

Appendix A

Specification of requirements

Provision of Actuarial Services to Warwickshire County Council in its role as administering authority for the Local Government Pension Scheme funds in Warwickshire, including:

Actuarial Valuations for Local Government Pension Fund

1. To carry out the triennial actuarial valuation of the pension fund(s) as required by relevant legislation and within the prescribed timescales. The next actuarial valuation will be undertaken based on the fund's value as at 31 March 2019. The actuary would be required to undertake the following as part of this process:-
2. Specification of data requirements and liaison with the Fund administrator or other appropriate parties over the provision of data by electronic means in an agreed format.
3. Undertaking validation checks on membership data to ensure that it is adequate for the purposes of a valuation.
4. Analysis of the demographic experience of the membership of the Fund over a suitable period.
5. Advice on the choice of actuarial assumptions to be used for a valuation.
6. Completion of calculations required to assess the solvency of the Fund as a whole and to derive the primary and secondary contribution rates, using one set of actuarial assumptions.
7. Adoption of employer stabilization where deemed appropriate for the type of employer.
8. Analysis of the characteristics of individual employing authorities and, if appropriate, calculations of appropriate individual adjustments to the common contribution rate for any peculiar characteristics.
9. Preparation of a Rates and Adjustments certificate and individual employer result schedules.
10. Analysis of the changes in the surplus/deficit to identify the factors which have acted in favour of and against the solvency of the Fund during the period under review.
11. Issue of the final report on the valuation prepared in accordance with Actuarial Guidance.
12. Issue of such other statutory certificates as may be required (for example Inland Revenue maximum funding certificate).

Inter-Valuation Work

1. To track assets and liabilities for each employer of the fund based on cash flows
2. To carry out interim valuations at the discretion of the Fund.

3. The rolling forward of past valuations to illustrate the expected results of future valuations, by the adoption of appropriate demographic and financial assumptions, (e.g. the impact of changes in assumptions in longevity, or projected future investment returns).
4. To carry out regular actuarial monitoring of the fund's overall funding level as necessary.
5. To attend the Pension Fund Investment Sub-Committee as required for advice on actuarial matters.

Accounting Work

1. Provision of information in the required format and within required timescales to enable employing bodies in the Fund to meet their obligations under FRS102/IAS19; including the IAS19 requirements of the unfunded pension schemes (Firefighters) and teachers unfunded benefits.
2. Valuation of unfunded benefits, for example, Compensatory Added Years.
3. Provision of an annual statement of actuarial information to be disclosed in the annual report and accounts of the pension fund.
4. Annual presentation of most recent actuarial position to the Annual Pension Fund Employers meeting. Attendance at the meeting to make the presentation and answer questions as relevant will be required.
5. One-off presentations as required.

Changes to Participating Employers and Best Value Outsourcing Work

1. Provision of advice and information as required on fund issues to include, but not limited to, admissions, individual and bulk transfers, mergers, closures and winding-up of admitted bodies.
2. Provision of advice and information as required to employers to include, but not limited to, contribution rates, admissions, outsourcing, individual payments.
3. Broad comparability assessments of new employers' pension arrangements where a compulsory transfer of employment of members of a public sector pension scheme may take place.
4. Advice on the terms for a new employer to participate in the local government pension scheme, including recommended employer contributions and where appropriate, a risk assessment and the amount of any bond required.
5. Advice, negotiations and calculations for the payment or receipt of bulk transfer values.
6. Advice on the financial impact of an employer in the Fund closing to new entrants or ceasing to participate.
7. Advice on the effect of an admission body terminating its admission agreement.

8. Advice on the quantification of the contingent risks on the termination of an admission agreement (often known as indemnities and bonds) in the event of the insolvency of the admission body.
9. Advice on the impact of any proposed merger of participating employing authorities.

Other Actuarial Services

1. Preparation of or provision of advice on a Funding Strategy Statement for the Fund or other similar document required by statute.
2. Review or preparation of actuarial factors for individual benefits calculations (such as those used for early retirement reductions, commutation, and calculation of cost of benefit augmentations).
3. Advice on appropriate arrangements for monitoring and meeting the extra costs of premature retirements arising from ill health, efficiency or redundancy.
4. Advice on issues arising from an employer's discretionary power to provide or vary benefits under the Scheme.
5. Calculations required for individual scheme members for the purposes of regulations (e.g. the forfeiture of pension rights or the calculation of final lump sum payments in respect of the purchase of additional scheme membership on early retirement).
6. Advice on the impact of changes in regulations, and associated costing where appropriate.
7. Specialist training as required, eg, training for Pension Fund Investment Sub-Committee members or the Local Pension Board.
8. The Actuarial Advisor would be expected to be familiar with regulations and statutory and non-statutory guidance on best practice relating to the administration of the Local Government Pension Scheme and to ensure that this was reflected in the advice provided to the Pension Fund.
9. The Actuarial Advisor would be expected to advise statutory requirements such as tax liability/long term allowance as and when they arise.