Summary Report 2026

with news from the Trustee

BBC PENSION SCHEME

Welcome

On behalf of the Trustee Board, welcome to your 2026 summary report.

May 2027 will mark the end of my time as Chair of the Trustee Board, making this my final annual summary report before I hand over to a new Chair. It has been a privilege to lead the Scheme since 2018 and I am delighted with the steady progression of the Scheme in key areas.

A pension scheme's funding level is the key measure of its financial health. Like many UK pension schemes, the Scheme faced a significant funding shortfall for many years. Encouragingly, our funding position has improved substantially in recent years and the shortfall was eliminated in 2023.

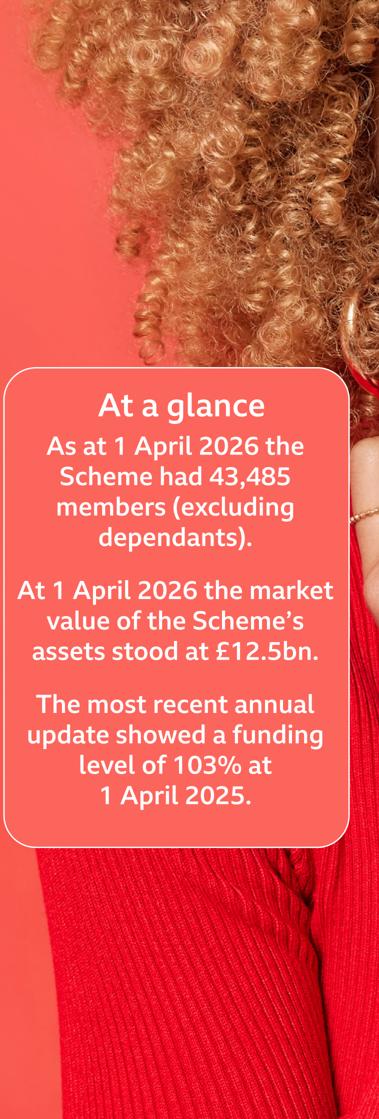
The full actuarial valuation in 2024 and the annual funding update in 2025 both confirmed that the Scheme remained in surplus. As 2026 is another full valuation year, it's time to carry out a further comprehensive review of the Scheme's finances. This is a detailed process and the results will not be available until next year. However, based on the information currently available at this early stage, we expect the funding level to remain in a positive position.

We have also continued to reduce risk within the Scheme's investment portfolio. In recent years more measures have been put in place to protect against changes in interest rates, inflation and expected longevity, making the Scheme less vulnerable to future market movements and reducing the likelihood of a funding shortfall returning. You can read more in this year's investment update on page 6.

The time I became Chair coincided with the launch of our online service for members – **myPension Online**. We've kept developing this because more and more members want to interact with their pension in this way. We have just rolled out an improved login process for **myPension Online** and will be making further improvements later this year (see page 10). We are proud of **myPension Online** but recognise that an online self-service portal is not for everyone. We continue to welcome contact from members who prefer to contact us via post, email and telephone.

Finally, I would also like to invite you to our online annual members' meeting for the opportunity to hear a further update and ask questions. Last year's meeting generated a wide range of thoughtful questions and I look forward to answering more this year. More details are on page 12.

Catherine Claydon
Chair of the Trustee Board



At a glance

As at 1 April 2026 the Scheme had 43,485 members (excluding dependants).

At 1 April 2026 the market value of the Scheme's assets stood at £12.5bn.

The most recent annual update showed a funding level of 103% at 1 April 2025.

Trustee Board

Trustee Directors

Catherine Claydon (Chair and Independent)

Bridget Houghton (Independent)

Emma Osborne (Independent)

Kristina Block (Member elected)

Ben Cryer (Member elected)

Richard Collings (Pensioner elected)

Anthony Reuben (Member elected)

Shirley Cameron (BBC appointed)

Martyn Freeman (BBC appointed)

Peter Johnston (BBC appointed)

David Jordan (BBC appointed)

The Trustee Board

The Trustee of the Scheme is a company, BBC Pension Trust Ltd. The directors of the company are referred to as the Trustee Directors. There are eleven Trustee Directors:

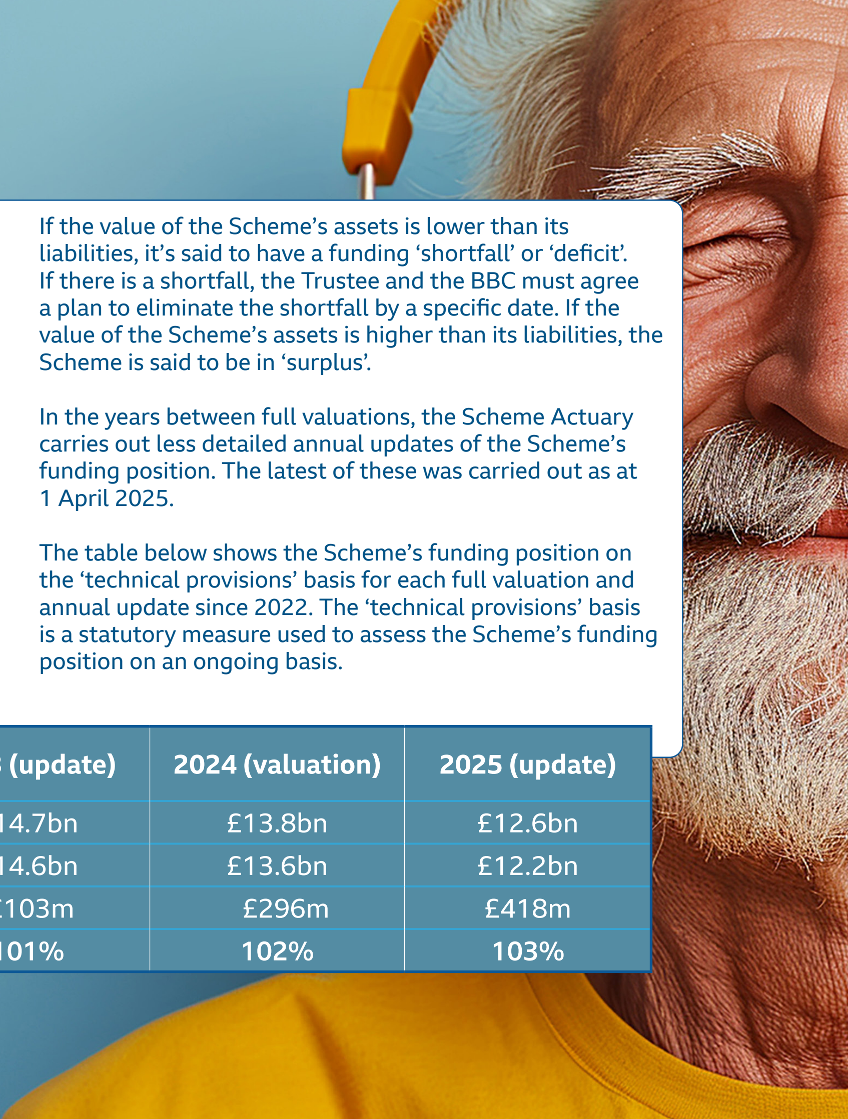
- four are appointed by the BBC;
- four are appointed by Scheme members. Three of these are elected by the active members and those deferred members employed by participating employers. One is elected by the pensioners;
- three are independent Trustee Directors, appointed by the other Trustee Directors with the agreement of the BBC.

Leslie Huss-Smickler's term as a Pensioner Trustee director ended on 31 December 2025. Richard Collings was appointed as the new Pensioner Trustee director from 1 January 2026.

Hannah Sander's term as a Member Trustee director ended on 30 April 2026. Anthony Reuben was appointed as a new Member Trustee director from 1 May 2026.

Find out more at bbc.co.uk/mypension/about-the-scheme/trustees

Scheme Valuation



The Trustee must arrange a full valuation of the Scheme at least every three years, although it can choose to carry them out more frequently. The most recent valuation was carried out as at 1 April 2024 and following its completion the Trustee and BBC agreed that the next one would be as at 1 April 2026.

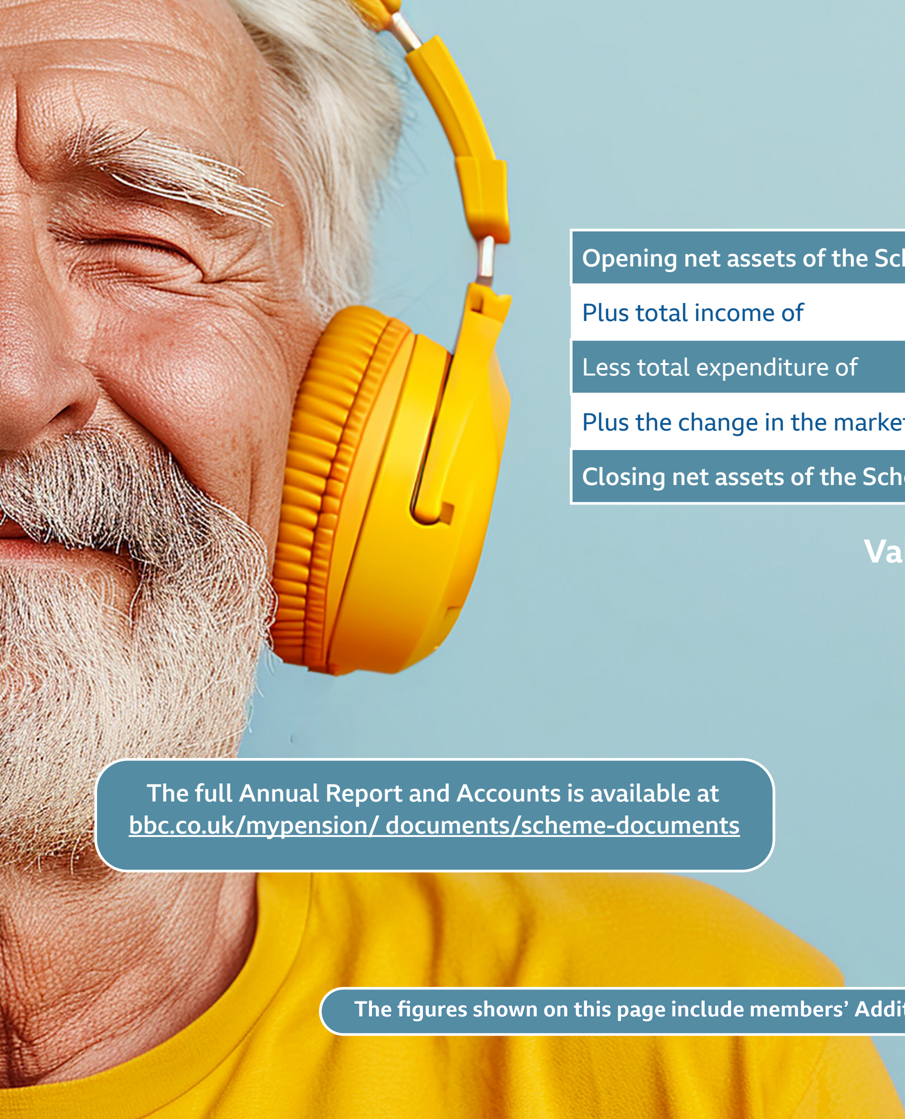
Work on the 1 April 2026 full valuation is now well underway. A full valuation is a detailed and complex review of the Scheme's finances. With advice from the Scheme Actuary, the Trustee works out the expected future cost of paying the pensions and other benefits members have already built up (known as the Scheme's 'liabilities') and compares this with the value of the Scheme's assets.

If the value of the Scheme's assets is lower than its liabilities, it's said to have a funding 'shortfall' or 'deficit'. If there is a shortfall, the Trustee and the BBC must agree a plan to eliminate the shortfall by a specific date. If the value of the Scheme's assets is higher than its liabilities, the Scheme is said to be in 'surplus'.

In the years between full valuations, the Scheme Actuary carries out less detailed annual updates of the Scheme's funding position. The latest of these was carried out as at 1 April 2025.

The table below shows the Scheme's funding position on the 'technical provisions' basis for each full valuation and annual update since 2022. The 'technical provisions' basis is a statutory measure used to assess the Scheme's funding position on an ongoing basis.

	2022 (valuation)	**2023 (update)**	**2024 (valuation)**	**2025 (update)**
Assets	£19.8bn	£14.7bn	£13.8bn	£12.6bn
Liabilities	£20.7bn	£14.6bn	£13.6bn	£12.2bn
(Shortfall)/Surplus	(£841m)	£103m	£296m	£418m
Funding Level	**96%**	**101%**	**102%**	**103%**

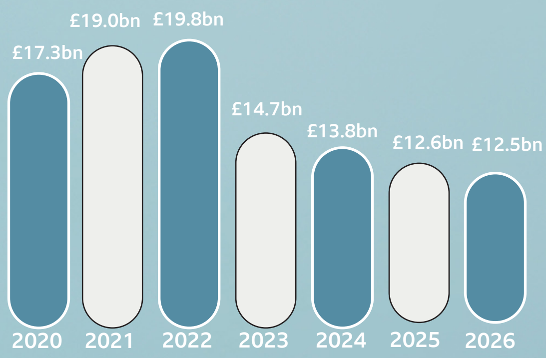


Finances

Accounts summary

Opening net assets of the Scheme at 1 April 2025	£12,622.6m
Plus total income of	£353.6m
Less total expenditure of	(£645.4m)
Plus the change in the market value of investments of	£172.2m
Closing net assets of the Scheme at 31 March 2026	£12,503.0m

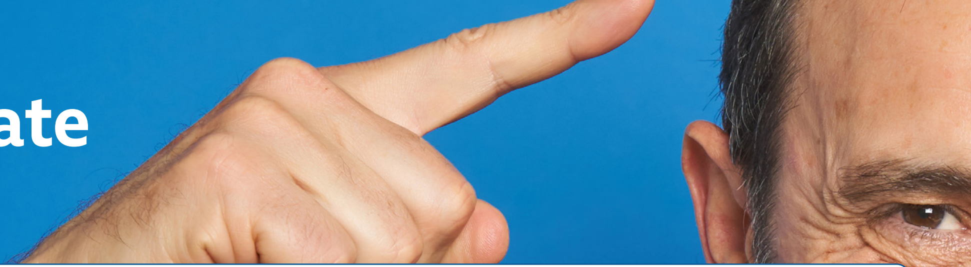
Value of Scheme Assets



The full Annual Report and Accounts is available at bbc.co.uk/mypension/ documents/scheme-documents

The figures shown on this page include members' Additional Voluntary Contributions.

Investment update



The start of the 2025/26 financial year saw a sharp equity market sell-off related to the announcement of the so-called US ‘liberation day’ tariffs. Markets then recovered strongly and a backdrop of slow growth and falling inflation allowed the Bank of England to cut its base rate from 4.50% to 3.75%. However, by the end of the financial year the war in Iran had resulted in higher oil prices and higher expectations for inflation and short term interest rates.

For the year as a whole, long-term UK government bond yields edged higher, reflecting the UK’s challenging fiscal position and the prospect of higher inflation as a result of higher energy prices.

The UK 30-year nominal government bond (Gilt) yield rose from 5.3% to 5.5%. Meanwhile, the 30-year Index-Linked Gilt yield remained at 2.1%.

Long-term bond yields play a key role in the Scheme because they are used to estimate the present value of its liabilities. To help manage this risk the Scheme holds significant investments in liability-matching assets, including Gilts and Index-Linked Gilts. These investments generate cash flows that closely mirror the pension benefits paid to members, helping to protect the Scheme’s funding position from changes in long-term interest rates and expected inflation.

Equity markets once again delivered strong returns, with the FTSE All World index, when measured in £ sterling, gaining 18.0%. Corporate bonds outperformed government bonds, with the extra yield available from investing in UK corporate bonds compared to UK government bonds narrowing to levels not seen since before the financial crisis in 2008.

As a consequence of the rise in bond yields and benefits paid out during the year, the value of the Scheme’s assets was slightly lower compared to a year ago. The asset value fell to £12.4bn (excluding AVCs), down from £12.6bn at the end of March 2025.

The Trustee’s priority is always to ensure the Scheme has enough money to pay members’ pensions when they fall due. The key measure is not simply the value of the Scheme’s assets in absolute terms, but whether it has enough assets to meet all of its future pension commitments. Even if the value of the assets goes down, if the value of the liabilities goes down by more, then the financial health of the Scheme improves.

In the decade before 2022 the value of the Scheme’s assets (and liabilities) rose sharply as bond markets and many other assets performed well, benefiting from the very low prevailing level of interest rates. The Scheme’s asset level rose from £9.2bn in 2012 to £19.7bn (excluding AVCs) in 2022. The rise in interest rates and bond yields since 2022 has caused the value of the Scheme’s assets and liabilities to fall back significantly, while nonetheless leaving the funding position much improved.

Responsible investment

Responsible investment

The Trustee recognises that with ownership comes responsibility and it is committed to exercising its influence to promote the long term sustainability of the Scheme's investments, consistent with its duty to act in the best financial interests of the Scheme.

Responsible investment involves effective integration of environmental, social, governance and other relevant factors including climate change (collectively referred to as "ESG" factors) and stewardship (broadly covering voting and engagement) in the Scheme's investment approach and strategy.

The Trustee is committed to taking appropriate advice on these matters and monitors investment managers' strategy, decision-making and performance. The Trustee will seek to engage with regulators and public policymakers, and collaborate with other pension funds and investors where appropriate and in the best interests of the Scheme in order to make the best use of resources.

The Trustee is a signatory to the UN-supported Principles for Responsible Investment and a member of the Institutional Investors Group on Climate Change. Trustee Directors and members of the Scheme executive contribute to investor groups focused on stewardship such as Accounting for Sustainability and the Asset Owner Council.

The Trustee's policies on stewardship, voting and engagement are set out in the Statement of Investment Principles and Responsible Investment Policy, which can be viewed in the 'Documents' section of: **bbc.co.uk/mypension**

These policies are reviewed and updated annually. The Trustee is satisfied that these policies have been followed during the year.

Pensions News

Protect yourself against pension scams

Pension scams happen when a scammer tricks you into transferring your pension to an investment that is not genuine. Scammers can be very sophisticated.

To help you to stay safe, the Pension Scams Action Group has put together a checklist to go through if you're ever approached about your pension: go to thepensionsregulator.gov.uk, search for "Pension scams action group" and click on the link to the leaflet.

Staying safe online

Getting online can make life easier in many ways, but also comes with the risk of scams and fraud. Online scams are becoming increasingly common, but you can help protect yourself by knowing what to look out for, and what to do if you think you've been targeted.

Age UK have some very helpful tips on how to stay safe online: go to ageuk.org.uk and search for "staying safe online".

The National Cyber Security Centre also have advice on cyber security and tips on staying secure online: ncsc.gov.uk/section/advice-guidance/you-your-family

Take care if using AI tools such as ChatGPT or Copilot to help with financial planning, getting information about the Scheme or to understand your pension benefits and options. AI tools are prone to error and offer no legal recourse or accountability if their poor guidance costs you money.

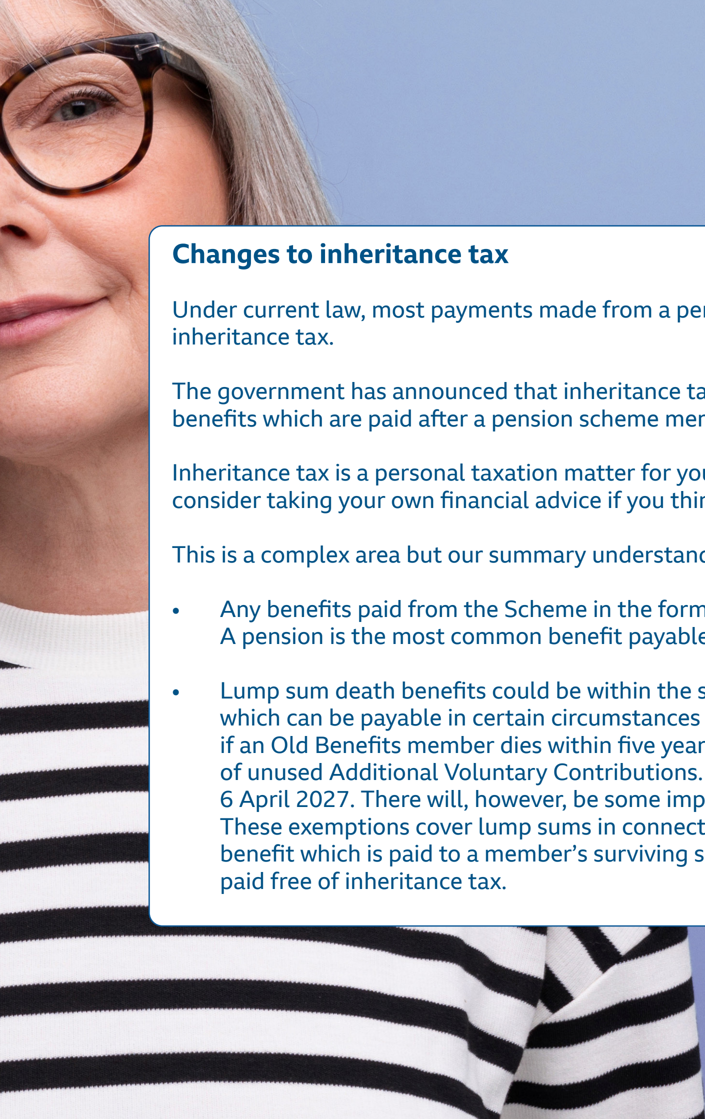
Protect your dependants

In last year's Summary Report we told you about the importance of understanding the lump sum and pension benefits which may be payable from the Scheme when you die and telling us who you would like to receive them.

An Expression of Wish form tells the Trustee the person(s), charity or organisation that you want them to consider paying any lump sum death benefits to on your death.

As well as an Expression of Wish form, if you are not married/in a civil partnership, or are separated from your spouse/civil partner and not living with them, but have someone who is financially dependent on you, then you should consider completing a Nominated Dependant form to nominate that person to receive a pension following your death.

You can nominate a dependant via myPension Online or by downloading and completing the form from the documents section of the Scheme website where you will also find the Expression of Wish form. If you complete a paper form, submit it via the Contact Us section of myPension Online, or post it to us at the address on the form.



Changes to inheritance tax

Under current law, most payments made from a pension scheme following the death of a member are free of inheritance tax.

The government has announced that inheritance tax law is changing from 6 April 2027. From that date, some types of benefits which are paid after a pension scheme member has died could be within scope of inheritance tax.

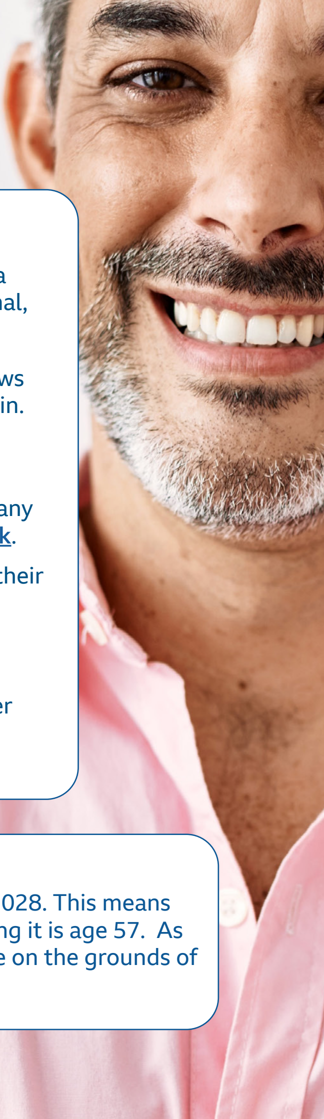
Inheritance tax is a personal taxation matter for you and the Trustee cannot provide you with any advice. You should consider taking your own financial advice if you think these changes could be relevant for you.

This is a complex area but our summary understanding of the position from 6 April 2027 is that:

- Any benefits paid from the Scheme in the form of a pension will continue to be paid free of inheritance tax. A pension is the most common benefit payable from the Scheme after the death of a member.

- Lump sum death benefits could be within the scope of inheritance tax. There is a range of lump sum death benefits which can be payable in certain circumstances from the Scheme. Examples include the 'five-year guarantee' payable if an Old Benefits member dies within five years of their pension starting or the lump sum representing the return of unused Additional Voluntary Contributions. These lump sums could be within the scope of inheritance tax from 6 April 2027. There will, however, be some important exemptions from inheritance tax for some types of lump sums. These exemptions cover lump sums in connection with the death in service of a current BBC employee and any benefit which is paid to a member's surviving spouse or civil partner. Those exempted lump sums will continue to be paid free of inheritance tax.

Scheme Noticeboard



myPension Online

You may have noticed some changes to how you sign in to your myPension Online account. We've introduced a more secure process known as two-factor authentication. After entering your username and password as normal, you'll now receive an email with a six-digit code to enter instead of using a memorable word.

Two-factor authentication improves the security of your myPension Online account. Even if someone else knows your username and password, they won't be able to sign in without the code that changes every time you sign in. The increased security means you no longer need to enter your memorable word.

We've refreshed the design of the sign in pages. The new design is being rolled out to the rest of myPension Online in stages over the next few months. We'd love to know what you think of the new design or if you have any suggestions for how myPension Online could be improved. You can email us at mypensionfeedback@bbc.co.uk.

More updates are in the pipeline including an exciting new way for members to apply online to start receiving their pension.

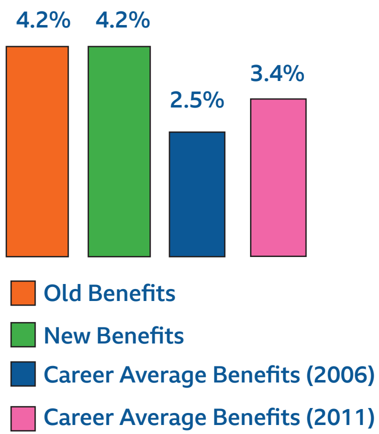
Many members really value being able to sign in anytime to see and update their pension details and to get in touch with us, but myPension Online remains optional and we are still very happy to hear from you via more traditional methods. The pension service line is available to answer any questions about your pension, however you choose to get in touch. See page 13 for details of how to contact us.

Normal minimum pension age set to go up

Just a reminder that the Finance Act 2022 increases the normal minimum pension age from 55 to 57 in April 2028. This means that if your pension is not in payment before 6 April 2028, the earliest you will be able to apply to start receiving it is age 57. As now, members will continue to be able to request their pension starts before the normal minimum pension age on the grounds of ill-health.

Scheme Noticeboard

2026 Pension in Payment Increases



Increases to pensions in payment were awarded on 1 April 2026. These increases ranged from 2.5% to 4.2%, depending on the section of membership.

Increases to pensions in payment were based on the rise in the relevant inflation index for the previous calendar year ending 31 December, subject to the applicable cap specified under the Scheme Rules.

The relevant inflation index for increases to pensions in payment was the Consumer Prices Index for the CAB 2011 section and the Retail Prices Index for all other sections.

In addition, a 3% discretionary increase was paid on 16 November 2025 to CAB 2006 and CAB 2011 pensions in payment that started on or before 1 April 2024.

Increases were also awarded on 1 April to pensions that have not yet come into payment. The award for deferred pensions in the Old and New Benefits sections was 4.2%.

An increase to pensions built up to 31 March 2024 was also given to active and deferred pensions in the CAB 2006 and CAB 2011 sections, with an increase of 3.4% awarded.

Old Benefits members who elected to participate in the Pension Increase Exchange (PIE) exercise receive future increases only on the non-exchanged element of their pension.

Pensions Dashboards

In last year's **Summary Report** we told you about Pensions Dashboards. When launched, Pensions Dashboards will allow individuals to see, free of charge and in a single place, information about all of their pensions, including their State Pension, which have not yet started to be paid.

The date of the full public launch is still to be confirmed but is now expected to be in financial year 2027/28.

Scheme Noticeboard

2026 Member Liaison Meeting

This year's Member Liaison Meeting will be held on 20 November 2026. We received good feedback on last year's meeting and will run this again in the same live online format.

You can watch last year's meeting under the News section of our website, bbc.co.uk/mypension

Members will be able to hear from the Chair of the Board, Director of Governance and Operations and Director of Investments who will provide this year's updates.

The meeting will be held online and streamed on our website. You'll be able to submit questions during the meeting but you can also send in your questions or suggestions for what you would like the meeting to cover in advance by emailing mypensionfeedback@bbc.co.uk

There is no need to register and we will send a reminder email nearer the date with details of how to join online. If you are unable to join us live, a recording will be posted shortly afterwards.

Help and Support

Answering your questions

If you have a question about the Scheme or your pension, please visit bbc.co.uk/mypension where you can also login to myPension Online to see details of your pension and securely get in touch with the pension service line via Contact Us (under Quick Links at the bottom of the Home page).

Alternatively you can call the pension service line on **0303 081 2848** (Mon - Fri 10:00 - 16:00) or email: mypension@bbc.co.uk or send a letter to:

BBC Pension and Benefits Centre
3 Central Square
Cardiff
CF10 1FT

If you call, email or write to us you may be asked to provide additional information so we can identify you.

How we use your data

You can find out how we use and look after your data by reading the Scheme's Privacy Notice at bbc.co.uk/mypension/aboutthescheme/

myPension online

Access your pension details 24/7 and get information quicker by registering for myPension Online. It's the fastest and most secure way to get your pension information.

Once registered, you can send us secure messages, view your details and change certain information like your bank or address details.

To register you will need your personal security number. You can get this by calling the pension service line.

About this report

The Scheme Rules govern your benefits under the Scheme, and in the event of conflict between this communication and the Rules, the Rules take priority. This communication has been issued by BBC Pension Trust Limited (company number 02218202), as Trustee of the BBC Pension Scheme.