

Pension Fund Investment Sub-Committee

19 May 2014

The 2013 Actuarial Valuation

Recommendation

That the Sub-Committee note the results.

1 Introduction

- 1.1 At the meeting of 10 February 2014 the draft results of the 2013 actuarial valuation were presented by the fund actuary.
- 1.2 Following this meeting the results were finalised and the report issued by the 31 March 2014 statutory deadline.
- 1.3 This report sets out the outcome of the valuation. The final valuation report in **Appendix A** shows the full results and includes all rates, assumptions and a detailed explanation behind the methodology adopted.

2 Valuation Results

Funding Level

- 2.1 At 31 March 2013, the fund has a funding level of 77%. The table below gives an analysis of how this was derived alongside a comparison of the 2010 valuation results.

Past Service Position	31/03/2010 (£m)	31/03/2013 (£m)
Past Service Liabilities	1,328	1,798
Market Value of Assets	1,099	1,379
Surplus / (Deficit)	(229)	(419)
Funding Level	83%	77%

Contribution Rates

- 2.2 The table below summarises the contribution rates required for the next three financial years and how this compares with the previous valuation.

Contribution Rates	31/03/2010 (% of pay)	31/03/2013 (% of pay)
Employer future service rate (incl. expenses)	12.8	19.5
Past Service Adjustment (19 year spread)	4.8	9.6
Total employer contribution rate (incl. expenses)	17.6	29.2
Employee contribution rate	6.4	6.1
Expenses	0.6	0.6

- 2.3 The employer contribution rate is a theoretical figure – an average across the whole Fund. In practice, each employer that participates in the Fund has its own circumstances and underlying funding position, giving rise to its own contribution rate requirement. **Appendix A** pages 27 and 28 detail individual employer contribution rates due.

3 Future Funding Plan

- 3.1 The Pensions Fund's funding plan is set out in the Funding Strategy Statement (FSS). The FSS will be presented at this Sub-Committee meeting.

4 Recommendation

- 4.1 That the Sub-Committee note the report.

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