

Warwickshire Pension Fund

Overview of the 2022 valuation

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31 January 2023

1. Actuarial valuation: refresher

Why we do a valuation?



Calculate employer contribution rates



Compliance with legislation



Analyse actual experience vs assumptions



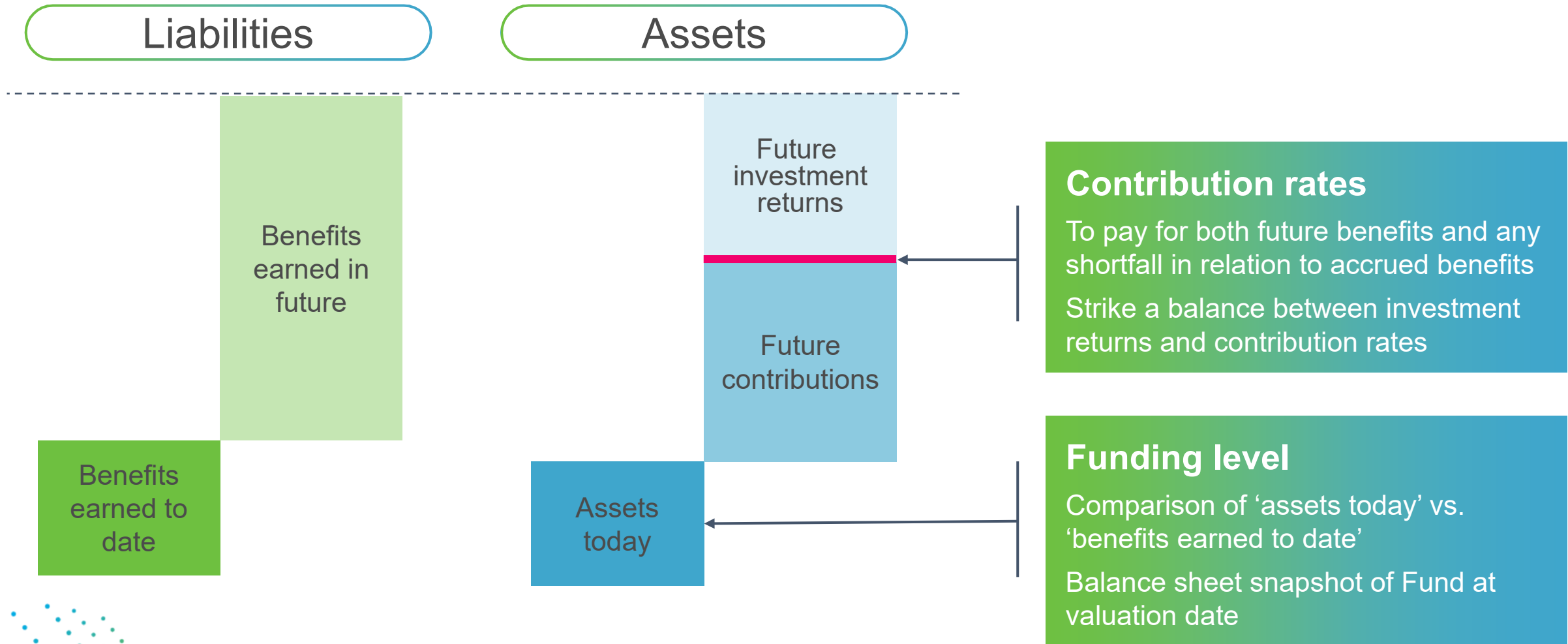
Review Funding Strategy Statement



Part of continual 'health check' on fund solvency

The triennial valuation is a key risk management exercise for the Fund

Outputs of the valuation



2. Governance and process

2022 valuation timetable

Q4 2021 – Q1 2022

Pre-valuation work:

- Planning
- Data cleansing
- Review of assumptions
- Review of funding & investment strategy
- Review of stabilisation mechanism
- Investigating climate change risk

Q3 2022

Initial results & discussions with Officers

Q1 2023

Funding strategy statement finalised

Final valuation report signed off by 31 March 2023

Q2 2022

Data cleansed and submitted to actuary

Q4 2022

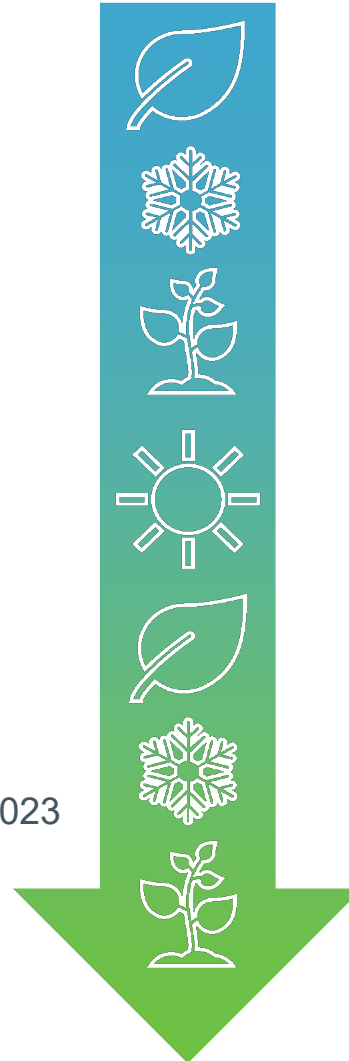
Employer results issued to employers

Fund's AGM & consultation period

Funding Strategy Statement consultation

1 April 2023

New employer contributions start to be paid



How we process the valuation

Inputs

Data for each member

Financial and demographic assumptions

Funding and investment strategy

LGPS benefit structure

Actuary's models



Primary outputs



Individual employer results schedule



Updated Funding Strategy Statement



Final valuation report

Key engagement with WPF Officers

8 July 2021

Valuation planning meeting

26 Jan 2022

Rates for precepting bodies, and training on contribution rate modelling

23 June 2022

Valuation data, employer covenant, ill health management

27 July 2022

Map out updates to FSS/ other policies

4 Oct 2022

Individual employer results

4 Nov 2022

AGM

3 December 2021

Setting assumptions

16 May 2022

Risk management call

24 June 2022

'Early warning' results for closed employers

24 August 2022

Whole Fund results

21 Oct 2022

Updated FSS and policies



Regular monthly progress calls also held

Key engagement with PFISC

6 Dec 2021

Training - assumptions

4 Feb 2022

Training – contribution rate modelling

13 June 2022

Funding position estimate at 31/3/22

14 Oct 2022

Approval of Whole Fund results

13 Dec 2021

Approval of 2022 assumptions

7 March 2022

Approval of rates for precepting bodies

18 July 2022

Training – valuation process incl section 13

12 Dec 2022

Approval of draft FSS



Frequent engagement during the process

3. Key outcomes at 2022

2022 Whole Fund funding position

- Funding position has improved since 2019
- Important to remember limitations with funding level
 - It only considers past service
 - It is a snapshot on one particular day, it will fluctuate

Valuation Date	31 March 2022	31 March 2019
Past Service Liabilities	(£m)	(£m)
Employees	917	809
Deferred Pensioners	616	503
Pensioners	1,147	1,033
Total Liabilities	2,680	2,346
Assets	2,782	2,166
Surplus/(Deficit)	101	(180)
Funding Level	104%	92%

Numbers may not add up due to rounding

Funding level improvement comparable to LGPS peers*

[* 2022 valuation results - early insights - Hymans Robertson](#)

Employer funding strategies – overview

2022 valuation funding strategy

Employer type	Funding target	Time horizon	Likelihood of success	Stabilised contributions
Councils	Ongoing	Long	70%	Yes
Academies	Ongoing	Long	70%	Yes
Colleges	Ongoing	Long	80%	No
Transferee Admission Bodies	Ongoing	Short	70%	No
Community Admission Bodies	Cessation	Medium/Short	80%	No

Continuity in long-term strategy and funding plans

Funding Strategy Statement review

- No material changes in funding strategy at 2022 valuation
- Used the opportunity to review structure and layout of the FSS
- Improve accessibility and navigation for stakeholders
- Updated FSS was issued for consultation to all employers



See Appendix 2 of the covering report

Thank you

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