

Barnett Waddingham



London Borough of Barnet Pension Fund

Actuarial Valuation as at 31 March 2013

Valuation Report

Barnett Waddingham LLP

28 March 2014

Contents

1.	Introduction and Summary	3
2.	Valuation Data	5
3.	Actuarial Methods and Assumptions	7
4.	Valuation Assumptions	9
5.	Valuation Results	11
6.	Risk and Uncertainty	15
Appendix 1	Valuation Data	17
Appendix 2	Actuarial Assumptions	19
Appendix 3	Employer Data as at 31 March 2013	22
Appendix 4	Rates and Adjustment Certificate	25
Appendix 5	Post Valuation Employers	28
Appendix 6	LGPS Benefits	29

1. Introduction and Summary

Purpose of the Valuation

- 1.1. We have carried out an actuarial valuation of London Borough of Barnet Pension Fund ("the Fund") as at 31 March 2013, as requested by London Borough of Barnet. The Fund is part of the Local Government Pension Scheme ("LGPS").
- 1.2. The valuation was carried out in accordance with Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 ("the Regulations") as amended. The main purpose of the valuation is to review the financial position of the Fund and to set the level of future contributions for the employers in the Fund.
- 1.3. This report summarises the results of the valuation and is addressed to London Borough of Barnet as the Administering Authority to the Fund. It is not intended to assist any user other than the Administering Authority in making decisions. Neither we nor Barnett Waddingham LLP accepts any liability to third parties in respect of this report.
- 1.4. This advice is subject to and complies with Technical Actuarial Standards issued by the Financial Reporting Council (in particular, the Pensions TAS and the generic TASs relating to reporting, data and modelling).

Results of the Valuation

- 1.5. The results of the valuation are that the past service funding level of the Fund as a whole has increased from 76% to 79% between 31 March 2010 and 31 March 2013. There are a number of reasons that have contributed to this improvement including:
 - More pensions in payment ceasing than expected.
 - Deficit contributions paid into the Fund.
 - Lower than expected salary increases.
- 1.6. However, the contribution rate for the average employer, including payments to target full funding, has increased from 23.5% to 24.0% of pensionable salaries. This increase reflects a
 - Reduction in pensionable salaries over which any deficit is expressed as a rate of pay
 - Lower outlook for future investment returns in the financial market

1.7. We would be pleased to discuss any aspect of this report in more detail.



Alison Hamilton FFA

2. Valuation Data

Data Sources

- 2.1. We have used the following items of data as provided by London Borough of Barnet.
- Membership extract as at 31 March 2013.
 - Fund accounts and accounting information split by employer for the three years to 31 March 2013.
 - The results of the previous actuarial valuation as at 31 March 2010.
- 2.2. The data has been checked for reasonableness and any missing or inconsistent data has been estimated where necessary. Whilst this should not be seen as a full audit of the data, we are happy that the data is sufficiently accurate for the purposes of the valuation.
- 2.3. A summary of the data is set out in Appendix 1.

Assets

- 2.4. The asset allocation of the Fund as at 31 March 2013 was as follows:

Asset Allocation of the Fund	31 March 2013	
	£000's	%
Diversified Growth Fund	243,717	31%
Real Return Fund	252,864	32%
IndexLinked Tracker Fund	40,214	5%
Corporate Bonds	249,970	31%
Gilts	1,252	0%
Cash	8,231	1%
Overseas Bonds	2,089	0%
Total	798,337	100%

- 2.5. We estimate that the return on the assets in market value terms for the three years to 31 March 2013 was approximately 6.7% per annum.
- 2.6. The current investment strategy is set out in a Statement of Investment Principles dated June 2008.

Benefits

- 2.7. The valuation has been carried out in accordance with Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 (“the Regulations”) as amended.
- 2.8. However from 1 April 2014, The Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 will come into effect and replace the current regulations.
- 2.9. The benefits for service from 1 April 2014 will be based on the Local Government Pension Scheme Regulations 2013. The main changes are to move from a final salary pension scheme based on 60ths accrual and a retirement age of 65 to a career average revalued earnings pension scheme based on 49ths accrual and a retirement age equal to State Pension Age.
- 2.10. The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 serve the dual purpose of retaining the previous benefit structure for service up to 31 March 2014 and introducing new protections for members close to retirement to ensure that they are not disadvantaged by the benefit changes.
- 2.11. The benefits underlying the valuation are summarised in Appendix 5.
- 2.12. We have made no allowance for discretionary benefits awarded throughout the LGPS. Where employers grant discretionary benefits we would expect them to fund the capital value of those benefits at that point.

3. Actuarial Methods and Assumptions

General Valuation Approach

- 3.1. We first estimate the future cashflows which will be paid from the Fund for the benefits relating to service up to 31 March 2013 and we do this for all current members and their possible dependants.
- 3.2. We then discount these projected cashflows using the discount rate to get a single figure for the value of the past service liabilities. This figure is the amount of money which, if invested now, would be sufficient to make these payments in future provided that the future investment return was equal to at least the discount rate used.
- 3.3. Various assumptions are needed for the above calculations and these are summarised in Section 4. The financial assumptions such as future inflation and the discount rate are based on smoothed market indicators from around the valuation date, specifically over the six month period from 1 January 2013 to 30 June 2013.
- 3.4. The market value of the assets at 31 March 2013 is then adjusted to also be smoothed over the same six month period so that a consistent comparison can be made with the liabilities. If the smoothed assets are greater than the past service liabilities, there is a surplus and if not, there is a deficit.
- 3.5. Using the same assumptions and a similar methodology, we can also calculate the value of the liabilities expected to build up in the future after 31 March 2013 and we do this for each active member. This can then be divided by the projected payroll to assess the cost of future benefits expressed as a percentage of payroll.
- 3.6. After deducting expected employee contributions, this is known as the future service cost and represents the employers' share of the cost of future benefits.

Multiple Calculations

- 3.7. As part of the valuation, we are required to calculate results on an overall Fund level but also for the individual Employers.
- 3.8. For the Fund's future service cost, we consider the benefits accruing in the single year following the valuation date.
- 3.9. This is known as the Projected Unit Method and results in a stable, long term contribution rate over time, if the assumptions adopted are borne out in practice and there is a steady flow of new entrants to the Fund. If the admission of new entrants is such that the average age of the membership profile increases then the contribution rate calculated at future valuations would be expected to increase.
- 3.10. At individual employer level we use the Projected Unit Method for employers who still admit new employees into the Fund.

- 3.11. For employers who do not, or do not appear, to allow new employees to join the Fund, we use a method known as the Attained Age Method which assesses the cost of future benefit accrual over all future years rather than just over the next year. This method generally produces a higher level of employer contribution than the Projected Unit Method but, for these closed employers, it should need less revision in the future.
- 3.12. For closed limited-term employers such as some Transferee Admission Bodies, a modified version of the Projected Unit Method with a control period equal to the remaining term of the contract may be used and this usually gives results between the Projected Unit Method and the Attained Age Method.
- 3.13. The amounts that the employer then pays is a combination of the above future service cost and any adjustments for the past service surplus or deficit. If there is a deficit, this adjustment will be specified as an additional contribution expressed as a cash amount to be paid in each year.
- 3.14. For those employers that are in surplus they may be permitted to reduce their contributions below the cost of accruing benefits by spreading the surplus over a relevant deficit recovery period.

Funding Strategy

- 3.15. Regulation 36 of the Local Government Pension Scheme Administration (Regulations) 2008 states that the actuary must have regard to
- The existing and prospective liabilities of the fund arising from circumstances common to all those bodies;
 - The desirability of maintaining as nearly a common a rate of contribution as possible; and
 - The current version of the Administering Authority's Funding Strategy Statement
- 3.16. The Funding Strategy Statement implies that the funding objectives are to:
- Ensure sufficient funds are available to pay all benefits as they fall due;
 - Maximise the returns from investments within an appropriate level of risk;
 - Enable employer contributions to be kept as nearly constant as possible at reasonable cost to the scheme employers and tax payers.
- 3.17. We can confirm that, in our view, the methods and assumptions adopted meet this requirement.

4. Valuation Assumptions

4.1. As mentioned in the previous section, various assumptions are needed as part of the valuation.

4.2. The principal assumptions are:

- The discount rate - this is based on the expected investment return from the Fund's assets.
- Pension increases and deferred revaluation - pension increases and deferred revaluation are set by the Pension Increase Order which is laid by the Government each year and expected to be linked to the Consumer Prices Index.
- Benefits earned by active members after 1 April 2014 will also be linked to the Pension Increase Order.
- Salary increases - active members' benefits for service before 31 March 2014 will continue to be linked to their final salary.
- Current and future rates of mortality - over the last decade, life expectancies have increased more quickly than most predictions so it's important that any assumptions made are as accurate as possible.

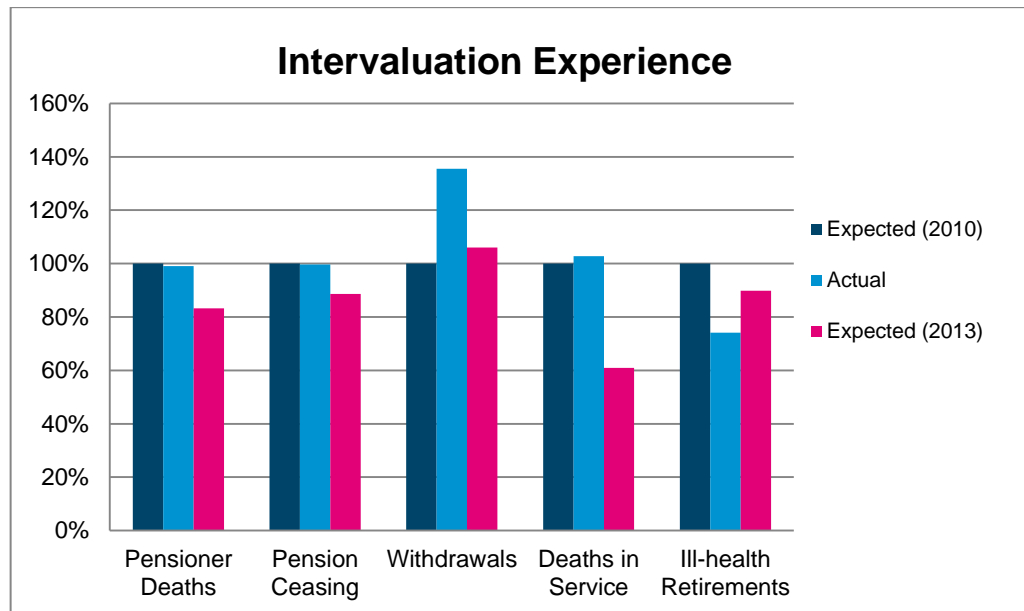
4.3. The assumptions used for this valuation are based on the expected long-term cost of providing the benefits and we believe these are suitable for setting the contribution amounts from employers. If an employer was to leave the Fund, a different set of assumptions may apply to allow for the crystallisation of their funding obligations and the funding assumptions are also not the same as those that would be used for statutory accounting purposes in employers' accounts.

4.4. The assumptions and the rationale for them were discussed in our paper to the Administering Authority of 2 September 2013. The final assumptions have been adopted following discussion with the Administering Authority and are set out in Appendix 2. We confirm that we believe that these are appropriate for the purposes of this valuation.

4.5. A comparison of the actual financial experience with the assumptions adopted at the previous valuation is summarised below:

Intervaluation Experience		
	Actual	Expected
Investment Return	6.7% pa	6.7% pa
Pay Increases **	2.0% pa	3.2% pa
Pension Increases	3.5% pa	3.0% pa
** includes short term overlay		

4.6. A comparison of the actual demographic experience of members of the Fund over the intervaluation period, with that assumed by the assumptions adopted at the last valuation in 2010 is shown in the graph below. The graph also shows how the assumptions adopted for this valuation would have compared with those adopted at 2010.



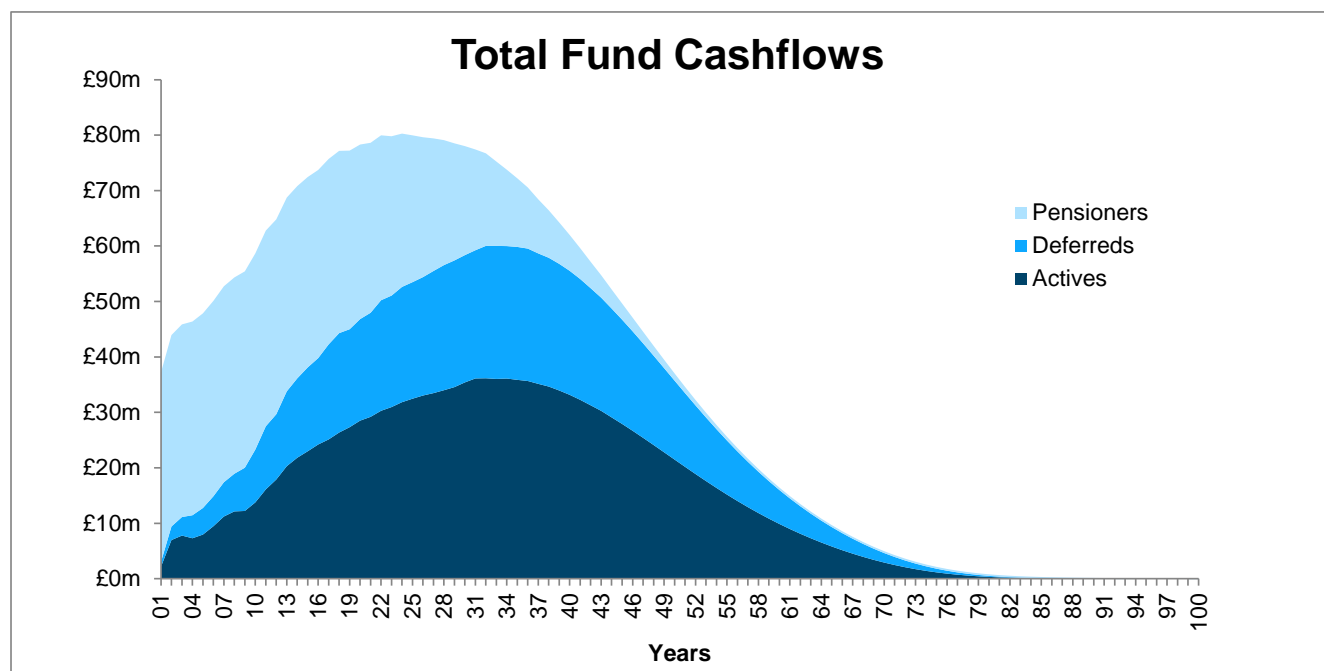
5. Valuation Results

Previous Valuation

- 5.1. The last formal actuarial valuation of the Fund was carried out as at 31 March 2010 by Barnett Waddingham LLP and the results of that valuation were set out in the formal valuation report dated March 2011.
- 5.2. The results of the previous valuation indicated that the assets of the Fund represented 76% of the accrued liabilities of the Fund. The average employer contribution was calculated to be 23.5% of payroll which assumed that the past service funding level would be restored over a period of 15 years.

Projected Cashflows

- 5.3. As mentioned above, the first stage is to project the expected cashflows in relation to past service, which can be charted as follows:



Past Service Funding Position and Contribution Rates

5.4. The following table sets out the valuation results for the Fund as a whole. We show

- The past service funding position
- The required average ongoing employer contribution rate for future service benefits
- The required total employer contribution rate to restore the funding position to 100% over the agreed 15 year period following the valuation date.

Past Service Funding Position		31 March 2013
		£000's
Asset Value		788,711
	Active Members	311,107
	Deferred Members	198,257
	Pensioner Members	490,142
Value of Scheme Liabilities		999,505
Surplus/(Deficit)		(210,794)
Funding Level		79%
Employer Contribution Rates		% of Pensionable Pay
Future Service Cost		13.0%
Deficit Recovery over 15 years		11.0%
Total		24.0%

5.5. As we see, the funding level as at 31 March 2013 is 79% and the average required employer contribution to restore the funding position to 100% over the next 15 years is 24.0% of pensionable pay.

5.6. The contributions payable by each employer are set out in Appendix 4. These are based on either the employer's own membership and experience or they are the employer's share of the contributions payable within a pool of employers.

Sensitivity Analysis

- 5.7. It is important to understand that these results indicate the expected cost of providing the benefits using the chosen method and assumptions. The actual cost of providing the benefits will depend on the actual experience.
- 5.8. In order to illustrate this, a number of calculations have been carried out to highlight the sensitivity of the funding position to the assumptions adopted, focusing on the assumptions to which the funding position is most sensitive, as shown below:

Assumption change	Increase to Deficit £(000)
Decreasing the discount rate by 0.5% per annum	82,049
Increasing the CPI assumption by 0.5% per annum	72,979
Increasing the long-term rate of salary increase by 0.5% per annum	8,098
Increasing the long-term rate of improvement used in the mortality projection from 1.5% to 1.75% per annum	8,872

Projected Future Results

- 5.9. The progression of the funding level over time is influenced by a large number of factors, including any changes in membership, the investment return achieved and the contributions paid.
- 5.10. We estimate that in 3 years after the valuation date (i.e. at the next valuation) the funding position on the same basis will be 83%. This allows for contributions to be paid as certified and assumes that investment returns and other experience over the next 3 years are in line with the assumptions described above.

Neutral Estimate

- 5.11. We are also required to consider whether the assumptions used are neutral, that is “not deliberately either optimistic or pessimistic and does not incorporate adjustments to reflect the desired outcome”.
- 5.12. Other than the discount rate, we consider all the assumptions used to be neutral.
- 5.13. We would consider a neutral discount rate to be 6.4% per annum rather than 6.0% per annum as used for the valuation results.

5.14. The higher discount rate results from removing some prudence from the equity return assumption. As a consequence we expect that the future returns from the Fund's investment strategy will be higher than the valuation discount rate and so we believe that the contributions set for this valuation are more likely to be sufficient to meet the cost of providing the benefits than not.

Valuation Reconciliation

5.15. The following table sets out the principal reasons for the change in the funding position since the last valuation:

Change in Past Service Position		
	£(000)	£(000)
Surplus(Deficit) at 31 March 2010		(189,615)
Benefits Accrued	(95,163)	
Early Retirements	(3,763)	
Contributions Paid	154,258	
Deficit Funded (Use of Surplus)	55,332	
Interest Cost	(40,924)	
Asset Gain/Loss	16,615	
Change in Market Conditions	(84,366)	
Financial Gain(Loss)	(108,675)	
Salary Increases	11,904	
Pension Increases	(8,756)	
Membership Movements	2,414	
Experience	5,562	
Change in Assumptions	26,602	
Surplus(Deficit) at 31 March 2013		(210,794)

5.16. As we can see, a key factor for the increase in the deficit is the change in market conditions underpinning the financial assumptions.

6. Risk and Uncertainty

- 6.1. There are many factors that affect the financial position of the Fund, in particular:
- 6.2. Employer covenant risk – there is a risk to the Fund that any of the employing bodies may be unable to pay contributions or meet any cessation deficits as they fall due.
- 6.3. The Fund should monitor the strength of each employer in the Fund over time, so that any sudden changes in an employer's position can be mitigated.
- 6.4. Investment risk - allowance is made in the assumptions for the expected long-term performance of asset classes such as equities. There is a risk that these returns will not be achieved in practice, which may result in further contributions being required. Further, the value of the Fund's assets may not move in line with the Fund's liabilities – mainly because the Fund invests in volatile assets whose value might fall or rise less than expected.
- 6.5. The sensitivity of the valuation results to changes in the investment return assumption is shown in 5.8 above. The Fund should regularly review the investment strategy to ensure the risks being taken are understood and that those risks are being appropriately managed.
- 6.6. Inflation - in projecting the expected future benefit payments, assumptions are made regarding future price inflation. There is a risk that the actual rate of inflation will be higher than assumed which will increase the cost of providing the benefits. This would result in additional contributions being required and a deterioration in the funding position unless investment returns are similarly higher than expected.
- 6.7. The sensitivity of the results to the choice of inflation assumptions is also shown above.
- 6.8. Mortality - it is not possible to predict with any certainty how long members of the Fund will live, and if members live longer than expected, the Fund's funding position will deteriorate and additional contributions will be required.
- 6.9. The sensitivity of the results to the choice of mortality assumptions is also shown above. The Fund should review the mortality assumptions at each valuation, taking into account all available evidence, to ensure they remain appropriate for the Fund.
- 6.10. Member options - certain benefit options may be exercised by members without requiring the consent of the Fund or the Employer, for example exchanging pension for cash at retirement or taking a transfer value. The value of the cash benefit is generally expected to be less than the value of the pension exchanged so the funding position would only deteriorate if fewer members than expected took this option. Individual transfer values can be higher or lower than the value of the valuation liabilities, depending on the particular member and market conditions.

6.11. Legislative changes – there are a number of legislative risks to the Fund and the LGPS in general, including:

- All benefits relating to membership after 31 March 2014 will be linked to the individual's State Pension Age and the Chancellor of the Exchequer's Autumn 2013 Statement outlined plans to increase this for some individuals. This valuation is based on the current legislation so if these plans are enacted, some members will find the value of their future benefits reduced and this would be expected to reduce the cost of meeting these benefits.
- Contracting-out of the State Second Pension is due to end in 2016 and it is not yet clear what the effect on the LGPS will be.
- The potential effects of GMP equalisation between males and females, if implemented, are not yet known.
- As part of the changes to the LGPS from 1 April 2014, a cost control mechanism has been implemented so that if the future cost turns out to be higher or lower than expected when the reforms were made, a review of the benefits may be triggered which provides some.
- If the LGPS was to be discontinued in its current form, it is not known what would happen to members' benefits.
- More generally, as a statutory scheme, the benefits provided by the LGPS could be changed by the Government as well as the form of the scheme.

Appendix 1 Valuation Data

A1.1. A summary of the membership records submitted for the valuation is as follows.

Active Members			Actual Pensionable Pay		Average		This Valuation	
	Number		£ (000)		£		Average Age	Average Retirement Age
Full Time	2013	2010	2013	2010	2013	2010		
Males	1,401	1,678	43,956	51,279	31,375	30,560	46	64
Females	1,863	2,209	57,358	65,525	30,788	29,663	47	64
Part Time								
Males	300	259	3,699	3,047	12,330	11,765	43	65
Females	3,138	2,902	36,930	34,088	11,769	11,746	47	64
Total	6,702	7,048	141,943	153,939	21,179	21,842	46	64
Pensioners			Annual Pensions		Average		This Valuation	
	Number		£ (000)		£		Average Age	Average Retirement Age
	2013	2010	2013	2010	2013	2010		
Males	2,303	2,180	16,978	14,656	7,372	6,723	69	n/a
Females	3,506	3,205	14,486	11,446	4,132	3,571	71	n/a
Dependants	929	876	2,367	2,069	2,548	2,362	73	n/a
Total	6,738	6,261	33,831	28,171	6,197	5,683	71	n/a
Deferred Pensioners			Annual Pensions		Average		This Valuation	
(including "undecideds")	Number		£ (000)		£		Average Age	Average Retirement Age
	2,013	2,010	2,013	2,010	2,013	2,010		
Males	2,819	2,418	5,839	4,429	2,071	1,832	46	62
Females	6,173	4,953	8,425	5,615	1,365	1,134	46	63
Total	8,992	7,371	14,264	10,045	1,586	1,363	46	63

Notes

- A1.2. The numbers relate to the number of records and so will include members in receipt of or potentially in receipt of more than one benefit.
- A1.3. Annual pensions are funded items only and include pension increases up to and including the 2013 Pension Increase Order.
- A1.4. Pensionable pay is actual earnings.

A1.5. A summary of the assets held by the fund at the valuation date and the revenue account for the three years preceding the valuation date is as shown below.

Revenue Accounts		Year to	March 2013	March 2012	March 2011	TOTAL
			£ (000)	£ (000)	£ (000)	£ (000)
Expenditure	Retirement Pensions		36,364	30,245	28,224	94,833
	Retirement Lump Sums		6,361	7,116	8,296	21,773
	Death Benefits		923	1,223	708	2,854
	Leavers Benefits		2,636	4,810	5,452	12,898
	Expenses		1,023	1,106	3,432	5,561
	Other Expenditure		-	-	-	-
Total Outgo			47,307	44,500	46,112	137,919
Income	Employees Ctbns		9,648	9,956	10,592	30,196
	Employers Ctbns		44,351	40,108	39,603	124,062
	Transfer Values		2,670	5,294	4,249	12,213
	Other Income		-	2	10	12
Investment Income (net of fees)			(1,783)	(647)	5,798	3,368
Total Income			54,886	54,713	60,252	169,851
New Money for Investment			9,362	10,860	8,342	28,564
Fund Value						
Assets at Start of Year			638,640	595,718	631,401	554,314
Cashflow			(355)	3,652	14,140	14,813
Change in Value			78,273	17,079	39,652	154,959
Assets at End of Year			716,558	616,449	685,193	724,086
Annual Returns						
Approx Rate of Return (per annum)			10.7%	2.4%	7.2%	6.7%

Appendix 2 Actuarial Assumptions

A2.1. A summary of the assumptions adopted in the valuation is as set out below:

Future Assumed Returns at 2013		Risk Adjusted Discount Rate Weighting
Equity Type Investment	7.2% per annum	67%
Gilts	3.3% per annum	1%
Bonds	3.9% per annum	32%
Expense allowance	0.15% per annum	

Financial Assumptions	2013	2010
Discount Rate	6.0% per annum (as above)	6.7% per annum
Retail Price Inflation (RPI)	3.5% per annum (20 year point on the BoE Inflation Curve)	3.5% per annum
Consumer Price Inflation (CPI)	2.7% per annum (RPI less 0.8%)	3% per annum
Pension and Deferred Pension Increases	2.7% per annum (RPI less 0.8%)	3% per annum
Short Term Pay Increases	In line with the CPI assumption for the 2 years to 31 March 2015	Pay freeze for those earning over £21k for the 2 years to 31 March 2012
Long Term Pay Increases	4.5% per annum (RPI plus 1% per annum)	5% per annum

Statistical Assumptions	2013	2010
Post retirement mortality		
Current mortality	110% of the S1PA tables	90% of the S1PA Heavy tables
Mortality Projection	2012 CMI Model with a long term rate of improvement of 1.5% per annum Each member retires at their weighted average "tranche retirement age", i.e. for each tranche of benefit, the earliest age they could retire with unreduced benefits	CMI Long Cohort with a 1% per annum underpin For each tranche of benefit, active members retire 1 year later than entitled to retire and receive unreduced benefits. Deferred members retire at the earliest age they can receive unreduced benefits
Retirement Ages	If the member is over this retirement age, then it is assumed they will retire at their oldest tranche retirement age. If over the oldest tranche retirement age, the member is assumed to have a 1/3 chance of retiring in each of the next 3 years, and it is assumed all members will be retired by age 75.	Active and deferred members over these respective ages are assumed to retire immediately
Proportion Married	There is an 80%/70% chance that male/female members will, at retirement or earlier death, have a dependant who is eligible for death	90% of members are assumed to be married or have an eligible dependant at retirement or earlier death
Partner Age Difference	Males are 3 years older than their spouse and Females are 3 years younger than their spouse	Males are 3 years older than their spouse and Females are 3 years younger than their spouse
Ill-health tiers	50% of ill-health retirements will be eligible for benefits based on full prospective service and 50% will qualify for a service enhancement of 25% of prospective service	50% of ill-health retirements will be eligible for benefits based on full prospective service and 50% will qualify for a service enhancement of 25% of prospective service
Commutation	It is assumed that members at retirement will commute pension to provide a lump sum of 50% of the maximum allowed under HMRC rules and this will be at a rate of £12 lump sum of £1 of pension	It is assumed that members at retirement will commute pension to provide a lump sum of 50% of the maximum allowed under HMRC rules and this will be at a rate of £12 lump sum of £1 of pension
50/50 Scheme Allowance	It is assumed that 10% of active members will opt to pay 50% of contributions for 50% of benefits under the new scheme	n/a
Other Statistical assumptions	Same as used by Government Actuary's Department when LGPS reforms were designed and based on analysis of incidence of death, retirement and withdrawal for Local Authority Funds Sample rates shown below	Based on our analysis of the incidence of pre-retirement death, retirement and withdrawal of our Local Authority client funds.

Incidence per 1000 active members per annum								
Age	Death		Ill Health Retirement		Withdrawal		Salary Scales	
	Males	Females	Males	Females	Males	Females	Males	Females
25	0.1	0.1	0.1	0.1	122.0	144.5	100	100
30	0.2	0.1	0.2	0.1	104.4	122.4	102	101
35	0.3	0.2	0.3	0.3	89.4	103.6	111	105
40	0.5	0.3	0.6	0.5	76.5	87.7	117	108
45	0.8	0.5	1.1	0.8	65.5	74.3	121	110
50	1.3	0.8	2.2	1.6	56.0	62.9	124	110
55	2.1	1.3	4.1	2.9	48.0	53.3	127	110
60	3.4	2.0	7.8	5.3	41.0	45.1	127	110
65	5.4	3.0	14.8	9.8	35.1	38.2	127	110

Appendix 3 Employer Data as at 31 March 2013

Code	Employer	Active Members			Deferred Members			Pensioner Members		
		Number	Actual Pay	Average Age	Number	Deferred Pensions	Average Age	Number	Pensions in Payment	Average Age
1	London Borough of Barnet	4,264	£84,275,270	46.5	6,380	£9,814,946	46.2	5,084	£25,439,743	71.1
2	Hendon School (Academy)	Note 1	Note 1	Note 1	60	£23,359	43.5	24	£60,426	66.6
3	Barnet Magistrates	Note 1	Note 1	Note 1	23	£76,482	51.1	22	£98,703	74.4
4	Middlesex University	691	£22,551,702	44.5	1,086	£2,137,259	44.1	646	£4,185,197	67.9
5	Queen Elizabeth Boys	Note 1	Note 1	Note 1	20	£15,966	48.4	14	£42,474	71.3
6	Barnet soc. mentally hand'pped	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
8	Mill Hill County School	Note 1	Note 1	Note 1	87	£60,221	44.0	17	£26,282	69.0
9	Barnet Vol. Service Council	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
10	Barnet College	228	£4,771,653	46.4	384	£684,474	46.0	171	£695,365	65.8
11	Hendon College	Note 1	Note 1	Note 1	24	£18,815	48.6	15	£42,513	72.1
12	Woodhouse College	26	£584,060	45.6	21	£15,466	44.7	7	£29,142	70.9
13	St Mary's GM High School	30	£525,407	48.4	52	£34,374	44.2	19	£46,369	68.9
14	Dollis Junior	32	£299,196	44.9	35	£11,124	43.2	Note 1	Note 1	Note 1
15	Osidge School	22	£271,750	49.0	22	£13,673	49.1	Note 1	Note 1	Note 1
16	Finchley Catholic	35	£516,285	45.9	34	£12,893	40.9	12	£30,242	70.0
17	Ashmole	Note 1	Note 1	Note 1	24	£16,219	45.8	11	£49,449	68.4
18	St Michael's Grammar	33	£376,159	52.2	29	£6,625	45.7	15	£37,202	69.8
19	St James Catholic High School	40	£680,117	45.7	37	£29,678	41.5	24	£70,638	71.5
20	Bishop Douglass	35	£675,663	43.6	54	£41,481	42.8	15	£43,756	66.6
21	Hasmonean High (Academy)	Note 1	Note 1	Note 1	19	£27,135	48.2	11	£47,635	67.7
22	Menorah Foundation	15	£227,298	47.8	18	£8,948	35.7	Note 1	Note 1	Note 1
23	Friends Moat Mount	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
24	Fremantle Trust (1)	Note 1	Note 1	Note 1	78	£189,123	50.1	105	£457,122	67.7
25	N London Colleges Euro Network	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
26	Open Learning Partnership	Note 1	Note 1	Note 1	5	£23,953	47.9	Note 1	Note 1	Note 1
27	Housing 21 (1)	Note 1	Note 1	Note 1	22	£41,112	52.9	35	£117,101	67.3
28	Greenwich Leisure	20	£449,920	48.7	24	£39,734	42.5	6	£33,787	66.6
29	Barnet Homes	248	£7,355,049	45.3	150	£490,130	44.1	88	£800,649	62.4
30	Turners Cleaning	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
31	KGB (No Actives)	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
32	Enterprise	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
33	Birkin Services	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
35	Teaching Resources LTD	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
36	M U Press LTD	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
37	Argentium Silver Co Ltd	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1

Code	Employer	Active Members			Deferred Members			Pensioner Members		
		Number	Actual Pay	Average Age	Number	Deferred Pensions	Average Age	Number	Pensions in Payment	Average Age
38	London Academy	38	£723,958	44.9	31	£21,748	40.7	8	£65,061	64.1
40	Servite/Viridian Housing	5	£57,618	55.6	6	£9,934	50.7	5	£9,013	67.7
41	Connaught	Note 1	Note 1	Note 1	17	£65,118	44.3	14	£81,217	60.3
42	Wren Academy	40	£877,282	43.6	15	£19,427	37.9	Note 1	Note 1	Note 1
43	Go Plant Hire	12	£433,279	55.6	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
44	Y-Gen	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
46	Graysons Restaurants	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
47	Whitefield School (Academy)	30	£567,636	45.2	11	£18,042	39.1	Note 1	Note 1	Note 1
48	Compton School (Academy)	59	£999,793	48.1	12	£7,220	39.5	Note 1	Note 1	Note 1
49	East Barnet School (Academy)	55	£867,073	45.8	11	£16,436	43.3	Note 1	Note 1	Note 1
50	Lovell Partnerships	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
52	Queen Elizabeth Girls	37	£624,499	48.3	12	£11,026	43.1	Note 1	Note 1	Note 1
53	Independent Jewish Day School	Note 1	Note 1	Note 1	5	£5,391	42.3	Note 1	Note 1	Note 1
54	Henrietta Barnett (Academy)	15	£376,196	50.5	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
55	Totteridge Academy	32	£582,155	48.4	7	£4,660	42.7	Note 1	Note 1	Note 1
56	Christ College (Academy)	31	£590,581	51.7	6	£4,797	42.1	Note 1	Note 1	Note 1
57	Etz Chaim Jewish Primary	6	£75,905	43.3	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
58	Goldborough Homecare	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
61	Your Choice	120	£2,754,775	48.5	13	£29,059	46.1	Note 1	Note 1	Note 1
62	Mears Group	15	£367,306	53.8	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
63	NSL Ltd	23	£649,966	48.4	5	£11,026	37.8	Note 1	Note 1	Note 1
64	RR Donnelley	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
65	London Care	5	£79,193	54.4	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
66	Personnel and Care Bank	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
67	Blue 9 Security	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
68	Birkin - St. James	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
69	Housing 21 (2)	45	£629,685	57.6	8	£34,184	51.9	23	£96,663	64.7
70	Gravesnor Avenue Primary (Academy)	13	£147,175	51.0	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
71	Copthall School (Academy)	48	£682,659	46.4	6	£1,398	39.9	Note 1	Note 1	Note 1
72	Rimon Jewish Primary	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
73	BEAT	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
74	Deansbrook Junior (included in LB of Barnet Pool)	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
75	Fremantle Trust (2)	72	£1,434,653	56.0	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
100	PF Barnet Councillors	21	£414,350	57.1	11	£14,196	53.7	Note 1	Note 1	Note 1
900	Ex Middlesex Polytechnic	Note 1	Note 1	Note 1	37	£64,851	56.3	167	£527,694	79.7
999	Ex Middlesex Polytechnic	Note 1	Note 1	Note 1	29	£34,091	51.8	123	£481,978	77.0

Code	Employer	Active Members			Deferred Members			Pensioner Members		
		Number	Actual Pay	Average Age	Number	Deferred Pensions	Average Age	Number	Pensions in Payment	Average Age
200	Hendon School (Academy)	66	£1,044,642	46.2	6	£1,220	31.9	Note 1	Note 1	Note 1
500	Queen Elizabeth Boys Academy	29	£570,210	51.8	5	£3,573	44.4	Note 1	Note 1	Note 1
800	Mill Hill County Academy	61	£1,006,096	42.9	12	£5,101	38.1	Note 1	Note 1	Note 1
1700	Ashmole Academy	46	£955,844	47.2	9	£17,951	39.3	Note 1	Note 1	Note 1
2100	Hasmonean High (Academy)	40	£662,713	42.5	7	£5,617	44.1	Note 1	Note 1	Note 1
Total		6,702	£141,942,909	46.5	8,992	£14,263,629	45.8	6,738	£33,831,091	70.6

A3.1. If fewer than 5 members in any category the membership details are omitted for privacy reasons.

Appendix 4 Rates and Adjustment Certificate

- A4.1. The common rate of contribution as defined by Regulation 36 for the period 1 April 2014 to 31 March 2017 is 24.0% of pensionable payroll.
- A4.2. However, each employer pays contributions based on their particular circumstances and so individual adjustments are made. These individual adjustments give the following minimum total contributions as a percentage of pensionable pay plus the monetary amounts where applicable are as set out below.
- A4.3. The monetary amounts shown are annual amounts. These amounts are payable monthly along with the contributions calculated by the specified contribution rate.

Code	Employer	Employer contributions due as a % of salary for the year beginning			Additional employer contributions due as monetary amounts in the year beginning		
		1 Apr 2014	1 Apr 2015	1 Apr 2016	1 Apr 2014	1 Apr 2015	1 Apr 2016
1	London Borough of Barnet	13.0%	13.0%	13.0%	£8,641k	£8,878k	£9,121k
4	Middlesex University	11.3%	11.3%	11.3%	£3,447k	£3,541k	£3,638k
10	Barnet College	12.5%	12.5%	12.5%	£668k	£686k	£705k
12	Woodhouse College	12.5%	12.5%	12.5%	£82k	£84k	£86k
75	Fremantle Trust (2)	22.5%	22.5%	22.5%	-	-	-
69	Housing 21 (2)	22.5%	22.5%	22.5%	-	-	-
28	Greenwich Leisure	17.9%	17.9%	17.9%	-	-	-
29	Barnet Homes	11.9%	11.9%	11.9%	£1,022k	£1,050k	£1,079k
33	Birkin Services	26.4%	26.4%	26.4%	-	-	-
40	Servite/Viridian Housing	20.8%	20.8%	20.8%	£4k	£4k	£4k
43	Go Plant Hire	19.4%	19.4%	19.4%	£7k	£8k	£8k
61	Your Choice	14.5%	14.5%	14.5%	£269k	£276k	£284k
62	Mears Group	18.0%	18.0%	18.0%	-	-	-
63	NSL Ltd	16.4%	16.4%	16.4%	-	-	-
65	London Care	18.0%	18.0%	18.0%	-	-	-
66	Personnel and Care Bank	17.8%	17.8%	17.8%	-	-	-
67	Blue 9 Security	28.2%	28.2%	28.2%	£2k	£2k	£2k

Code	Employer	Employer contributions due as a % of salary for the year beginning			Additional employer contributions due as monetary amounts in the year beginning		
		1 Apr 2014	1 Apr 2015	1 Apr 2016	1 Apr 2014	1 Apr 2015	1 Apr 2016
68	Birkin - St. James	21.2%	21.2%	21.2%	-	-	-
73	BEAT	21.1%	21.1%	21.1%	£1k	£1k	£1k
London Borough of Barnet Pool							
13	St Mary's GM High School	13.0%	13.0%	13.0%	£67k	£69k	£71k
14	Dollis Junior	13.0%	13.0%	13.0%	£38k	£39k	£40k
15	Osidge School	13.0%	13.0%	13.0%	£35k	£36k	£37k
16	Finchley Catholic	13.0%	13.0%	13.0%	£66k	£68k	£70k
18	St Michael's Grammar	13.0%	13.0%	13.0%	£48k	£49k	£51k
19	St James Catholic High School	13.0%	13.0%	13.0%	£87k	£89k	£92k
20	Bishop Douglass	13.0%	13.0%	13.0%	£86k	£89k	£91k
22	Menorah Foundation	13.0%	13.0%	13.0%	£29k	£30k	£31k
Academies Pool							
38	London Academy	13.5%	13.5%	13.5%	£75k	£77k	£79k
42	Wren Academy	13.5%	13.5%	13.5%	£91k	£93k	£96k
47	Whitefield School (Academy)	13.5%	13.5%	13.5%	£59k	£60k	£62k
48	Compton School (Academy)	13.5%	13.5%	13.5%	£103k	£106k	£109k
49	East Barnet School (Academy)	13.5%	13.5%	13.5%	£89k	£92k	£94k
52	Queen Elizabeth Girls	13.5%	13.5%	13.5%	£64k	£66k	£68k
53	Independent Jewish Day School	13.5%	13.5%	13.5%	£5k	£5k	£5k
54	Henrietta Barnett (Academy)	13.5%	13.5%	13.5%	£39k	£40k	£41k
55	Totteridge Academy	13.5%	13.5%	13.5%	£60k	£62k	£63k
56	Christ College (Academy)	13.5%	13.5%	13.5%	£61k	£63k	£64k
57	Etz Chaim Jewish Primary	13.5%	13.5%	13.5%	£8k	£8k	£8k
70	Gravesnor Avenue Primary (Academy)	13.5%	13.5%	13.5%	£15k	£16k	£16k

Code	Employer	Employer contributions due as a % of salary for the year beginning			Additional employer contributions due as monetary amounts in the year beginning		
		1 Apr 2014	1 Apr 2015	1 Apr 2016	1 Apr 2014	1 Apr 2015	1 Apr 2016
71	Copthall School (Academy)	13.5%	13.5%	13.5%	£70k	£72k	£74k
72	Rimon Jewish Primary	13.5%	13.5%	13.5%	£4k	£4k	£4k
200	Hendon School (Academy)	13.5%	13.5%	13.5%	£108k	£111k	£114k
500	Queen Elizabeth Boys Academy	13.5%	13.5%	13.5%	£59k	£60k	£62k
800	Mill Hill County Academy	13.5%	13.5%	13.5%	£104k	£107k	£110k
1700	Ashmole Academy	13.5%	13.5%	13.5%	£99k	£101k	£104k
2100	Hasmonean High (Academy)	13.5%	13.5%	13.5%	£68k	£70k	£72k

Notes

- A4.4. Further sums should be paid to the Fund to meet the costs of any early retirements using methods and assumptions discussed with us.
- A4.5. The certified contribution rates represent the minimum level of contributions to be paid. Employers may pay further amounts at any time and future periodic contributions, or the timing of contributions, may be adjusted on a basis approved by ourselves.

Projected New Benefits

- A4.6. The following table shows the amount of new pension and lump sum benefits projected to come into payment during the period 1 April 2014 to 31 March 2017.

Year to	Retirement Benefits £(000)
31 March 2015	9,509
31 March 2016	9,447
31 March 2017	8,082

Appendix 5 Post Valuation Employers

A5.1. The below employers joined the Fund on or after 1 April 2013 and their rates were certified at their date of joining and will continue as set out until 1 April 2017 when they will be assessed as part of the next formal valuation.

		Employer contributions due as a % of salary for the year beginning			Additional employer contributions due as monetary amounts in the year beginning		
Code	Employer	1 Apr 2014	1 Apr 2015	1 Apr 2016	1 Apr 2014	1 Apr 2015	1 Apr 2016
New Academies in year 2013/14							
74	Deansbrook Junior	13.5%	13.5%	13.5%	£50k	£51k	£52k
	Parkfield (Elliot Foundation)	13.5%	13.5%	13.5%	£39k	£40k	£41k
	The Hyde School (Elliot Foundation)	13.5%	13.5%	13.5%	£40k	£41k	£42k
	Broadfield Academy	13.5%	13.5%	13.5%	£83k	£86k	£88k
	Archer Academy	13.5%	13.5%	13.5%	£13k	£14k	£14k
	Alma Primary	13.5%	13.5%	13.5%	£4k	£4k	£5k
New Employers in year 2013/14							
	Capita CSG	15.0%	15.0%	15.0%	£623k	£640k	£658k
	Capita RE	13.8%	13.8%	13.8%	-	-	-

Notes

- A5.2. Further sums should be paid to the Fund to meet the costs of any early retirements using methods and assumptions discussed with us.
- A5.3. The certified contribution rates represent the minimum level of contributions to be paid. Employers may pay further amounts at any time and future periodic contributions, or the timing of contributions, may be adjusted on a basis approved by us.

Appendix 6 LGPS Benefits

A6.1. The benefit changes from 1 April 2014 involve the formation of a new scheme, referred to below as LGPS 2014. Transitional regulations are applied so that the benefits in the previous LGPS 2008 scheme are maintained.

LGPS Benefits		LGPS 2014	LGPS 2008	
Type of Scheme	Career Average Revalued Earnings (CARE)		Final Salary	
Pension Benefit Accrual	1/49 th		1/60 th for service after 1 April 2008. Benefits for service before 31 March 2008 were based on 1/80 th accrual and an automatic lump sum of 3/80 th .	
Revaluation	Consumer Prices Index (CPI)		Based on Final Salary	
Lump Sum	By commutation 12:1 up to a maximum of 25% of lifetime allowance			
Pensionable Pay	Pay including non-contractual overtime and additional hours for part time staff		Pay excluding non-contractual overtime and non-pensionable additional hours	
Member Contributions	Banded Contributions based on actual pensionable pay		Banded Contributions based on full time equivalent pensionable pay	
	Range	Gross Rate	Range	Gross Rate
	Up to £13,500	5.5%	Up to £13,700	5.5%
	£13,501 to £21,000	5.8%	£13,701 to £16,100	5.8%
	£21,001 to £34,000	6.5%	£16,101 to £20,800	5.9%
	£34,001 to £43,000	6.8%	£20,801 to £34,700	6.5%
	£43,001 to £60,000	8.5%	£34,701 to £46,500	6.8%
	£60,001 to £85,000	9.9%	£46,501 to £87,100	7.2%
	£85,001 to £100,000	10.5%	More than £87,100	7.5%
	£100,001 to £150,000	11.4%		
	More than £150,000	12.5%		
Contribution Flexibility	Member can pay 50% contributions for 50% of the pension benefit		Not Available	
Normal Pension Age	Linked to individual member's State Pension Age (minimum age 65)		Age 65	
Death in Service Lump Sum	3 x Pensionable Pay			
Death in Service Survivor Benefits	1/160 th accrual based on potential service to Normal Pension Age			
Ill Health Provision	Tier 1 - Immediate payment with service enhanced to Normal Pension Age			

LGPS Benefits	LGPS 2014	LGPS 2008
	Tier 2 - Immediate payment with 25% service enhancement to Normal Pension Age	
	Tier 3 - Temporary payment of pension for up to 3 years	
Post Retirement Revaluation	Pension Increase Orders	
Vesting Period	2 years	3 months
Early Payment - Reduction to Benefits (Rule of 85)	<p>For members of the LGPS on 30 September 2006, some or all of their benefits paid early could be protected from reduction under what is called the Rule of 85.</p> <p>The Rule of 85 is satisfied if their age at the date they draw their benefits plus their scheme membership (each in whole years) add up to 85 or more.</p> <p>If they could not satisfy the Rule of 85 by the time they are 65, then all of their benefits are reduced, if they choose to retire before age 65.</p> <p>If they will be age 60 or over by 31 March 2016 and choose to retire before age 65, then provided they satisfy the Rule of 85 when they start to draw their pension, the benefits they build up to 31 March 2016 will not be reduced.</p> <p>If they will be under age 60 by 31 March 2016 and choose to retire before age 65, then provided they satisfy the Rule of 85 when they start to draw their pension, the benefits they have built up to 31 March 2008 will not be reduced. Also, if they will be aged 60 between 1 April 2016 and 31 March 2020 and meet the Rule of 85 by 31 March 2020, some or all of the benefits that they have built up between 1 April 2008 and 31 March 2020 will not have a full reduction.</p>	