade you to cash in your pension – either the whole of it or a large sum – and hand the money to them to invest. Watch out particularly for:

- people contacting you out of the blue, or
- adverts claiming to offer free pension reviews or no-obligation consultations.

Fraudsters are imitating genuine investment and Independent Financial Adviser (IFA) firms. These "clone firms" are fake firms set up by scammers using the name, address and 'Firm Reference Number' (FRN) of real companies authorised by the Financial Conduct Authority (FCA). Once set up, these fraudsters will then send you sales materials linking to websites of legitimate firms to dupe potential investors into thinking they are the real firm.

Four simple steps to protect yourself from pension scams:

- Reject unexpected pension offers
- Check who you're dealing with before changing your pension arrangements
- LIMITED OFFER — Don't be rushed or pressured into making any decision about your pension
- Consider getting impartial information and advice

Find out more:
www.fca.org.uk/scamsmart

*YouGov online survey of 1,018 adults aged 45-65 with a pension

FCA FINANCIAL CONDUCT AUTHORITY

The Pensions Regulator

Don't let a scammer enjoy YOUR retirement!

Scamproof your savings

Pension scams. Don't get stung.

Not sure how to choose an IFA?

Make sure that the person or firm you're dealing with is regulated by the Financial Conduct Authority (FCA) and is authorised to provide pension advice. Check the **FCA register** of regulated companies, or the **FCA warning list** on the FCA's website **www.fca.org.uk**.

Shop around and get the opinion of a few financial advisers. You can find regulated financial advisers in the **Retirement Adviser Directory** on the MoneyHelper website **www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser**.

Check the Warning List of Firms, which is updated daily on the FCA's ScamSmart site, on the link below, and do NOT deal with a firm that is not authorised by the FCA.

Check if the person or company you are dealing with is on the Financial Services Register or call the FCA on 0800 111 6768. If you call the person or company back, use the phone number listed on the Financial Services Register.

For more information generally on pension scams go to **www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam** or **www.fca.org.uk/scamsmart**.

Scheme Documents

Members can access the Scheme's Statement of Investment Principles, Governance Statement, Implementation Statement, Climate Disclosure Report and Privacy Notice by visiting **www.bupa.co.uk/pension-schemes-and-useful-documents.**

State Pension Update

The State Pension increased by 4.8% from April 2026 under the triple lock mechanism, which means it increases by the higher of inflation, average earnings growth, or 2.5%. This year's increase was driven by the growth in average earnings. You can get a forecast of your State Pension if it's not already in payment at **www.gov.uk/check-state-pension**.

Pensions Dashboards

Back in 2022 we told you that Pensions Dashboards were coming, and that these would enable you to access details of all of your pensions not yet in payment, online and in one place.

The Pensions Dashboard system is currently undergoing extensive testing and is expected to go live to the public in 2027. Bupa Pensions is pleased to confirm that we connected successfully to the Dashboard in June 2025.

Look out for more information on Pensions Dashboard during 2027.

IDRP Procedure

The Bupa Pension Scheme's Internal Dispute Resolution Procedure (IDRP) follows the legal requirements that apply to all occupational pension schemes, ensuring members, their dependents and people who believe that they have an interest in the Scheme have a clear and fair way to raise and resolve complaints. Under UK pensions law, schemes must operate a formal written process for investigating disputes, the Bupa Pension Scheme IDRP can be found at **www.bupa.co.uk/pension-schemes-and-useful-documents.**

GMP Equalisation

If you were a member of the Scheme between 1978 and 1997, you may have accrued what is known as Guaranteed Minimum Pension (GMP). A legal ruling confirmed that all pension schemes must adjust benefits so men and women receive equal value where GMPs apply.

Following a recent consultation exercise involving members with GMP, the Trustee and Company have agreed that GMP benefits will be equalised and converted in two stages. The majority of members with GMP benefits will be included in the first stage. For most members, any changes to benefits are expected to be small, and the process involves detailed checks of past records and careful calculations. It can take some time to complete this work and if you have GMP benefits, you will be contacted again in May 2026 with details of your new benefits, or to let you know that your benefits will be equalised and converted in 2027 and why.

Accessible Communications

We're committed to making our Scheme communications easy to understand and accessible, whether you receive information by post or by email. In line with wider accessibility expectations for member communications, we can provide a range of formats to support different needs, e.g. large print, Braille, and other alternative formats upon request. We'll also ensure communications are written in clear, plain English.

If you'd prefer to receive future communications in an accessible or alternative format, please contact the Bupa Pensions team and we'll be happy to help.

Keeping in touch

The Trustee is required to hold up-to-date information to help it contact you when benefits are due to be paid or to provide you with information about the Scheme.

- Have you moved home? Please tell us your new address.
- Have you changed your name since leaving Bupa? Please tell us your current name.
- Would you like us to be able to communicate with you by email? If so, please provide us with your personal email address.

The Bupa Pensions team contact details are shown below.

Email pensions@bupa.com
Telephone +44 (0)161 240 4357
Write to Bupa Pensions, Bupa Place, 102 The Quays, Salford, M50 3SP

Bupa Pensions

Health is taking care of tomorrow

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