

February 2026

Pensions Update

Securing your future

Discover

the latest news about your pension, important changes, and useful information to help you feel confident about your financial future.



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Need some help?

Go to the last page to find out how to:

- View your pension online
- Find answers to your questions
- Contact the Scheme Administrator

A quick note on our common terms and what they mean:

The Scheme – Cadent Gas Pension Scheme

The Company – Cadent Gas Limited

Pensioner members – Members already receiving their pension from the Scheme

Deferred members – Members who aren't yet receiving their pension from the Scheme

Welcome

A message from the Chair of the Trustees

Dear Member

I hope this Pensions Update finds you well.

Pensions have been in the news recently, with lots of speculation before last November's Budget. This Pensions Update will provide you with information about what is happening in the wider pensions world, along with what is happening in the Scheme, who is looking after your pension, what has been happening over the last year, and the Trustees' plans for this year.

About the funding of the Scheme

I want to reassure you that the Scheme is in a good financial position.

The Scheme is currently undergoing its triennial actuarial valuation process, and therefore we do not currently have an updated funding statement in this edition of the Pensions Update while this is ongoing. We will be updating members on the outcome of the valuation after its completion later this year.

The Scheme's investment profile has been a focus for the Trustees over the last year, and the investment strategy is under constant review.

We're also keeping a close eye on the carbon emissions of the companies the Scheme invests in. Find out where we are in our journey towards our net-zero ambition on pages 10 and 11.

About your Trustee Board

There have been some changes to the Trustee Board since our last edition. We were delighted to welcome Adam Clarson to the Trustee Board last Summer as a Company-Appointed Trustee following the resignations of Mark Belmega and Martin Shannon.

Janine Wood, who represented ITS as a professional trustee, has stepped down and has been replaced by Tegan Harding, also from ITS.

Turn to page 4 to learn more about who makes up your Trustee Board, what they do, and how they work to ensure they're acting in the best interests of the Scheme and its members.

About your pension

On page 6, you can find out about the increase that will be applied for both pensioners and deferred members in April 2026.

In addition, you may remember that last year we shared our proposal to use GMP conversion to achieve GMP equalisation. We're currently progressing the detailed data checks and calculations required. This is taking a little longer than expected, but please be assured that we are taking a careful and thorough approach to how this is carried out. Turn to page 7 for more details.

In the survey that we sent to members in 2024, you let us know that you wanted some further information about dependants' pensions, and importantly what you need to do to make sure the Trustees are aware of your situation and wishes. There is an article on this on page 9.

As always, we hope you enjoy reading this Pensions Update and if there are any other topics that you want to know more about, please let us know and we can look to include them in further issues of the Pensions Update.

All the best

Harry Baines
Chair of the Trustees

Your Trustee Board

Looking after your pension

As Trustees, we look after the Scheme for you, our members. Our main responsibility is to make sure that your benefits are paid correctly and on time. We do this with the help of the Cadent Pensions Team, who act as our executive, and a range of advisers.

As you might expect, pension schemes and their trustees are governed by a lot of rules. It's our job to make sure that the Scheme is run within these rules and in the best interests of our members. That means that we often have to make important decisions about the Scheme's investments and benefits, as well as the general day-to-day running of the Scheme.

It's a lot of responsibility, but we don't do it alone. We're supported by a team of professionals, such as investment consultants, actuaries, legal advisers, and pension administrators, so that we have the full picture and receive expert advice before making any decisions.

We're also constantly building our knowledge and skills so that we can look after your Scheme in the best way possible. We attend regular training sessions to make sure that we're keeping up with rules and regulations, and that we're meeting our statutory and governance responsibilities.

Discover the people behind your pension

You can learn more about the people who represent you as Trustees, including our new Trustees, Adam and Tega, on the Scheme website.

Visit www.cadentgaspensions.com/about-us or scan the QR code with your smartphone to be taken directly to the webpage.



Who makes up your Trustee Board now?

Since the last Pensions Update:

- Mark Belmega and Martin Shannon have stepped down as Trustees, and Adam Clarson has taken up one of the roles.
- Janine Wood, who represented ITS as a professional trustee, has stepped down and been replaced by Tega Harding, also from ITS.

The Trustee Board now has seven Directors rather than the usual eight. The Company and Trustees are considering the appropriate next steps to fill the remaining role in line with the Scheme's governance process.

The Trustees appointed by the Company

Harry Baines

Independent professional Trustee

Tega Harding

Independent professional Trustee

Adam Clarson

Senior Treasury Manager at Cadent

The Trustees appointed by the Members

Hilary Speller

Pensioner member

Phil Brown

Pensioner member

Stephen Willmott

Pensioner member

Sue Ellwood

Deferred member

Pension news

Government Budgets often bring news for pension scheme members, but the Chancellor's 2025 Autumn Budget didn't introduce anything new that directly affects our Scheme. It did, however, confirm some planned changes to pension savings and inheritance tax that were part of the 2024 Autumn Budget.

Changes to inheritance tax

What is inheritance tax?

Inheritance Tax (IHT) usually only applies if the total value of someone's estate (including property, savings, and other assets) is over the current IHT threshold when they die. The threshold is currently £325,000 but can be more if certain allowances apply, and the standard IHT charge is up to 40%.

What is changing

As part of the 2024 Autumn Budget, the Government announced plans to include some unused pension savings when calculating IHT after someone dies. It was confirmed at the 2025 Autumn Budget that from April 2027, most unused pension fund savings and pension death benefits will be included in the value of a person's estate for IHT purposes.

The Scheme pension we pay to members, spouses and dependants will not fall under the IHT rules (although they are usually subject to income tax). But it's worth bearing these changes in mind if you have any DC pensions elsewhere.

However, some discretionary lump sum death benefits payable from the Scheme might now be subject to IHT. This can happen, for example, where a member dies before taking their pension or within five years of retirement.

Also, from 2027, the responsibility for reporting and arranging the payment of any IHT due on pension will lie with the personal representatives (such as executors), not with pension providers or administrators.

The final legislation is yet to be published and the practical steps that will need to be taken, when a person dies, will need to be worked out by pension scheme administrators, like Aptia, once the regulations are in place.

Want to learn more?

If you'd like to learn more about the current IHT rules, visit the Government's website:
www.gov.uk/inheritance-tax

You can also learn more about the death benefits offered by our Scheme on the Scheme website:
cadentgaspensions.com



Pension increase for 2026



Every year, pensions in payment and deferment are increased.

Why do pensions increase?

Many pensions increase each year to keep up with inflation – the rise in the cost of everyday goods and services. This is a provision within the Scheme's rules and helps ensure that members can maintain their spending power throughout their retirement.

The amount of the increase is based on the Retail Prices Index (RPI), which tracks changes in the cost of typical household items like food, travel, and clothing. Pensions from the Scheme are reviewed each April, using the change in RPI over the 12 months up to the previous September.

Scheme pension increases from April



This year the headline annual pension increase will be 4.5%. This increase will take effect from 6 April 2026

Members who are taking their pension will receive a personalised letter nearer the time, explaining exactly how their pension will increase. Deferred members will receive an updated pension value in their deferred benefit statement in the Summer.

Why you may not receive the full increase

If your pension has been in payment for less than 12 months – the increase will be applied on a pro-rata basis (that is, in proportion to how long your pension has been paid).

If you have a Guaranteed Minimum Pension (GMP) – men over age 65 or women over age 60 might have a pension that includes a GMP, which has different rules for increases.

What about the State Pension?

The State Pension can form a vital part of your income in retirement.

In the Autumn 2025 Budget, the government confirmed its commitment to the triple lock, which ensures the State Pension rises in line with inflation (based on a measure of inflation called CPI), average earnings growth, or 2.5% (whichever is the highest figure).

You can find out more about the State Pension on the government website: **gov.uk**

Or scan the QR code to be taken directly to the website.



Guaranteed Minimum Pension (GMP) update

A quick recap on GMP

- If your pension reflects service between 1978 and 1997, then your pension may include a GMP. GMPs are based on old State scheme retirement ages of 60 for women and 65 for men, and this unequal treatment means that overall pension benefits for women and men can also be unequal.
- Following a change in the law to address this inequality, we're required to equalise pension benefits for women and men to take account of the unequal effects of GMP.
- At the start of 2025, we shared our proposal to use GMP conversion to achieve GMP equalisation. We consulted with our Scheme members so that they had the opportunity to share their feedback on the proposal with us.
- After careful consideration of the feedback received, the Trustee and Company collectively decided to go ahead with GMP conversion. We wrote to members in April 2025 to confirm this.
- Member pensions will not go down as a result of GMP conversion – in some cases, they could even increase. In many cases, only the names of the elements which make up a member's pension will change.

Our current priority: preparing member data

Before we can begin calculations for GMP equalisation and conversion, we need to be confident that the information and data we hold for you is accurate and up to date.

To achieve this, we're carrying out a detailed review of the data we hold on members and their benefits, identifying and addressing any queries on the data, and preparing the data for the GMP equalisation and conversion calculations.

This work is taking longer than we originally expected, and it could be a while before we contact all members who might be impacted (that is, who have a GMP as part of their pension in payment). But we feel that it is important that the exercise is carried out diligently rather than being rushed. By being thorough now, we can avoid problems later and put ourselves in the best possible position to do right by our members.

Please rest assured that we will keep members updated throughout each stage of the process.

Getting to grips with GMP

Visit the dedicated GMP page on the Scheme website to learn more. You'll find:

- More detailed information on all aspects of GMP
- Answers to frequently asked questions
- The consultation leaflets and letters we sent you

You can find this by typing

www.cadentgaspensions.com/gmp-conversion
into your browser or scanning the QR code with your smartphone.



Still have questions?

If you can't find the answers online, please contact Aptia using the details on the back page of this Pensions Update.



Keeping your pensions safe: the latest guidance

According to Report Fraud, £17.5 million was stolen through pension scams in 2024 – with each victim losing an average of £34,000. Here's a guide to some of the ways scammers may try to access your pension savings and how you can protect yourself.

Impersonation fraud: Pretending to be you

The Pensions Regulator's analysis of Report Fraud data shows that impersonation fraud is a major issue, with almost a third of pension fraud cases involving impersonation or gaining unauthorised access into accounts.

Scammers may gather your personal information and use it to convincingly pose as you. They may create fake accounts in your name or even contact your pension scheme pretending to be you. Their aim is to change your bank details so your pension payments go to them.

Scammers may also gain enough information to simply break into your online pension account, especially if the account uses a weak or re-used password.

How to protect yourself:

- Be cautious about what you share online. Scammers can gather information about you from social media.
- Scammers can gather information on you by hacking into your email or other accounts. Use strong, non-repeated passwords, with two-factor authentication or biometrics where you can.
- Scammers may pose as your bank, pension provider, or even the police to get you to hand over sensitive information. If you receive an unexpected contact from someone claiming to be from a trusted organisation, call them back using their official number or contact details which you can usually find online, not the details they provide.
- Never give out your full security details (passwords, PINs, etc.) over the phone or by email. No trustworthy organisation will ask for this.
- Think before you click on links in emails or texts. Phishing messages help scammers gather additional details.

See the impact of a real-life pension scam

In this short video from The Pensions Regulator, a victim shares their story of how scammers stole £45,000 from her pension fund.

You can find it as a link on our website at: cadentgaspensions.com/help-pages/fraud-and-scams or you can watch the video on YouTube by scanning the QR code with a smartphone or tablet



Taking care of your loved ones

What you need to know about dependants' benefits

As well as providing you with a retirement income for life, the Scheme may also pay a pension out to your financial dependants when you die. If granted, your dependants will generally receive a pension for the rest of their life.

What counts as a dependant?

- **A dependant is defined as someone who is financially dependent or inter-dependent on you.** For example, a child might be financially dependent on you, or you and a partner may have joint finances.
- If you're married or in a civil partnership, your partner will automatically count as a dependant.
- If you're not married or in a civil partnership then you can nominate a dependant. This could be a partner, a parent, or a child who can't support themselves financially (for example, because they are under-18, in full-time education, or are disabled).

How you can help support your loved ones

It's really important that we're aware of your situation and your wishes in the event of your death by nominating your beneficiaries. You can let us know who you're nominating by completing the right forms so that, if necessary, we can carry out those wishes as quickly as possible.

- If you're **not married**, you can nominate someone who is financially dependent or interdependent on you to receive a dependant's pension by completing the **Dependant Nomination Form**.
- **If you haven't started taking your pension yet, or if your pension has been in payment for less than 5 years**, you can complete a **Letter of Intent Form**. This lets the Trustee know who you would like any lump sum death benefit to be paid out to.

There are several ways to complete your nomination form;

- The quickest way to nominate or change your beneficiaries is online using Aptia's secure portal - OneView.
- Or you can download the forms from the Helpful Resources section of our website and print them out. Once complete, you can upload the form to the online portal, Contact Aptia Pensions, or send it to Aptia in the post.

You can find details of how to access these online resources or contact Aptia on the back page of this Pensions Update.



In the event of your death, your next of kin should let Aptia know. Aptia will then send your next of kin a letter explaining the process for paying any benefits which are due.



Climate Report Summary

We recently published our latest Task Force on Climate-related Financial Disclosures (TCFD) report, in line with UK regulations. It explains how the Trustees consider climate change when making decisions about the Scheme's investments and long-term strategy.

We've summarised the key points from this year's TCFD report and our approach to climate change below. If you want to view the full report, you can find it on our Scheme website.

Visit **cadentgaspensions.com/helpful-resources** or scan the QR code to open the report on your smartphone or tablet.



Why climate change matters

Climate change is widely regarded as one of the most significant challenges facing the global economy. It can affect financial markets, investment returns and the companies in which the Scheme invests. It may also impact the Scheme's sponsoring employer, Cadent Gas Limited, especially as the UK energy sector evolves.

Because of this, managing climate-related risks and opportunities isn't just sensible – it is part of our responsibility to make decisions that protect and support our members in the long run. We continue to strengthen our governance and oversight to make sure climate factors are consistently built into the way we make decisions.



How we make decisions responsibly

Our governance framework ensures a clear decision-making process and includes:

- A dedicated committee which meets quarterly to oversee climate risks.
- The Trustees receiving regular updates and training on climate issues.
- Advice from external experts (such as legal, investment, and actuarial advisers) to help support our decision-making.



Our approach for a low carbon future

In line with the UK Government's target, the Scheme is aiming to target "net zero" greenhouse gas emissions from the investment portfolio by 2050.

We're also investing in renewable energy projects to help drive the transition to net zero.



How we manage climate risks

Climate change brings different types of risk that could affect the Scheme's investments. These are:

- Transition risks which happen when the world moves towards cleaner energy. Changes in policies and technologies can impact companies that rely on fossil fuels but can also create opportunities in renewable energy solutions.
- Physical risks which are the direct effects of climate change such as extreme weather or rising temperatures which can damage infrastructure and impact supply chains.

We check and monitor how these risks might affect our investments, liabilities, and the Company covenant, to make sure the Scheme is resilient to climate risks.





Key measures and progress

Reducing Carbon Emissions

- We aim to cut the carbon emissions from the main investment portfolio by 38% by 2030, compared to a 2021 baseline.
- We're making progress towards our climate target. So far, most of this comes from changing the mix of investments we hold, rather than cuts in companies' actual emissions. We're reviewing our climate objectives and will work with our investment managers to drive more real-world impact.

Monitoring Climate Risks

- We regularly check how climate change could affect the Scheme's investments and the sponsoring employer (Cadent Gas Limited).
- This includes looking at risks from extreme weather, changes in government policy, and the shift to cleaner energy.

Investing in Renewable Energy

- The Scheme continues to invest in renewable energy projects including investments such as a solar panel farm in Reading.

Improving Data Quality

- The Scheme is working to get better information about the carbon footprint of its investments.
- More investment managers are now reporting detailed emissions data, making it easier to track progress.

Responsible Stewardship

- We review how investment managers are supporting climate goals, including how they engage with companies to encourage better climate practices.

What does this mean for you?

The Scheme is taking real action to address climate change. We are committed to making decisions that support the long-term security of your pension, while also contributing to a more sustainable future. By regularly assessing climate risks and opportunities, the Scheme aims to safeguard your benefits and respond responsibly to global challenges, and the Trustees are committed to keeping members informed.



News from our members

One of our members, Philip Gratricks, got in touch with us to share his inspiring story and this beautiful view. He said:

"Last year, I climbed to the summit of Yr Wyddfa (Snowdon), the highest mountain in England and Wales.

I wanted to share this because, despite my age and health challenges, it was something I was determined to do. I hope it empowers others in similar situations to define their own limits, and to know that adventure is still possible later in life." Well done to Philip and keep enjoying those wonderful views.

News from the Company

How Cadent Gas Limited is supporting wellbeing

Cadent Gas Limited has an ongoing relationship with the UK Men's Sheds Association. Although called "Men's Sheds", many are open to all, some are men only and there are some women-only Sheds.

And as an organisation that can support wellbeing, we're happy to share a little bit about them in our newsletter.

Men's Sheds encourage people to come together to make, repair and repurpose, supporting projects in their local communities whilst reducing loneliness and combatting social isolation.

Find out more at
www.menssheds.org.uk



Where to go if you have questions

Find the answers online

The best place to start for any questions is our Scheme website:

www.cadentgaspensions.com

You can also log in to view your pension online using OneView:

v4.aptiaoneview.co.uk/cadent

Get in touch

If you have any other questions about your pension, please contact the Scheme Administrator, Aptia, (formerly Mercer).



0345 528 0601

(9am-5pm, Monday to Friday)



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To raise a request with Aptia and upload documents securely, use Contact Aptia Pensions (CAP):

www.pensionuk.aptia-group.com

Have your say

We'd love to hear what you think of this Pensions Update. Do you have anything you want to know more about for our next update?

Your feedback is important to us. Share your thoughts by emailing us at:
cgpstrustees@cadentgas.com

As part of our environmental policy, this newsletter has been printed using vegetable oil-based ink on recycled paper and is produced to high environmental standards.

