



Lloyd's Register

Pensions Newsletter 2025

For Deferred and Pensioner members of the Defined Benefit (DB) Section of the Lloyd's Register Superannuation Fund Association (LRSFA).

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Working together for a safer world



Chair's welcome

Welcome to your annual
newsletter for 2025

In this edition you'll find a number of helpful updates from the Scheme and the world of pensions, including:

An update on the Scheme's finances

Work is underway on the Scheme's actuarial valuation as at 31 March 2025. These valuations happen every three years and provide a detailed picture of the DB Section's funding position. This valuation is the first following our major investment decision last year to insure the DB benefits with Standard Life. As the valuation is still in progress, we've included a summary of the 2022 valuation results on page 4 alongside the two most recent funding updates as at 31 March 2023 and 31 March 2024.

Scheme news

In our last newsletter, we invited members to apply to become a Member Nominated Director (MND) of the Scheme's Trustee Board. We're happy to announce that we've selected a new MND, and you can find out more about them on page 8 alongside other news from the Scheme.

Pensions news

We've also included useful news and information from the wider world of pensions, including updates on tax and scams, on pages 10 and 11.

Company update

Before diving into our pension-related updates, why not read the latest from the Company, including how it has performed in 2025, on pages 3 and 4.

And remember, if you have any questions about your pension benefits, please contact XPS, the Scheme's DB administrator. You can get in touch with them using the contact details on the back page.

I hope you enjoy reading this newsletter. The Trustee Board is keen to provide you with interesting updates on the latest developments within the Scheme. If you would like to share any feedback with us, please don't hesitate to get in touch using the details on the back page.

Nicholas Godden
Trustee Board Chair

Company update

Chief Executive Officer Nick Brown provides a round-up of the latest Company news

Expanding our services

2025 was transformative for Lloyd's Register (LR) as we continue on our journey to become an end-to-end service provider to the maritime industry. The acquisition of human capital management and training software provider Ocean Technologies Group (OTG) in November 2024, and its subsequent integration with LR OneOcean in September 2025, to form our digital services company, OneOcean, augments our offering to clients. Our services now go beyond the building and surveying of vessels, but also support their performance and operation, right through to the recruitment and training of the seafarers that operate them.

Investment in our advisory services has also demonstrated our growth beyond classification and certification. Re-launched as LR Advisory in March, our team of experts are committed to supporting LR's transition into a fully integrated, end-to-end portfolio, offering techno-commercial solutions for all aspects of the maritime industry, including ports and governments. The sheer breadth and depth of expertise across the 150 experts in LR Advisory enables us to support clients, whatever their commercial and strategic ambitions.

Meanwhile, LR continues to push boundaries in maritime engineering and ship design, particularly in support of emissions reduction. Projects in the past year include partnerships on ammonia-ready, low-pressure liquid carbon dioxide (LCO₂) carriers and the development of ammonia dual-fuel capable bulk carriers. We are also advancing the safe adoption of nuclear power for maritime applications, collaborating with global partners to drive innovation in this area.

Business performance

We achieved our strongest performance in new contracting in over a decade by securing an order book of 63 million gross tons in the 2024/25 financial year, providing a visible pipeline of work for next 2.5 years ahead. It reflects the strategic investments made to position LR at the heart of global shipbuilding activity, including the expansion of our commercial and operational teams in China, Korea, Japan, Germany, and Italy. The recruitment in China of an additional 150 surveyors and two senior owner representatives further supports our relationships with Chinese shipyards.

During the financial reporting year to June 2025, LR Group's statutory operating profit was £49m, with an adjusted operating profit of £107m. This compares to an operating loss for the year to June 2024 of £15m and an adjusted operating profit of £28m. Turnover was £668m compared with £547m in the previous year, increasing principally due to the strong performance from the Maritime business as well as the impact of the acquisition of OTG. LR Group's contribution to the Lloyd's Register Foundation was £5m during the year to June 2025 (£20m during the year to June 2024). For the year to June 25 we reported a loss after tax of £20.6m compared to £15.9m in the prior year.

LR has achieved all of this against a backdrop of geopolitical tensions and conflicts that are directly impacting trade flows, newbuilding decisions, maritime operations and security.

People

Health, Safety, and Environment (HSE) remain at the core of LR's operations. Over the past year we have introduced simplified safety procedures, enhanced risk assessments, and maintained a strong safety record.

LR also launched a three-year Diversity, Equity, and Inclusion (DEI) strategy, focusing on improving the Black experience within the organisation and sponsoring maritime education for students from African nations. Our commitment to DEI is also demonstrated through our membership of the Global Maritime Forum's All Aboard Alliance.

Employee development is a priority, with over 250,000 hours of technical training delivered and global rotation programmes fostering talent and best practice sharing. Non-technical training initiatives, such as the Propel Experience and Commercial Academy, have been well received, equipping colleagues with vital consultation and commercial skills.

LR today and tomorrow

The mission of our owners, the global charity Lloyd's Register Foundation, to engineer a safer world, continues to inform our decisions as we work collaboratively with the industry. Through the LR Maritime Decarbonisation

Hub (now known as the Decarb Hub) and the Lloyd's Register Foundation, we are supporting projects that generate tangible value for the wider maritime ecosystem. The Decarb Hub is working with buyers' alliance ZEMBA to accelerate clean shipping solutions within the container shipping industry. It also has a leading role in the work of the Maritime Just Transition Task Force to create a Global Competency Framework, laying the foundations for global regulatory standards for seafarers' training to handle methanol, ammonia and hydrogen-fuelled vessels. The Decarb Hub's work is freely available to industry.

As LR celebrates a year of achievements and milestones, the organisation remains dedicated to supporting the maritime industry through innovation, expertise, and a steadfast commitment to safety and sustainability. Looking ahead, LR is poised to continue building a safer, more sustainable, and prosperous future for all.

Summary Funding Statement

Results of the latest valuation and funding update

The most recent full actuarial valuation was carried out as at 31 March 2022. The results from the 31 March 2025 full actuarial valuation are due to be published in Q4 2026, so we will send out a separate Summary Funding Statement when this is ready.

What is an actuarial valuation?

An actuarial valuation is a detailed financial review of the Scheme. It compares the Scheme's assets with its liabilities to determine the Scheme's funding level. The Actuary will estimate the total value of pension payments that need to be made in the future (the liabilities), as well as how much the Scheme's

assets might grow. If the liabilities are greater than the assets, the Scheme is said to be in deficit. Its funding level will therefore be less than 100%. If the assets outweigh the liabilities, the Scheme is in surplus, and its funding level will be more than 100%.

Why is it important?

The three-yearly actuarial valuation, and the annual funding updates, help to ensure that the DB Section is performing as it should be. As there was a deficit in the DB Section's funding level following the valuation in 2019, the Trustee and the Company agreed a Recovery Plan.

Under the Recovery Plan, the Company paid £8.1m into the LRSFA in March 2020, and a further £5.2m in March 2021. These additional payments into the LRSFA eliminated the deficit and returned the Scheme to a fully-funded position as shown in the results of the 2022 valuation below. You can also see the most recent funding updates as at 31 March 2023 and 31 March 2024.

	Previous full valuation as at 31 March 2022	Funding update as at 31 March 2023	Funding update as at 31 March 2024
Assets	£1,077m	£786m	£743m
Liabilities	£1,054m	£773m	£709m
Surplus	£23m	£13m	£34m
Funding level	102%	102%	105%

What is the context behind these changes in financial position?

Over the year to 31 March 2024, the reduction in asset value was less than the reduction in the liabilities, leading to an increase in the overall funding level of the Scheme.

Wind-up position

We are required by law to let you know what would happen if the Scheme were to wind up. This does not mean there is any intention of winding up the LRSFA.

The last full valuation as at 31 March 2022 concluded that, if the Scheme were to wind up, the Company would have to have made an additional contribution of around £52 million. This would be to ensure an insurance company could pay all members' pensions in full. If Lloyd's Register became insolvent, and was unable to cover the shortfall, the Pension Protection Fund (PPF) would pay part of the benefits due to members as compensation.

Jargon buster

Assets: The total money held in a defined benefit pension scheme, usually built up from Company and member contributions and investment returns.

Liabilities: The estimated cost of providing benefits to members.

Deficit: When there are not enough assets to cover a scheme's liabilities.

Surplus: When there are more assets than are needed to cover a scheme's liabilities.

You can find more information about the Pension Protection Fund (PPF) at ppf.co.uk

What else do you need to know?

The LRSFA's Task Force on Climate-related Financial Disclosures (TCFD) report is available in the Document store on the Scheme website at lrpensionport.co.uk

We have to let you know that, in the last 12 months:

- There haven't been any payments from the LRSFA to the Company.
- The Pensions Regulator (TPR) hasn't modified or used any of its powers in relation to the Scheme.

The financials

The table below shows the total value of the DB Section's assets as at 31 March 2025 and how they changed over the year.

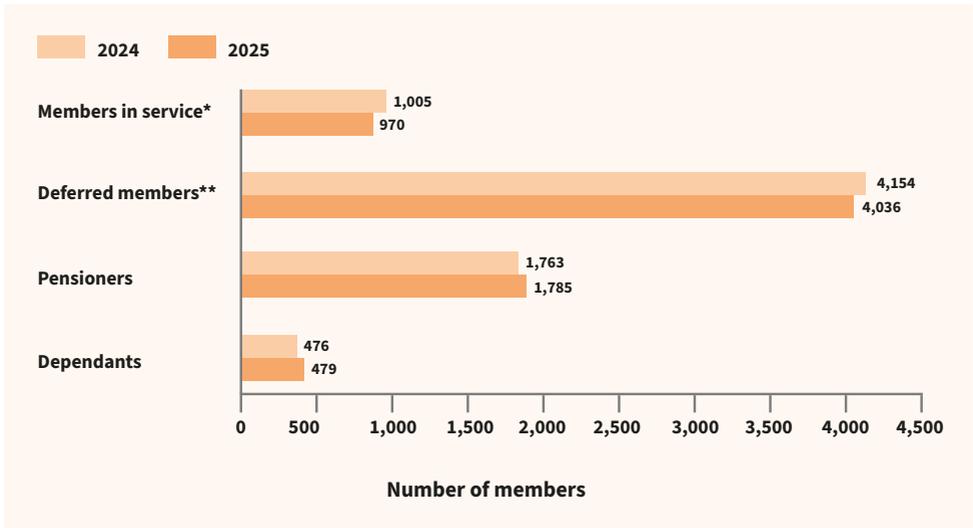
	£000s
Net assets of the DB Section as at 1 April 2024:	743,293
Cash received	
Contributions	365
Other income	-
Total	365
Cash paid out	
Benefits paid or payable	(37,135)
Administration expenses	(3,526)
Leavers	(293)
Other payments	-
Total	(40,954)
Returns on investments	
Investment income	30,788
Change in market value of investments	(102,339)
Investment management expenses	500
Net returns on investments	(71,051)
Net decrease in the fund over the year	(111,640)
Transfers between Sections	(318)
Net assets of the DB Section as at 31 March 2025:	631,335

Brackets indicate minus numbers.

Scheme membership

Membership figures as at 31 March 2025

Following the closure of the DB Section to future accrual on 30 September 2010, employees now build up benefits in an alternative pension arrangement known as the DC Section. The graphic below shows the combined membership figures of both the DB and DC Sections of the LRSFA.



In addition, allowances were paid to 8 children in 2025.

* 'Members in service' includes 84 members (97 in 2024) who have protected past service rights under the fund following the closure of the DB Section in 2010.

** 'Deferred members' includes 1,679 members (1,759 in 2024) who have protected past service rights under the fund following the closure of the DB Section in 2010.

Scheme news

Guaranteed Minimum Pension

Guaranteed Minimum Pension (GMP) is part of the pension built up by many people between 6 April 1978 and 5 April 1997. Following a clarification of the law regarding how GMP was treated, all UK pension arrangements with GMP must review their benefits to make sure that men and women are treated equally in respect of GMP built up between 17 May 1990 and 5 April 1997. This is called GMP Equalisation.

While going through the process of GMP Equalisation, we are also checking our records match those held by His Majesty's Revenue and Customs (HMRC).

As part of this process, we wrote to all members with information about the review of your pension benefits and how you may be affected. Following the warm-up communication sent in April 2025, most members who saw an amendment to their pension had it processed in the June 2025 payroll.

XPS has been working on the remaining groups of pensioners with the aim of implementing all changes by March 2026. If you aren't yet receiving your pension, any necessary changes resulting from the GMP review have been made and you will receive the correct pension when it comes into payment.

If you have any questions about GMP, please get in touch with the Scheme Administrator, XPS, using the details on the back page.

An update on the Trustee Board

In last year's newsletter, we invited members to apply to join our Trustee Board as a Member Nominated Director (MND) to help run the Scheme. We were pleased with the level of interest in this MND role, and we interviewed three applicants out of the 11 who applied.

We're happy to announce we've selected John Curley as our new MND. John is a pensioner member of the LRSFA and had a long service of employment with LR.

We'd like to thank everyone who applied for your engagement and commitment to the Scheme.

If you have any questions for the Trustee Board, please contact Group Pensions in the first instance. They will communicate directly with the the Board.



Changes to the obituaries process

The Trustee has carefully reviewed the process of publishing obituary notices on the Pensionport website and has decided that December 2025 was the final update.

This decision was not taken lightly. Over the years, these notices have been a valued way to remember and honour former colleagues, and we know many members have appreciated being kept informed. However, changes in how information is received, increasing data protection requirements, and the limited detail now available have made it more difficult to continue the service in a way that is both respectful and compliant.

The Trustee is grateful for the contributions of all former colleagues and thanks members for their understanding.

Pensions dashboards are on their way

If you're a deferred member, pensions dashboards are set to transform how you access information about your pensions.

Dashboards are a UK government initiative, bringing information about private pensions, workplace pensions, and your State Pension together in one place. This means, when dashboards become available to the public, you'll be able to log in and see the value of all the money you'll have available for your retirement.

The government and its providers have completed their development and testing phase and have begun connecting pension schemes like ours to the dashboards for testing. Our connecting date was 31 August 2025 and we're pleased to report that the Scheme was connected by this date.

Now that more Schemes are connected, further testing is taking place.

Deferred members will be able to access their Scheme information through the dashboards when they become publicly available, which is expected to be in 2027. In the meantime, you can search for any lost pensions using the Pensions Tracing Service: **pensiontracingservice.com**

Data verification exercise update

All DB members will be contacted to verify the data that the Scheme holds for them is correct and up to date. Your response helps the Trustee ensure that the information is accurate and, most importantly, that you and your loved ones receive the correct benefits.

SIP and Implementation Statements are now available

For the most up-to-date Statement of Investment Principles and annual Implementation Statement, which is included in the latest Annual Report and Accounts, visit the Document store on our website at **[lpensionport.co.uk](https://pensionport.co.uk)**

Pensions news

Tax allowance updates

Lifetime Allowance (LTA)

Previously the LTA was the limit on the value of pension benefits you could build up in your lifetime without paying a tax charge. The LTA was abolished from 6 April 2024 and was replaced with the Lump Sum Allowance and the Lump Sum and Death Benefit Allowance.

Lump Sum Allowance (LSA)

The LSA is the total amount in tax-free lump sums you can receive from all your pensions (unless you have a valid protection certificate that allows you to take a higher tax-free amount). The LSA limit is currently £268,275, and any amount in excess of this limit will be taxed at your marginal rate.

Lump Sum and Death Benefit Allowance (LSDBA)

The LSDBA is the maximum amount you or your beneficiaries can take tax-free from all of your pension schemes. It includes the same lump sums as the LSA as well as certain lump sums paid on death before age 75 and serious ill-health lump sums paid before age 75. The standard LSDBA is currently £1,073,100 for members without any protections or enhancements.

For the latest information on pension tax allowances, visit [gov.uk/guidance/find-out-the-rules-around-individual-lump-sum-allowances](https://www.gov.uk/guidance/find-out-the-rules-around-individual-lump-sum-allowances)

Stay safe from scams

Pension scams are still on the rise, and getting more sophisticated. It's more important than ever to stay vigilant and take proactive steps to protect your pension.

Here are some key actions The Pensions Regulator (TPR) suggests you can take.

- 1 Strengthen your online security** – ensure your pension account details are up to date and use two-step verification to add an extra layer of protection. To find out more about two-step verification and protecting yourself from fraud, visit stopthinkfraud.campaign.gov.uk/protect-yourself-from-fraud
- 2 Be aware of impersonation techniques** – TPR's recent analysis found that members between 50 and 69 are at the greatest risk of impersonation techniques. For tips on recognising and avoiding impersonation scams, read the City of London Police's Identity Fraud guidance under 'Personal fraud' and 'Identity fraud' at cityoflondon.police.uk/advice/advice-and-information/fa2/fraud
- 3 Know where to find help** – you are your best defence against fraud. For further information on how to protect yourself, visit stopthinkfraud.campaign.gov.uk

Inheritance tax and your pension

As we reported in last year's newsletter, the government has announced changes that will affect how unused pension pots are treated for Inheritance Tax (IHT) purposes. These changes, which will apply from 6 April 2027, are designed to encourage people to use their pensions for retirement income rather than as a tool for transferring wealth.

Many people will be unaffected as the value of the assets in your estate (your pension, home or other things of value) would need to be more than £325,000 to trigger any inheritance tax liability. The tax paid is then only on the value above that amount.

The government estimates that, out of around 213,000 estates with inheritable pension wealth in 2027 to 2028, 10,500 estates (around 1.5% of total UK deaths) will be liable for Inheritance Tax where this would not previously have been the case.

Spouse's and dependant's pensions from DB schemes, like the LRSFA, are exempt from these proposals, as are death-in-service lump sums. The changes are therefore most likely to affect your LRSFA savings if you are also a DC Section member or have paid Additional Voluntary Contributions that you haven't converted into benefits. The executor or personal representative for a person's estate will be responsible for ensuring they comply with the new rules.

The Trustee knows this change could introduce an additional element of complexity at what is already a difficult and stressful time. The Trustee is working with the Scheme's administrator to ensure robust processes are in place to support personal representatives when the new requirements take effect.

NMPA update

The government will be increasing the Normal Minimum Pension Age (NMPA) from age 55 to age 57 from 2028.

The NMPA is the earliest age that you can start taking your benefits without triggering tax charges. For most registered pension schemes, this is currently age 55. But from 6 April 2028, it will increase to age 57. This will bring it 10 years below the State Pension age.

For more information on the NMPA, you can visit the government website at [gov.uk/government/publications/increasing-normal-minimum-pension-age](https://www.gov.uk/government/publications/increasing-normal-minimum-pension-age)





If you have any queries about your pension, please contact XPS using the details below. For any urgent queries, please contact the Lloyd's Register Group Pensions Department.

Find out more about the LRSFA:

XPS Administration

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Middlesbrough
TS1 9JA

LRSFA helpline: 01245 673534

Email: LRSFA@xpsgroup.com

Group Pensions Department

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