

Pension Fund Committee

Meeting to be held on Friday, 21 June 2019

Electoral Division affected: <u>None</u>

2019 Valuation process and timetable

Contact for further information:

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Executive Summary

The current cycle of triennial valuations of the Pension Fund, which determines future levels of employer contribution, is currently in progress and will once complete, be based on the position of the Fund at 31 March 2019. This report sets out the timetable to achieve the setting of new employer contribution rates which will take effect from 1 April 2020.

Recommendation

The Committee is asked to note the timetable for the 2019 valuation as detailed in this report.

Background and Advice

The broad objective of the valuation is to maintain a level of contributions sufficient to ensure that the Fund maintains, as far as possible, a near 100% funded position, whilst recognising pressures on scheme employers' budgets.

The Fund is required to undertake a full actuarial valuation of its liabilities every three years for the purpose of setting employer contribution rates and deficit recovery periods and payments. The current valuation will assess the position based on data at 31 March 2019, with any new contribution rates taking effect from 1 April 2020.

As in previous valuations the Fund will seek to engage with Groups of employers as well as providing the opportunity for individual employers to discuss their position with officers and the actuary.

The Valuation Process

The broad timetable for the valuation process is set out below:

- Mid-June – Fund Officers and Actuary meet to consider any issues emerging from early data analysis.
- End June – Provision of full Fund data covering all individuals and employers

presented to the Fund Actuary.

- Early September – Preliminary results available.
- Mid-September – Group meetings with employers to present preliminary results and identify issues (Local Authorities – 27 September 2019 am), (Colleges and Universities – 27 September 2019 pm), (Academies – 01 October 2019 am) (Other Scheme employers – 01 October 2019 pm)
- October – Final results issued
- November – 1:1 sessions offered to each employer to meet with the actuary and Fund representatives.

The actuary's final report which will include the certified Rates and Adjustments Certificate will be presented to the Committee in the first quarter of 2020 together with the updated Funding Strategy Statement and the new Investment Strategy Statement.

Consultations

The timetable has been shared and agreed with the Local Pensions Partnership, to ensure that delivery of the key stages are achievable.

Implications:

This item has the following implications, as indicated:

Risk management

The valuation process is essentially a risk management process in which the Fund is required to strike a balance between various competing interests in order to set contributions rates that continue to be able to meet pension benefits when they fall due.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A