Oxfordshire County Council Pension Fund

Actuarial Valuation as at 31 March 2010
Valuation Report

Barnett Waddingham
Public Sector Consulting

31 March 2011

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Public Sector Consulting

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Dear Sean

Actuarial Valuation as at 31 March 2010

We have carried out an actuarial valuation of the Oxfordshire County Council Pension Fund ("the Fund") as at 31 March 2010. The Fund is part of the Local Government Pension Scheme ("LGPS").

The valuation is being carried out in accordance with Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 ("the Regulations") as amended.

The purpose of this report is to set out the results of the actuarial valuation of the Fund.

This report is addressed to Oxfordshire County Council as administering authority to the Fund. It is not intended to assist any user other than Oxfordshire County Council in making decisions. Neither we nor Barnett Waddingham LLP accepts any liability to third parties in respect of this report.

This report has been written in accordance with "Technical Accounting Standard R: Reporting Actuarial Information" and "Technical Actuarial Standard D: Data" issued by the Board for Actuarial Standards and actuarial guidance note "GN9: Funding Defined Benefits – presentation of actuarial advice", insofar as they apply to the LGPS.

Our report is set out in the following sections.

1 Introduction

1.1 Purpose of the Valuation

1.1.1 The main purpose of the valuation is to review the financial position of the Fund and to determine the rate at which the employing bodies participating in the Fund should contribute in the future to ensure that the existing assets and future contributions will be sufficient to meet future benefit payments from the Fund.

1.1.2 The figures in this report count as part of a "planning exercise" for the purposes of the Board for Actuarial Standards' Technical Actuarial Standard R. This means the primary purpose of the figures is for "budgeting" or "target setting" – in this case setting the future levels of employer contributions payable to the Fund.

1.2 Previous Valuation

1.2.1 The last formal actuarial valuation of the Fund was carried out as at 31 March 2007 by C J Archer FIA of Hewitt Bacon and Woodrow Limited and the results of that valuation were set out in the formal valuation report dated March 2008.

1.2.2 The results of the previous valuation indicated that the assets of the Fund represented 78% of the accrued liabilities of the Fund. The Total Required Contribution Rate was certified as 19.9% of payroll which assumed that the past service funding level would be restored over a period of 25 years.

1.3 Changes to the LGPS

1.3.1 The 2010 Emergency Budget announced that in future, the pension increase orders will be linked to the Consumer Price Index or CPI rather than RPI.

1.3.2 Also, it was announced that State Pension Age will be increased to age 66 for both men and women from 2020 which is likely to influence future retirement patterns.

1.3.3 A report has recently been issued by an independent pensions commission led by Lord Hutton to investigate pension reform across the public sector. His report contains a number of recommendations which are likely to lead to some changes to the LGPS in future although at this stage it is difficult to assess the detail of what they might be. The Chancellor has also indicated that the level of member contribution should be expected to increase at some point in future. We anticipate that these changes will be closer to being finalised by the date of the next valuation.

1.3.4 Full current details of the current benefits and contribution structure are set out in Appendix 6.

2 Valuation Data

2.1 Data Sources

2.1.1 We have used the following items of data as provided by the Oxfordshire County Council:

- Membership extract as at 31 March 2010. The membership 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.
- Fund accounts for the 3 years to 31 March 2010.

2.1.2 A summary of the data is set out in Appendix 2 - Valuation Data.

2.2 Assets

2.2.1 The asset allocation of the Fund as at 31 March 2010 was as follows:

Assets at This Valuation	31 March 2010	
	£(000)	%
UK Equities	349,907	31%
Overseas Equities	374,855	34%
Corporate Bonds	65,532	6%
Cash	50,939	5%
UK Gilts	80,880	7%
Overseas Bonds	20,897	2%
Property	59,001	5%
Alternative assets	109,610	10%
Total	**1,111,621**	**100%**

2.2.2 We estimate that the annual return on the assets in market value terms for the 3 years to 31 March 2010 was approximately -1.1% per annum.

2.3 Benefits

2.3.1 Since the previous valuation changes to the benefits have been introduced with effect from 1 April 2008.

2.3.2 The benefits being valued including these changes are as set out in the Regulations governing the Local Government Pension Scheme ("the LGPS") and are summarised in LGPS Benefits.

3 Actuarial Methods and Assumptions

3.1 Valuation Method

3.1.1 For the purposes of this valuation we have, as in the past, adopted an approach which separately considers the benefits in respect of service completed before the valuation date ("past service") and benefits in respect of service expected to be completed after the valuation date ("future service"). This approach enables us to focus on:-

3.1.2 The past service funding level of the Fund. This is the ratio of accumulated assets to liabilities in respect of past service after making allowance for future increases to members' pay and pensions in payment. A funding level in excess of 100% indicates a surplus of assets over liabilities; a funding level of less than 100% indicates a deficit.

3.1.3 The future service funding rate i.e. the level of contributions required from the employing bodies to support the cost of benefits building up in future.

3.1.4 There are various "funding methods" that can be used to determine the cost of providing benefits. The method we have adopted for employers open to new staff at this valuation is known as the "Projected Unit Method". The key feature of this method is that in assessing the future service cost we calculate the contribution rate which meets the cost of one year of benefit accrual.

3.1.5 For employers that are closed to new staff we have used the Attained Age Method. The key feature of this method is that we assess the average contribution required to fund the benefits earned until retirement.

3.1.6 This is the same approach as adopted at the previous valuation.

3.2 Valuation Assumptions

3.2.1 The next step is to formulate assumptions about the factors affecting the Fund's future finances such as inflation, pay increases, investment returns, rates of mortality, early retirement and staff turnover etc.

3.2.2 Future levels of pay increases will determine the level of benefits to be paid in future in respect of active members as well as the contributions that will be received by the Fund. Once in payment, pension benefits in excess of Guaranteed Minimum Pensions ("GMPs") are linked to the Retail Prices Index through increases granted in line with the Pensions (Increase) Act 1971. Pension benefits will in future be linked to the CPI rather than RPI.

3.2.3 The cost of providing for benefits, however, depends not only upon the amount but also the incidence of benefits paid i.e. at what point in the future benefits begin to be paid and, for pension benefits, for how long they continue to be paid.

3.2.4 As money is being set aside now to provide for benefits payable in the future i.e. the benefits are being prefunded, then part of the cost of providing the benefits can be met from investment returns achieved by the Fund's assets. These assets build up from contributions paid by scheme members and participating employers to the Fund.

3.2.5 The assumptions adopted at the valuation can therefore be considered as:-

- The statistical assumptions which generally provide estimates of the likelihood of benefits and contributions being paid, and,
- The financial assumptions which determine the estimates of the amount of benefits and contributions payable as well as their current or present value.

3.2.6 We examine the assumptions in more detail in the next two sections of our report.

3.3 Funding Model

3.3.1 At this valuation we have used a market related funding model. The key features of the model are as follows:

3.3.2 Assumed future levels of retail price inflation are derived by considering the difference between index-linked gilt and fixed-interest gilt yields at the valuation date, as published by the Bank of England. At this valuation we have also included an adjustment known as an inflation premium. This inflation premium is deducted from the market implied inflation assumption to reflect the expectation that market implied inflation tends to overstate actual retail price inflation.

3.3.3 Pay increases are assumed to exceed future retail price inflation based on past experience and expectations of future experience.

3.3.4 Pension increases are assumed to be in line with CPI rather than RPI. It is assumed that CPI will be 0.5% per annum less than RPI, consistent with the historical average.

3.3.5 The expected future return from equities is based on dividend yields at the valuation date in addition to an allowance for real capital growth in asset values.

3.3.6 Rather than take "spot" yields and market values of assets at the valuation date we have used smoothed yields and asset values spanning the 6 month period around the valuation date.

3.3.7 The discount rate used to discount future payments to and from the Fund and so determine the value placed on the liabilities reflects the risk adjusted expected return that will be earned by the actual investment strategy adopted by the Fund.

3.3.8 Under TAS R a "funding model" is referred to as a "measure".

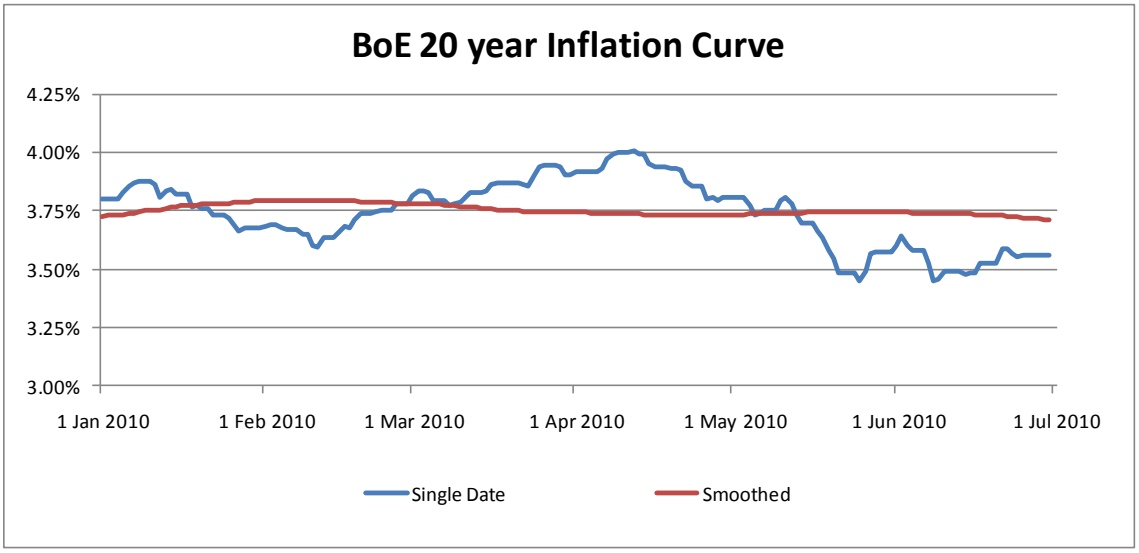
4 Financial Assumptions and Experience

4.1.1 The derivation of the key financial assumptions adopted at this valuation and how they compared as at the previous valuation are set out below. Further details are set out in Appendix 3.

4.2 Future Retail Price Inflation

4.2.1 The base assumption is the future level of retail price inflation. This is derived by considering the difference in yields from conventional and index linked gilts using the Bank of England Inflation Curve and then adjusting by an inflation premium.

4.2.2 The following chart plots the Inflation Curve over the 6 month period spanning the valuation date.



4.2.3 As at the valuation date the spot inflation projection was 3.90% and the average or smoothed level over the 6 months spanning the valuation date was 3.75%. We have used the smoothed level but then reduced by a 0.25% inflation premium adjustment to end up with an RPI assumption of 3.5% per annum.

4.3 Future Pension Increases

4.3.1 Previously, pension increases were assumed to be in line with retail price increases. The 2010 Emergency Budget announced that in future, the pension increase orders will be linked to the CPI rather than RPI. We have therefore assumed that pension increases will be 0.5% less than the price inflation assumption. i.e. 3.0% per annum.

4.4 Future Pay Inflation

4.4.1 As benefits are currently linked to pay levels at retirement, an assumption has to be made about future levels of pay inflation. Historically there has been a close link between price and pay inflation

with pay increases in excess of price inflation averaging out at between 1% and 3% per annum depending on economic conditions.

4.4.2 The assumption adopted at the previous valuation was that pay increases, over and above increases due to promotion and other increments (or "salary scales"), would exceed price inflation by 1.5% per annum in the longer term. We have assumed the same long term assumption at this valuation.

4.4.3 However, in anticipation of Government policy we have completed calculations assuming a short term "pay freeze" for 2 years for those earning over £21,000 per annum.

4.4.4 At this valuation we have adopted new salary scales which can be seen in Appendix 3 Actuarial Assumptions.

4.5 Future Investment Returns/Discount Rate

4.5.1 To determine the value of accrued liabilities and future contribution requirements at any given point in time it is necessary to discount future payments to and from the Fund. There are a number of different approaches which can be adopted in deriving the discount rate to be used. FRS 17 for example requires that the discount rate is related only to yields from corporate bonds.

4.5.2 In our view the discount rate adopted should depend on the purpose of the valuation and the overall funding objectives. The regulations require the actuary to adopt methods and assumptions which produce stable levels of employer contributions. In our view therefore, to help achieve this objective, the discount rate should reflect the expected investment return to be achieved from the underlying investment strategy.

4.5.3 In determining the assumption to be made in relation to future investment returns it is necessary to consider the investment strategy of the Fund and the resulting expected future return earned by the assets held.

4.5.4 The investment strategy of the Fund is to invest the assets in a mix of equities, bonds and alternative assets.

4.5.5 Redemption yields from gilts give an indication of the future rates of return from these asset classes. Redemption yields from corporate bonds are also readily available. There is however no comparable market indicator to derive the market expected future return from investing in equities, property or other alternative assets.

4.5.6 It is however possible to model future returns from equities by considering current dividend yields and making an assumptions regarding future growth in capital values.

4.5.7 The following table sets out the derivation of the expected return from equities at the valuation date.

Smoothed Equity Returns	March 2010 % p.a.
Net equity yield	3.3%
Inflation	3.5%
plus assumed real capital return	0.5%
Equity Return	7.3%

4.5.8 It would also be possible to derive the expected future return from other asset classes such as property and alternative asset classes. Intuitively we might expect that returns from asset classes other than equities and gilts might be expected to return somewhere between gilts and equities.

4.5.9 Accordingly we have assumed that the return from other alternative asset classes is the same as the expected return from equities.

4.5.10 We then derive the discount rate as firstly, the weighted average of future expected returns from the various asset classes based on the actual asset allocation as at the valuation date.

4.5.11 We then include a risk adjustment to the discount rate to reflect the amount of equity risk being taken relative to gilts. For a Fund with 75% or less exposure to equity type investments the risk adjustment is nil. For a Fund with more than 75% in equity type investments the reduction in discount rate is 50% of the extra return expected from the actual strategy compared to one invested 75% in equity type investments.

4.5.12 Finally to accommodate any extreme market conditions at the valuation date the resulting real discount rate is constrained to 4% per annum.

4.5.13 In summary therefore we have adopted the following assumptions.

Financial Assumptions	March 2010		March 2007	
	% p.a.	Real % p.a.	% p.a.	Real % p.a.
Investment Return				
Equities/absolute return funds	7.3%	3.8%		
Gilts	4.5%	1.0%		
Bonds & Property	5.6%	2.1%		
Discount Rate	6.7%	3.2%		
Risk Adjusted Discount Rate	6.6%	3.1%	6.7%/5.7%	3.5%/2.5%
Pay Increases	5.0%	1.5%	4.7%	1.5%
Price Inflation	3.5%	-	3.2%	
Pension Increases	3.0%	(0.5%)	3.2%	

4.5.14 Note that the pay increase assumption is zero for 2 years for those earning over £21,000.

4.5.15 We make no distinction between pre and post retirement discount rates within our funding model.

4.6 Intervaluation Experience - Financial

4.6.1 The following table sets out the financial experience of the Fund during the intervaluation period compared to the assumptions adopted at the previous valuation.

Financial Experience	Actual	Assumed	Difference
	% p.a.	% p.a.	% p.a.
Investment Return	-1.1%	0.0%	(5.8%)/(4.8%)
Estimated Pay Increases	4.2%	4.7%	(0.5%)
Price Inflation/Pension Increases	2.9%	3.2%	(0.3%)

4.6.2 The principal conclusions are:

- Investment returns were less than assumed.
- Pay increases were slightly less than expected.
- Pension increases were slightly less than expected.

4.6.3 Overall the financial experience of the Fund during the intervaluation period compared to the assumptions adopted at the previous valuation was a negative factor.

5 Demographic Experience and Assumptions

5.1 Statistical Experience – Active Members

5.1.1 The following table sets out the actual number of membership movements amongst active members during the intervaluation period compared to the assumptions adopted at the previous valuation.

Active Membership Movements	Actual	Assumed	Difference %
Early Leavers	6,250	2,631.0	138%
Deaths in Service	55	54	1%
Retirements			
Ill health	357	246.0	45%
Age	1,909		
Voluntary	106		
Redundancy	581		
Efficiency	46		
Total	**2,999**		

5.1.2 There were more early leavers than expected and more ill-health retirements than expected.

5.1.3 Overall the demographic experience of the Fund during the intervaluation period compared to the assumptions adopted at the previous valuation was a positive factor during the intervaluation period.

5.1.4 We have adjusted our pre retirement assumptions to better reflect recent actual experience.

5.2 Pensioner Mortality

5.2.1 Mortality investigations over the last few years have concluded that the population across the UK is living longer and that this improvement will continue at a faster rate than seen in the past. Our analysis of LGPS pensioner longevity over the course of the last 20 years or so confirms that pensioners are living longer although experience does vary across the country and from Fund to Fund.

5.2.2 The following table sets out the actual and expected mortality of pensioners during the intervaluation period.

Pensioner Deaths By Number	Pensioners	Dependants	Total
Actual	526	202	**728**
Assumed	319	113	**432**
% Difference	65%	79%	**68%**
By Amount of Pension	**£(000)**	**£(000)**	**£(000)**
Actual	2,370	482	**2,852**
Assumed	1,582	354	**1,935**
% Difference	50%	36%	**47%**

5.2.3 The number of pensioners dying during the intervaluation period was higher than expected. In terms of the amount of pension ceasing then this was also more than expected.

5.2.4 Overall the mortality experience over the intervaluation period had a positive impact on the financial position of the Fund in that the amount of pension ceasing was more than expected.

5.2.5 We have reviewed the mortality assumptions adopted at this valuation which bring the assumptions closer to recent experience but also allow for improvements in mortality over the next 20 years.

5.3 Retirement Ages – Active Members

5.3.1 At the previous valuation it was assumed that active members will retire as soon as they are able to on unreduced benefits without requiring employer consent – typically satisfying the Rule of 85 but no earlier than age 60 nor later than age 65.

5.3.2 Experience suggests that whilst the Rule of 85 is an influencing factor on when active members choose to retire, State Pension Age is also a major factor, as for many active members, they need the additional income payable from the State before they can afford to retire.

5.3.3 There are existing plans in place to increase State Pension Age albeit very slowly. The new Government have however indicated that State Pension Age will be 66 from 2020.

5.3.4 It is difficult to assess what the impact will be but we have completed calculations assuming that active members will retire 1 year later than the date they would be entitled to retire and receive unreduced benefits.

6 Valuation Results

6.1 Past Service Funding Position and Contribution Rates

6.1.1 The following table sets out the valuation results for the Fund. We show

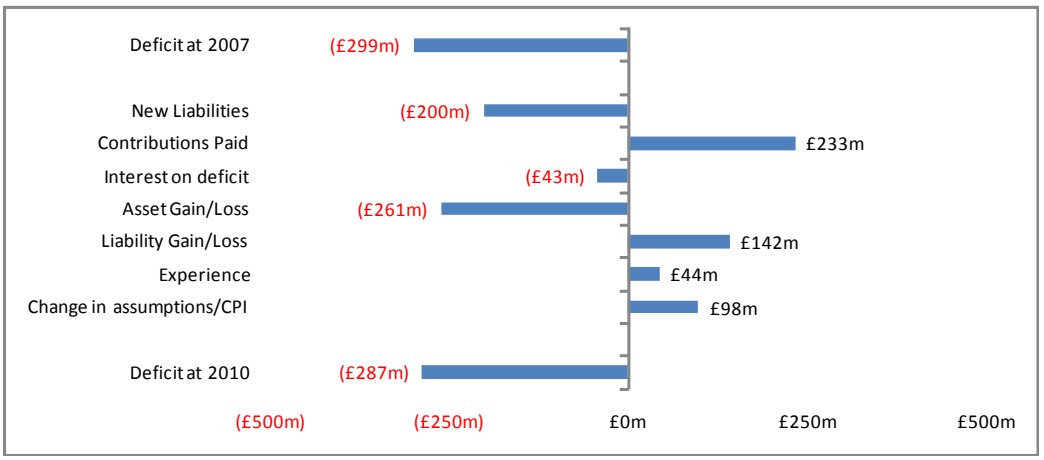
- The past service funding position
- The required average ongoing employer contribution rate for future service benefits
- The required total employer contribution rate to restore the funding position to 100% over the agreed 25 year period following the valuation date.

Past Service Funding Position		£(000)
Smoothed Asset Value		1,079,436
Past Service Liabilities		
Active Members	600,195	
Deferred Pensioners	222,628	
Pensioners	543,721	
Value of Scheme Liabilities		1,366,544
Surplus (Deficit)		(287,108)
Funding Level		79%
Employer Contribution Rates		
Future Service Contribution Rate		14.4%
Deficit recovery (25 years)		4.6%
Total Contribution Rate		**19.0%**

6.1.2 As we see, the funding level was 79% and the average required employer contribution to restore the funding position to 100% over the next 25 years is 19.0% of pensionable pay.

6.2 Reconciliation of Past Service Position

6.2.1 A reconciliation of the intervaluation experience on the past service position in the 3 years to the valuation date is set out in the following chart.



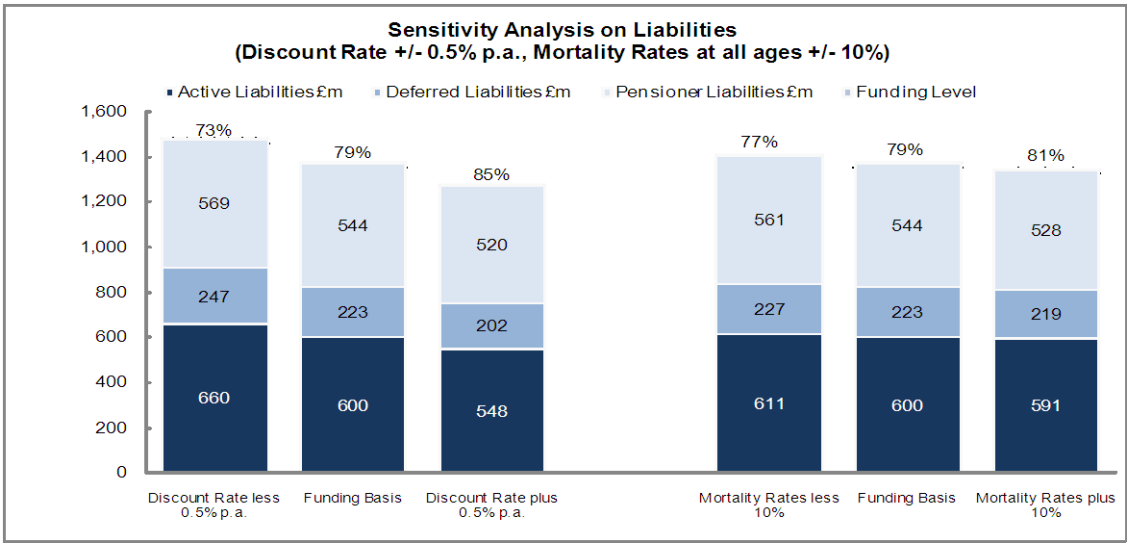
6.2.2 As we can see, overall the deficit was largely unchanged during the intervaluation period.

6.3 Sensitivity Analysis

6.3.1 It is important that it is understood that the valuation results for the Fund are based on the assumptions used to determine the liabilities. Changes to the adopted assumptions will affect the funding position of the Fund.

6.3.2 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.

6.3.3 To highlight the sensitivity of the funding position to changes in the discount rate, we have considered the impact of changing this assumption by 0.5% p.a. in either direction. We have also considered the impact of mortality rates at all ages being either 10% higher or lower than assumed. The results of this analysis is shown in the chart below:



7 Comments and Conclusions

7.1 Financial Position

7.1.1 The funding level has shown a modest improvement since the 2007 valuation.

7.1.2 Whilst investment returns were less than assumed this was offset by the CPI changes and other assumption changes.

7.2 Employer Contribution Rates

7.2.1 The contribution rates that we have certified have been set to fund each employer's share of the deficiency in the Fund over the next 25 years.

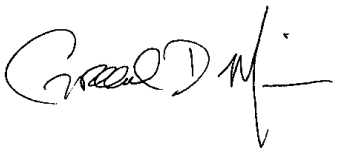
7.2.2 The certified contribution rates for each employer are set out in our Rates and Adjustments Certificate in Appendix 5.

7.3 New Employers joining the Fund

7.3.1 We would recommend that any new small employers or admitted bodies joining the Fund with no previous interest in the Fund should be referred to us for individual calculation as to the required level of contribution.

7.3.2 Any employer who ceases to participate in the Fund should be referred to us in accordance with Regulation 38.

7.3.3 We would be pleased to answer any questions arising from this report.



Graeme D Muir FFA **Alison Hamilton FFA**

Appendix 1. Valuation Method

Valuation of Liabilities

Using our assumptions we estimate the payments which will be made from the Fund throughout the future lifetime of existing active members, deferred benefit members, pensioners and their dependants. We then calculate the amount of money which, if invested now would be sufficient together with the income and growth in the accumulating assets to make these payments in future, using our assumption about investment returns.

This amount is called "the present value" (or, more simply, "the value") of members benefits. Separate calculations are made in respect of benefits arising in relation to service before the valuation date ("past service") and for service after the valuation date ("future service").

Past Service Funding Level

A comparison is made of the value of the existing assets with the value of benefits in relation to past service (allowing for future pay and pension increases). If there is an excess of assets over past service liabilities then there is a past service surplus. If the converse applies there is a past service deficiency.

Future Service Funding Rate

The first stage is to calculate the value of benefits accruing to existing active members in the future, by reference to projected pay as at the date of retirement or earlier exit.

For employers that are still open to new staff we have used the Projected Unit Method which considers the benefits accruing in the year following the valuation date. The value of benefits accruing in the year following the valuation date is then expressed as a percentage of payroll over the same period having first deducted the equivalent contribution paid by the active members.

The method described above 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.

For employers that are closed to new staff we have used the Attained Age Method. The key feature of this method is that we assess the average contribution required to fund the benefits earned until retirement.

Valuation of Assets

Assets have been valued at a 6 month smoothed market value straddling the valuation date.

Appendix 2. Valuation Data

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

Active Members	Number		Actual Pensionable Pay £ (000)		Average £	
Full Time	**2010**	**2007**	**2010**	**2007**	**2010**	**2007**
Males	3,170	4,097	97,398	99,500	30,725	24,286
Females	3,486	12,739	97,999	167,307	28,112	13,133
Part Time						
Males	1,049	-	11,009	-	10,495	-
Females	10,211	-	97,133	-	9,513	-
Total	**17,916**	**16,836**	**303,539**	**266,807**	**16,942**	**15,847**

Pensioners	Number		Annual Pensions £ (000)		Average £	
	2010	**2007**	**2010**	**2007**	**2010**	**2007**
Males	3,400	3,047	23,256	19,485	6,840	6,395
Females	5,354	4,122	15,427	11,374	2,881	2,759
Dependants	1,402	1,185	3,284	2,841	2,343	2,397
Total	**10,156**	**8,354**	**41,967**	**33,700**	**4,132**	**4,034**

Deferred Pensioners (incl "undecideds")	Number		Annual Pensions £ (000)		Average £	
	2010	**2007**	**2010**	**2007**	**2010**	**2007**
Males	4,709	3,097	7,194	6,306	1,528	2,036
Females	16,001	9,827	11,790	9,115	737	928
Total	**20,710**	**12,924**	**18,985**	**15,421**	**917**	**1,193**

Notes

- 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.
- Annual pensions are funded items only and include pension increases up to and including the 2010 PI Order.
- Pensionable pay is actual earnings.

A summary of the assets held by the Fund at the valuation date is as shown below.

Assets at This Valuation	31 March 2010	
	£(000)	%
UK Equities	349,907	31%
Overseas Equities	374,855	34%
Corporate Bonds	65,532	6%
Cash	50,939	5%
UK Gilts	80,880	7%
Overseas Bonds	20,897	2%
Property	59,001	5%
Other assets	109,610	10%
Total	**1,111,621**	**100%**

	Year to	March 2010	March 2009	March 2008	TOTAL
Revenue Accounts		£ (000)	£ (000)	£ (000)	£ (000)
EXPENDITURE	Retirement Pensions	41,218	37,502	34,474	113,194
	Retirement Lump Sums	12,306	10,535	8,295	31,136
	Death Benefits	1,303	1,165	668	3,136
	Leavers benefits	9,242	4,626	7,150	21,018
	Admin/Investment Expenses	1,103	1,003	959	3,065
	Other Expenditure	-	-	-	-
TOTAL		65,172	54,831	51,546	171,549
INCOME	Employees Ctbns	20,088	19,153	16,822	56,063
	Employers Ctbns	61,355	62,908	52,619	176,882
	Transfer Values	10,423	7,157	8,533	26,113
	Investment Income	21,414	22,975	28,212	72,601
	Other Income	-	-	-	-
TOTAL		113,280	112,193	106,186	331,659
Fund Value		£ (000)	£ (000)	£ (000)	£ (000)
Assets at Start of Year		796,635	1,014,868	1,048,951	1,048,951
Cashflow		48,108	57,362	54,640	160,110
Change in value		266,878	(275,595)	(88,723)	(97,440)
Assets at End of Year		1,111,621	796,635	1,014,868	1,111,621
Annual Returns					
Approx Rate of Return		35.6%	-24.4%	-5.7%	-1.1%

Appendix 3. Actuarial Assumptions

The valuation process is essentially a projection of future cashflows into and out of the Fund. The amount of future cashflows out of the Fund i.e. benefits provided, will depend on rates of future pay increases and price inflation. The timing or incidence of the cashflows will depend upon future rates of retirement, mortality etc.

As money is being set aside now to provide for benefits payable in the future then part of the cost of providing the benefits can be met from investment returns achieved by the Fund's assets which then build up. The higher the rate of return achieved by the assets the lower the contribution requirement that has to be paid in future to meet the cost of the benefits.

Financial Assumptions

The principal financial assumptions adopted in the valuation are therefore as follows:-

Price Inflation

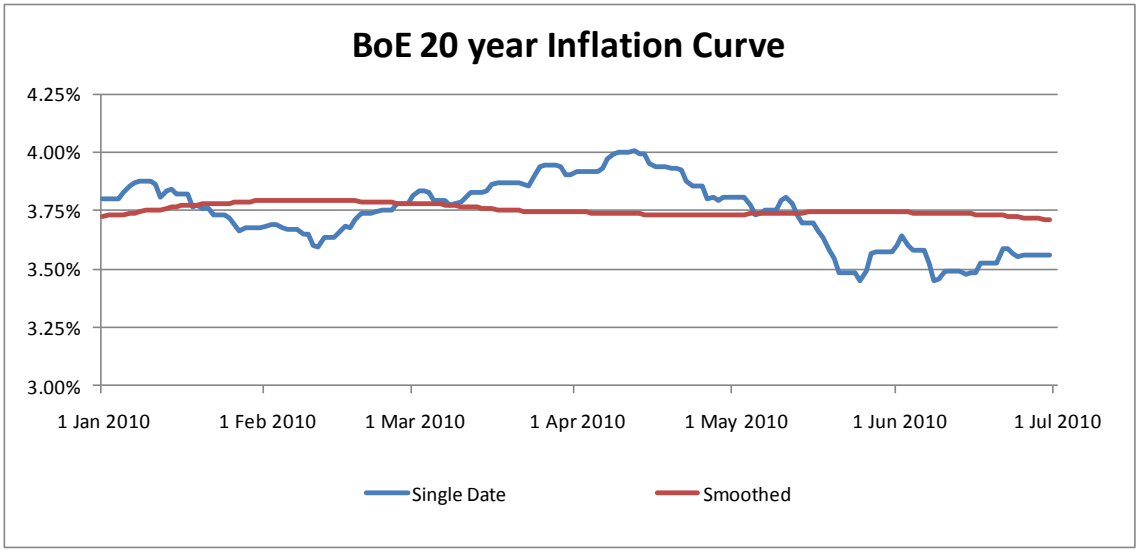
There are number of ways to try to estimate what future levels of inflation might be.

One approach would be to look at the long term trend in the past although much depends on the measurement period.

In these days of "marked to market" valuations, the usual approach is to look at the difference between yields from fixed-interest and index-linked gilts.

At this valuation we have looked at 20 year Bank of England Inflation curve which is the level of future RPI over the next 20 years as implied by the gilt market.

The following chart shows this on a daily basis during the 6 month period straddling the valuation date. We have also shown the smoothed or rolling average observation over that period.

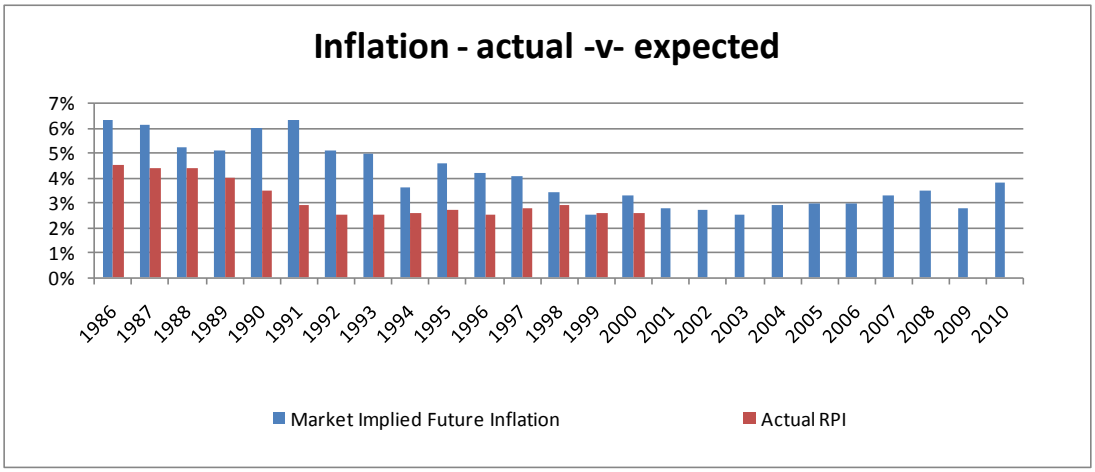


However, one of the issues in adopting such an approach is the arguably imperfect nature of the gilt market. The supplier of gilts (the Government) is a reluctant supplier, especially for long-dated gilts (which are the ones which are most useful for estimating future inflation for pension schemes).

On the demand side, there are certain institutions (insurance companies for example) who are essentially "forced holders" of gilts to meet various solvency requirements. Accordingly, the pricing of gilts is not perfect.

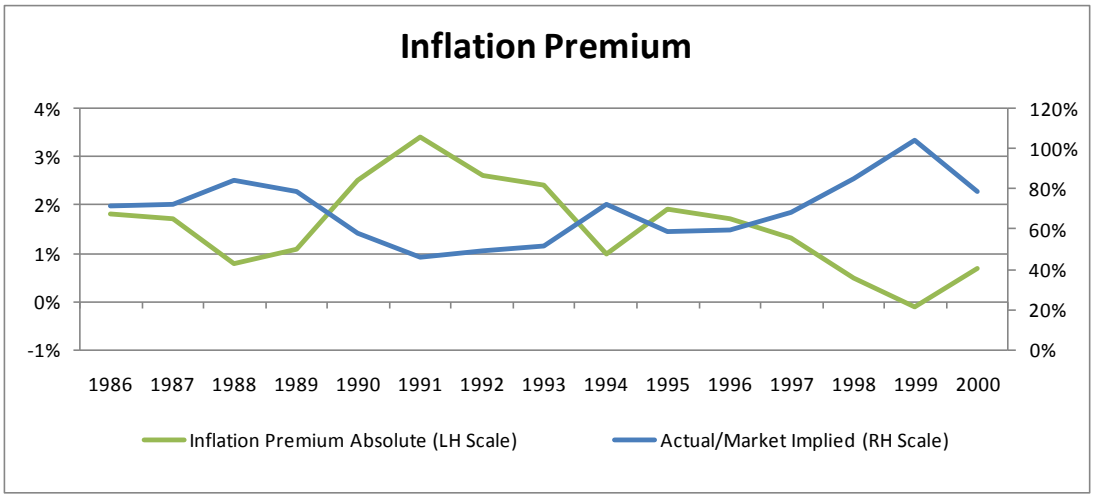
There is also the issue of what is known as the "inflation premium". The argument is that investors will pay a premium for inflation protection and so arguably index-linked gilts are "more expensive" than fixed-interest gilts or equivalently index-linked gilt yields are lower than they might otherwise be.

The following chart shows how the gilt market implied 10 year inflation level at the beginning of each year has compared with the resulting 10 year actual level of inflation.



As we see the market implied level of inflation has consistently over-estimated the actual level of inflation.

The following chart shows the inflation premium both at an absolute level – the difference between actual and expected inflation and in relative terms (actual/expected).



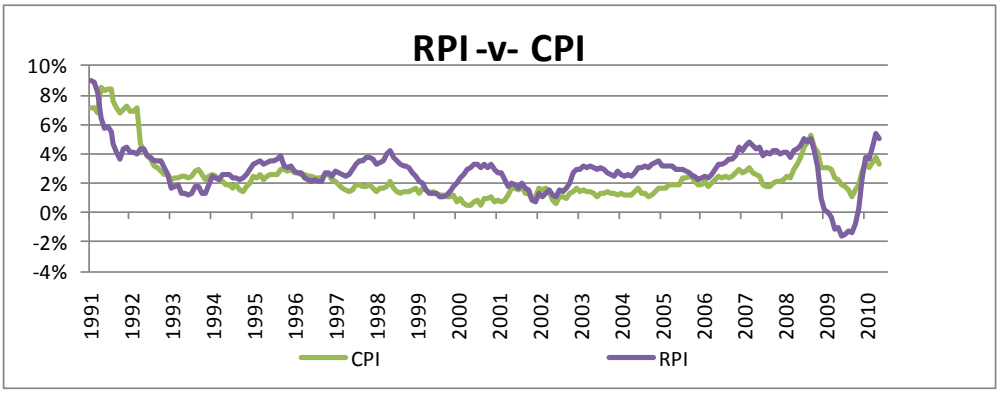
Pension Increases

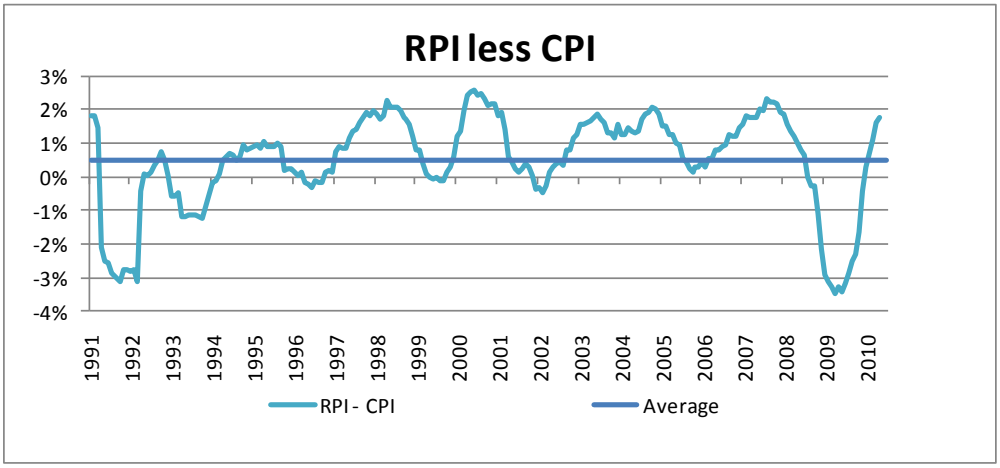
The Retail Price Index has long been the established measure of inflation in the UK. It measures the change in prices of a number of things including housing costs such as mortgage interest payments.

However, in the 1990's the Government introduced the Consumer Price Index which is based on the prices of a range of consumer goods – similar to the RPI but it specifically excludes housing costs. The CPI is now the favoured measure the Government uses for measuring inflation in the economy.

The 2010 Emergency Budget delivered by George Osborne announced that in future, the pension increase orders will be linked to the CPI rather than RPI. This was expected to save some pennies implying that the Government expects CPI to be below RPI.

The following chart show how the 2 have compared since 1990.





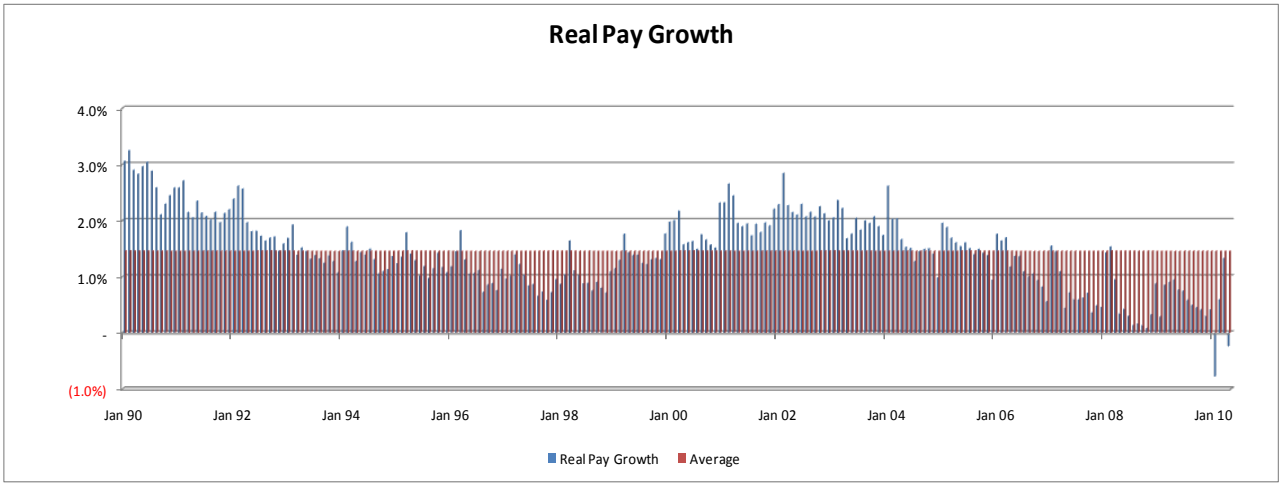
As we see RPI has indeed generally been higher the CPI and the average "gap" over the last 20 years has been around 0.5% per annum.

Thus, if this past trend continues then we would expect future pension increases to be 0.5% less than previously projected.

Pay Increases

Having determined our assumption about future levels of price inflation, the next stage is to assess future levels of pay increases relative to price inflation.

Historically there is, not surprisingly, a strong correlation between pay and price inflation as we see in the following charts.



The trend has been that real pay increases have been around 1% to 3% per annum although as overall levels of inflation have reduced, so too has the level of real pay growth. The long term average is 1.5% more than RPI although there is evidence of a declining trend.

At this valuation we have assumed that future salary growth will be 1.5% more than RPI.

Investment Returns

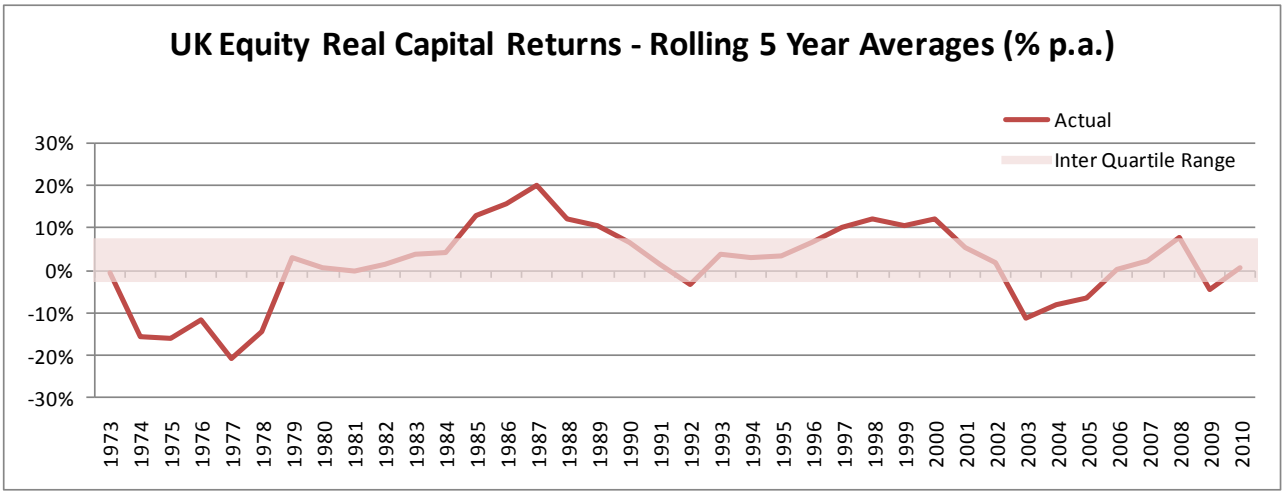
In a market-related valuation it is necessary to assess future average levels of return in current market conditions.

Redemption yields from gilts give an indication of the market's expectations of long term interest rates and so some indication about future risk free rates of return. There is however no comparable market indicator to derive the market's expected future return from investing in equities at any particular point in time.

We have assumed that the real return to be earned in future from equities from current market levels will be the current net dividend yield plus future real growth in share values.

The next chart shows the long term capital return from UK equities in real terms over the last 35 years or so together with the "inter quartile range" – the range of observations that account for 50% of all observations around the median.

As we see the actual returns have averaged out at around 2% per annum although there have been prolonged periods when the real capital returns have been significantly different to this average.



For the purposes of the valuation therefore we have assumed that real capital returns will be 0.5% per annum.

The derivation of the equity return is therefore as follows:-

Smoothed Equity Returns	March 2010 % p.a.
Net equity yield	3.3%
Inflation	3.5%
plus assumed real capital return	0.5%
Equity Return	7.3%

It would also be possible to derive the expected future return from other asset classes such as property and alternative asset classes. Intuitively we might expect that returns from asset classes other than equities and gilts might be expected to return somewhere between gilts and equities – what we usually see from corporate bonds.

Accordingly we have assumed that the return from other alternative asset classes is the same as the expected return from equities.

We then derive the discount rate as the weighted average of future expected returns from the various asset classes based on the actual investment strategy.

We then include a risk adjustment to the discount rate to reflect the amount of equity risk being taken relative to gilts. For a Fund with 75% or less exposure to equity type investments the risk adjustment is nil. For a Fund with 100% in equity type investments the reduction in discount rate is 50% of the extra return expected from a Fund invested 100% in equity type investments compared to one invested 75% in equity type investments.

Finally to accommodate any extreme market conditions at the valuation date the resulting real discount rate is constrained to 4%.

In summary therefore we have adopted the following assumptions.

Financial Assumptions	March 2010		March 2007	
	% p.a.	Real % p.a.	% p.a.	Real % p.a.
Investment Return				
Equities/absolute return funds	7.3%	3.8%		
Gilts	4.5%	1.0%		
Bonds & Property	5.6%	2.1%		
Discount Rate	6.7%	3.2%		
Risk Adjusted Discount Rate	6.6%	3.1%	6.7%/5.7%	3.5%/2.5%
Pay Increases	5.0%	1.5%	4.7%	1.5%
Price Inflation	3.5%	-	3.2%	
Pension Increases	3.0%	(0.5%)	3.2%	

Statistical Assumptions

The statistical assumptions we have adopted are based on our analysis of the incidence of retirement and withdrawal of our Local Authority client funds.

Sample rates are shown in the following tables: -

	Incidence per 1000 active members per annum								Salary Scales			
	Males				Females							
	Death	Ill Health		Wdls	Death	Ill Health		Wdls	Males	Femal	Males	Femal
Age		FT	PT			FT	PT		FT	FT	PT	PT
20	0.5	0.0	0.0	400.0	0.2	0.1	0.1	400.0	100.0	100.0	100.0	100.0
25	0.4	0.1	0.1	360.0	0.2	0.1	0.1	360.0	122.8	100.0	114.2	100.0
30	0.3	0.1	0.1	264.0	0.3	0.3	0.3	264.0	145.5	100.0	125.8	100.0
35	0.5	0.3	0.3	184.0	0.5	0.5	0.5	184.0	166.3	100.0	133.6	100.0
40	0.9	0.5	0.5	108.0	0.6	0.8	0.8	108.0	183.1	100.0	136.6	100.0
45	1.3	0.9	0.9	48.0	0.8	1.2	1.2	48.0	194.4	100.0	136.6	100.0
50	2.5	1.6	1.6	-	1.4	2.2	2.2	-	198.8	100.0	136.6	100.0
55	4.3	3.5	3.5	-	2.2	4.2	4.2	-	198.8	100.0	136.6	100.0
60	6.9	7.4	7.4	-	3.1	8.5	8.5	-	198.8	100.0	136.6	100.0
64	11.1	13.2	13.2	-	4.0	11.5	11.5	-	198.8	100.0	136.6	100.0

Other assumptions		
Age Retirements	It is assumed that active members will retire at age 60 or when they would first satisfy the rule of 85 if later, no later than 65, plus 1 year.	
Mortality	All members	S1PA Heavy tables allowing for medium cohort projection, with a minimum 1% improvement
	Ill Health	As above but with +4 age rating
Probability of partners pension coming into payment (including a loading for dependants benefits)	90%	
Partner Age Difference	Males are assumed to be 3 years older than their partners	
Commutation	It is assumed that at retirement, 50% of members will opt to increase their lump sums to the maximum allowed.	
Ill health tiers	It is assumed that 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.	

Appendix 4. Individual Employer Data as at 31 March 2010

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£ (000)	£		£ (000)	£		£ (000)	£
Oxfordshire County Council	1	12,508	177,881	14,221	5,917	20,286	3,428	14,009	8,458	604
West Oxfordshire District Council	2	251	6,257	24,928	288	1,348	4,681	278	469	1,685
South Oxfordshire District Council	3	242	7,444	30,761	445	2,983	6,703	378	930	2,461
Cherwell District Council	4	429	10,449	24,356	517	3,383	6,544	650	1,006	1,548
Vale of the White Horse District Council	5	233	6,049	25,963	362	1,986	5,485	306	641	2,095
Oxford City Council	6	1,066	28,699	26,922	965	5,398	5,594	1,409	2,381	1,690
Abingdon Town Council	7	12	274	22,841	15	69	4,599	12	9	709
South Eastern Museums Service	8	-	-	-	8	76	9,462	33	70	2,120
The Bridge Trust	9	-	-	-	-	-	-	1	1	591
A2 Dominion North	11	39	1,142	29,279	36	106	2,939	111	149	1,344
Chipping Norton Town Council	12	5	40	8,037	3	3	1,056	3	1	339
Culham College	13	-	-	-	10	17	1,696	1	0	252
Didcot Town Council	14	8	210	26,248	17	48	2,809	9	9	1,006
The Drama Board	15	-	-	-	1	1	554	-	-	-
Elmore Community Services	16	3	68	22,659	1	0	391	5	5	948
Henley on Thames Town Council	17	14	225	16,085	13	31	2,422	11	17	1,502
Kidlington Parish Council	18	10	165	16,482	10	21	2,084	8	5	670
Kidlington & Gosford Swimming Pool Mgt Co	19	-	-	-	-	-	-	1	2	1,734
Littlemore Parish Council	20	-	-	-	1	1	1,390	-	-	-
Magistrates Court Committee	21	-	-	-	31	179	5,770	21	27	1,273
Oxford Archaelogical Unit	22	98	2,480	25,311	5	19	3,847	51	85	1,659
Oxfordshire Valuation Tribunal	24	-	-	-	6	28	4,643	-	-	-
Oxford Probation Service	25	-	-	-	25	130	5,183	39	33	854
Swalcliffe Park School Trust	27	37	864	23,348	6	15	2,445	26	41	1,592
Thame Town Council	28	14	284	20,311	14	31	2,210	9	10	1,151
Thames & Chiltern Tourist Board	29	-	-	-	10	22	2,221	14	17	1,183
Wallingford Town Council	30	8	163	20,436	10	29	2,872	4	6	1,536
Witney Town Council	31	13	289	22,192	19	70	3,704	11	13	1,197
Carterton Town Council	32	3	76	25,264	2	11	5,446	-	-	-
Woodstock Town Council	33	1	24	24,054	2	8	4,080	2	0	180
Oxford Brookes University	34	1,548	33,013	21,326	451	1,985	4,402	1,373	1,440	1,049
Wantage Town Council	35	-	-	-	2	2	870	1	0	284
Bicester Town Council	36	9	188	20,925	7	19	2,696	7	19	2,772
Sutton Courtenay Parish Council	37	1	13	13,498	-	-	-	-	-	-

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£ (000)	£		£ (000)	£		£ (000)	£
Oxfordshire & Buckinghamshire Probation Committee	38	-	-	-	79	549	6,951	46	84	1,819
Berkshire & Oxfordshire Magistrates Court	39	-	-	-	42	284	6,766	31	134	4,317
Henley College	40	100	1,728	17,280	50	100	1,994	99	76	770
Rycotewood College	41	-	-	-	16	40	2,516	17	13	769
North Oxfordshire College	42	-	-	-	31	103	3,325	50	43	857
West Oxfordshire College	43	-	-	-	22	54	2,471	18	22	1,200
Oxford College of Further Education	44	-	-	-	74	175	2,362	153	145	951
Abingdon College	45	-	-	-	26	54	2,089	31	16	525
Shenington School	46	-	-	-	-	-	-	2	1	259
Sovereign Vale	47	66	1,923	29,134	46	242	5,256	53	120	2,264
Chinnor Parish Council	48	4	59	14,636	2	3	1,708	-	-	-
Banbury /Sanctuary Homes	49	3	72	23,964	4	10	2,414	2	2	1,234
CfBT Advice & Guidance Ltd	50	9	247	27,457	31	199	6,417	79	142	1,792
Oxfordshire Council for Voluntary Action	51	2	65	32,537	7	10	1,432	9	10	1,108
Oxford Mental Health Matters	53	2	33	16,515	1	2	2,160	12	6	464
ACE Centre Advisory Trust	54	11	335	30,425	6	21	3,501	13	19	1,434
Oxfordshire Community Foundation	55	1	22	21,500	-	-	-	1	4	3,681
Banbury Citizens Advice Bureau	57	2	47	23,672	-	-	-	7	7	968
Oxon Co-operative Development Agency	58	-	-	-	1	2	2,242	27	31	1,135
Abingdon Citizens Advice Bureau	59	2	23	11,393	1	2	1,831	2	4	1,975
North Hinksey Parish Council	60	-	-	-	1	0	241	1	1	902
West Oxfordshire Citizens Advice Bureau	61	8	109	13,602	1	0	110	2	2	1,144
SOLL Leisure Ltd	62	-	-	-	7	64	9,167	18	31	1,742
Oxford Community Work Agency	63	5	139	27,708	-	-	-	5	5	903
Marcham Parish Council	64	1	12	11,890	-	-	-	-	-	-
Eynsham Parish Council	65	1	18	17,751	1	2	2,317	-	-	-
Thames Valley Magistrates Court Committee	66	-	-	-	99	535	5,402	368	1,102	2,994
Rotherfield Peppard Parish Council	68	1	6	6,186	-	-	-	-	-	-
Rotherfield Greys Parish Council	69	1	1	1,500	-	-	-	-	-	-
Cumnor Parish Council	70	1	23	22,726	-	-	-	-	-	-
Abingdon & Witney College	71	171	2,722	15,915	46	88	1,907	150	98	654
Banbury Town Council	72	11	317	28,822	2	2	1,166	5	12	2,442
Risinghurst & Sandhills Parish Council	73	-	-	-	-	-	-	1	0	370
Cottsway Housing Association	74	94	2,624	27,916	37	140	3,791	42	78	1,860

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£ (000)	£		£ (000)	£		£ (000)	£
Chalgrove Parish Council	75	-	-	-	1	2	2,203	-	-	-
Order St John Care Trust	76	139	2,374	17,083	174	479	2,754	159	219	1,379
Thames Valley Partnership	78	4	121	30,241	-	-	-	4	23	5,673
SEMLAC	79	-	-	-	6	36	6,058	23	56	2,437
EEMLAC	80	-	-	-	4	13	3,127	10	32	3,218
London Museums Agency	81	9	288	32,054	2	4	2,222	18	57	3,184
Oxford Homeless Pathways	82	12	345	28,740	-	-	-	7	3	435
NORCAP	83	4	119	29,841	-	-	-	7	8	1,088
Faringdon Town Council	84	5	81	16,202	2	2	848	-	-	-
Oxford & Cherwell Valley College	85	346	6,628	19,156	75	165	2,207	354	258	730
Charter Community Housing	86	38	1,172	30,848	32	193	6,030	21	107	5,088
Whitchurch Parish Council	87	-	-	-	-	-	-	-	-	-
Berinsfield Parish Council	88	1	13	13,227	-	-	-	-	-	-
Reading Quest	89	-	-	-	-	-	-	1	0	273
Wheatley Parish Council	90	1	22	21,574	-	-	-	-	-	-
Benson Parish Council	91	4	36	9,038	-	-	-	-	-	-
Oxfordshire Youth Arts Partnership	92	2	53	26,476	-	-	-	4	3	727
KGB Cleaning	93	-	-	-	5	3	648	9	7	757
Oxford Inspires	94	3	125	41,741	-	-	-	1	2	1,571
SOLL Vale	95	13	113	8,708	1	8	8,205	12	19	1,625
Capita Vale	96	20	440	21,976	1	3	2,903	4	46	11,511
North Oxfordshire Academy	97	32	537	16,789	1	3	3,025	9	13	1,420
Barnardo's	98	10	198	19,761	2	10	5,168	5	11	2,213
The Oxford Academy	99	56	873	15,589	-	-	-	13	8	578
USEA (United Sustainable Energy Authority)	100	4	138	34,560	-	-	-	1	3	2,734
Connexions	101	89	1,709	19,199	2	3	1,689	8	7	885
Old Marston Parish Council	102	1	7	6,994	-	-	-	-	-	-
Nexus Community	103	7	126	17,947	-	-	-	-	-	-
Fusion Lifestyle	104	65	1,136	17,483	1	4	3,706	7	15	2,100
Cherwell Capita	105	-	-	-	3	11	3,633	5	33	6,565
Stonham Services	109	3	63	20,839	-	-	-	1	5	5,314
Oxford Polytechnic (pre 1985)	400	-	-	-	1	5	4,743	-	-	-
National Health Authority	600	-	-	-	6	15	2,425	-	-	-
Motor Taxation	650	-	-	-	2	11	5,270	-	-	-
Thames Water/National River Association	700	-	-	-	2	9	4,528	-	-	-
Civil Service	750	-	-	-	1	0	250	-	-	-
Total		**17,916**	**303,539**	**16,942**	**10,156**	**41,967**	**4,132**	**20,710**	**18,985**	**917**

Appendix 5. Rates and Adjustments Certificate

Sean Collins
Head of Pensions
Oxfordshire County Council
Shared Services
Unipart House
Garsington Road, Oxford OX4 2GQ

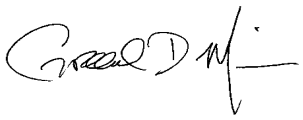
Dear Sirs

On your instruction, we have made an actuarial valuation of the Oxfordshire County Council Pension Fund ("the Fund") as at 31 March 2010.

In accordance with Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 we have made an assessment of the contributions which should be paid to the Fund by the employing authorities as from 1 April 2011 in order to maintain the solvency of the Fund.

The required contribution rates are set out in the following Contribution Schedule.

Yours faithfully



Graeme D Muir FFA **Alison Hamilton FFA**

Contribution Schedule

The Common Rate of Contribution payable by each employing authority under Regulation 36 for the period 1 April 2011 to 31 March 2014 is 19.0% of pensionable payroll.

Individual Adjustments payable by each employing authority under Regulation 36 for the period 1 April 2011 to 31 March 2014 resulting in Minimum Total Contribution Rates are as set out below: -

		2011/12		2012/13		2013/14	
Code	Employer	% payroll	Additional Monetary Amounts	% payroll	Additional Monetary Amounts	% payroll	Additional Monetary Amounts
1	Oxfordshire County Council	19.3%	-	19.3%	-	19.3%	-
2	West Oxfordshire District Council	14.4%	£430k	14.4%	£430k	14.4%	£430k
3	South Oxfordshire District Council	13.3%	£295k	13.3%	£350k	13.3%	£400k
4	Cherwell District Council	13.9%	£910k	13.9%	£1,005k	13.9%	£1,095k
5	Vale of the White Horse District Council	14.5%	£520k	14.5%	£520k	14.5%	£520k
6	Oxford City Council	20.2%	-	20.2%	-	20.2%	-
34	Oxford Brookes University	18.5%	-	18.5%	-	18.5%	-
Oxfordshire County Council Funding Pool							
76	Order St John Care Trust	19.3%	-	19.3%	-	19.3%	-
98	Barnardo's	19.3%	-	19.3%	-	19.3%	-
101	Connexions	19.3%	-	19.3%	-	19.3%	-
106	Atkins	14.6%	-	14.6%	-	14.6%	-
107	OBMH	19.3%	-	19.3%	-	19.3%	-
112	Community Voice	19.3%	-	19.3%	-	19.3%	-
111	Oxford Citizens Housing Association	19.3%	-	19.3%	-	19.3%	-
Oxford City Council Funding Pool							
104	Fusion Lifestyle	20.2%	-	20.2%	-	20.2%	-
Smaller Employers							
40	Henley College	14.6%	£54k	14.6%	£54k	14.6%	£54k
47	Sovereign Vale	21.1%	-	21.1%	-	21.1%	-
50	CfBT Advice & Guidance Ltd	16.2%	£9k	16.2%	£9k	16.2%	£9k
71	Abingdon & Witney College	14.4%	£74k	14.4%	£81k	14.4%	£87k
74	Cottsway Housing Association	14.1%	£231k	14.1%	£231k	14.1%	£231k
85	Oxford & Cherwell Valley College	13.9%	£73k	13.9%	£126k	13.9%	£178k
86	Charter Community Housing	15.1%	£79k	15.1%	£79k	15.1%	£79k
94	Oxford Inspires	13.1%	£5k	13.1%	£5k	13.1%	£5k
95	SOLL Vale	15.8%	£7k	15.8%	£7k	15.8%	£8k
96	Capita Vale	14.1%	£17k	14.1%	£21k	14.1%	£25k
100	USEA (United Sustainable Energy Authority)	14.8%	£7k	14.8%	£7k	14.8%	£7k
103	Nexus Community	14.4%	-	14.4%	-	14.4%	-

Code	Employer	2011/12		2012/13		2013/14	
		% payroll	Additional Monetary Amounts	% payroll	Additional Monetary Amounts	% payroll	Additional Monetary Amounts
Small Admitted Bodies Group							
11	A2 Dominion North	13.7%	£54k	13.7%	£54k	13.7%	£54k
16	Elmore Community Services	13.7%	£3k	13.7%	£3k	13.7%	£3k
22	Oxford Archaelogical Unit	13.7%	£118k	13.7%	£118k	13.7%	£118k
27	Swalcliffe Park School Trust	13.7%	£41k	13.7%	£41k	13.7%	£41k
49	Banbury /Sanctuary Homes	13.7%	£3k	13.7%	£3k	13.7%	£3k
51	Oxfordshire Council for Voluntary Action	13.7%	£3k	13.7%	£3k	13.7%	£3k
54	ACE Centre Advisory Trust	13.7%	£16k	13.7%	£16k	13.7%	£16k
55	Oxfordshire Community Foundation	13.7%	£1k	13.7%	£1k	13.7%	£1k
57	Banbury Citizens Advice Bureau	13.7%	£2k	13.7%	£2k	13.7%	£2k
59	Abingdon Citizens Advice Bureau	13.7%	£1k	13.7%	£1k	13.7%	£1k
61	West Oxfordshire Citizens Advice Bureau	13.7%	£5k	13.7%	£5k	13.7%	£5k
63	Oxford Community Work Agency	13.7%	£7k	13.7%	£7k	13.7%	£7k
78	Thames Valley Partnership	13.7%	£6k	13.7%	£6k	13.7%	£6k
82	Oxford Homeless Pathways	13.7%	£14k	13.7%	£15k	13.7%	£16k
83	NORCAP	13.7%	£5k	13.7%	£5k	13.7%	£6k
92	Oxfordshire Youth Arts Partnership	13.7%	£3k	13.7%	£3k	13.7%	£3k
109	Stonham Services	13.7%	£3k	13.7%	£3k	13.7%	£3k
Small Scheduled Bodies Group							
7	Abingdon Town Council	15.1%	£11,800	15.1%	£11,800	15.1%	£11,800
12	Chipping Norton Town Council	15.1%	£1,300	15.1%	£1,500	15.1%	£1,700
14	Didcot Town Council	15.1%	£9,000	15.1%	£9,000	15.1%	£9,000
17	Henley on Thames Town Council	15.1%	£9,700	15.1%	£9,700	15.1%	£9,700
18	Kidlington Parish Council	15.1%	£7,100	15.1%	£7,100	15.1%	£7,100
28	Thame Town Council	15.1%	£12,200	15.1%	£12,200	15.1%	£12,200
30	Wallingford Town Council	15.1%	£7,000	15.1%	£7,000	15.1%	£7,000
31	Witney Town Council	15.1%	£12,400	15.1%	£12,400	15.1%	£12,400
32	Carterton Town Council	15.1%	£3,300	15.1%	£3,300	15.1%	£3,300
33	Woodstock Town Council	15.1%	£1,000	15.1%	£1,000	15.1%	£1,000
36	Bicester Town Council	15.1%	£8,000	15.1%	£8,100	15.1%	£8,100
37	Sutton Courtenay Parish Council	15.1%	£600	15.1%	£600	15.1%	£600
48	Chinnor Parish Council	15.1%	£1,800	15.1%	£2,200	15.1%	£2,500
64	Marcham Parish Council	15.1%	£300	15.1%	£400	15.1%	£500
65	Eynsham Parish Council	15.1%	£400	15.1%	£600	15.1%	£800
68	Rotherfield Peppard Parish Council	15.1%	£100	15.1%	£200	15.1%	£300
69	Rotherfield Greys Parish Council	15.1%	£100	15.1%	£100	15.1%	£100
70	Cumnor Parish Council	15.1%	£400	15.1%	£700	15.1%	£1,000
72	Banbury Town Council	15.1%	£8,000	15.1%	£10,800	15.1%	£13,600
84	Faringdon Town Council	15.1%	£1,300	15.1%	£2,400	15.1%	£3,500

Code	Employer	2011/12 % payroll	2011/12 Additional Monetary Amounts	2012/13 % payroll	2012/13 Additional Monetary Amounts	2013/14 % payroll	2013/14 Additional Monetary Amounts
88	Berinsfield Parish Council	15.1%	£200	15.1%	£400	15.1%	£600
90	Wheatley Parish Council	15.1%	£400	15.1%	£600	15.1%	£900
91	Benson Parish Council	15.1%	£600	15.1%	£1,100	15.1%	£1,600
102	Old Marston Parish Council	15.1%	£300	15.1%	£300	15.1%	£300
New Employer after valuation date							
108	RM Education	12.0%	£1,400	12.0%	£1,400	12.0%	£1,400
Academies							
97	North Oxfordshire Academy	13.1%	£33,000	13.1%	£33,000	13.1%	£33,000
99	The Oxford Academy	14.9%	£36,000	14.9%	£36,000	14.9%	£36,000
110	Oxford Spires Academy	14.5%	£32,700	14.5%	£32,700	14.5%	£32,700

Notes

1. Further sums should be paid to the Fund to meet the costs of any early retirements using methods and assumption issued by us from time to time.
2. The certified contribution rates represent the minimum level of contributions to be paid. Employing authorities may pay further amounts at any time and future periodic contributions may be adjusted on a basis approved by ourselves.
3. Atkins will pay only the same future service rate as Oxfordshire County Council pool of employers.
4. Recovery period for Oxford Spires Academy is 7 years.

Appendix 6. LGPS Benefits

	LGPS 1997	LGPS 2008
General Features		
Type of Scheme	Final salary	
Relationship with S2P	Contracted-out	
Member Contributions	6% 5% for manual workers in scheme prior to 01/04/1998	Banded Contributions based on full time pay as at 1st April 2011 **Range** / **Cont Rate** £0 - £12,900 — 5.50% £12,901 - £15,100 — 5.80% £15,101 - £19,400 — 5.90% £19,401 - £32,400 — 6.50% £32,401 - £43,300 — 6.80% £43,301 - £81,100 — 7.20% More than £81,100 — 7.50% Bands to be increased annually with Pension Increase Orders. Transitional protection for members currently paying 5% until 2011.
Final Pay	In general, best of the last 3 years pensionable pay	
Pensionable Pay	Normal salary plus any shift allowance, bonuses, contractual overtime, Maternity Pay, Paternity Pay, Adoption Pay and any other taxable benefit specified as being pensionable.	
Retirement Benefits		
Normal Retiring Age	Age 65	
Early Retirement	Age 55+ (existing members remains at age 50+ for retirements up to 31 March 2010. Employer consent required if below age 60. Minimum 3 months membership or transfer in Benefits reduced unless Rule of 85 applies (member of the scheme as at 30th September 2006) and is satisfied Rule of 85 does not apply for service from 1 April 2008, subject to transitional protections. Employer's discretion to waive any actuarial reduction. No reductions applied for redundancy retirements.	

General Features	LGPS 1997	LGPS 2008
Transitional protections:	If born before 1 April1960 and an existing member of the Scheme as at 30 September 2006 then 85 year rule stays for service up to 1 April 2016 with tapered protection to 1 April 2020.	
Flexible Retirement	Age 55+ (existing members remains at age 50+ for retirements up to 31/03/2010) Minimum 3 months membership or transfer in Reduce hours or move to a lower graded post Draw pension and salary Employers discretion to waive any actuarial reduction	
Late Retirement	Continue to day before eve of 75th birthday Benefits accrue to date of retirement	
Ill Health Retirement	Permanently unable to undertake own job or any comparable job with employer. Benefits are enhanced as per the table below with a maximum enhancement of potential membership to age 65	Permanently unable to undertake own job or any comparable job with employer. Benefits are graded based on how likely you are to be capable of gainful employment after you leave.

Accrued Membership	Benefit Payable	
Less than 3 months	Refund of contributions	**First Tier** - No reasonable prospect of alternative employment ever again then service enhanced by 100% of prospective service to age 65.
3 months to 5 yrs	Accrued Membership	
5 but less than 10 yrs	Membership Doubled	**Second Tier** - No prospect of obtaining gainful employment within a reasonable period of leaving local government employment, but likely to be able to obtain gainful employment before 65 then service enhanced by 25% of prospective service.
10 yrs to 13 yrs 122 days	Membership Enhanced to 20 yrs	
13 yrs 123 days or more	Membership Enhanced by 6 2/3 yrs	**Third Tier –** Reduced likelihood of obtaining gainful employment within 3 years of leaving, or before age 65 if earlier then no service enhancement. Payment of these benefits will be stopped after 3 years, or earlier if the member is in gainful employment or becomes capable of such employment, provided they are not age 65 by then.

	LGPS 1997	LGPS 2008
General Features		
Benefit Accrual	Pension = 1/80th	Pension = 1/60th
	Lump Sum = 3/80th plus increased lump sum by commutation 12:1 up to a maximum of 25% of lifetime allowance	Lump Sum = By commutation 12:1 up to a maximum of 25% of lifetime allowance
	Spouse's Pension = 1/160th	Spouse's Pension = 1/160th
Death and Survivor Benefits		
Lump Sum Death Benefit	Active = 2 x Pensionable Pay	Active = 3 x Pensionable Pay
	Deferred = Current value of deferred lump sum	Deferred = 5 x Current value of deferred annual pension
	Pensioner = 5 year guarantee less pension paid	Pensioner = 10 year guarantee less pension paid (for death before age 75)
Dependants' Provision	Widow(er)s	Widow(er)s
	Registered civil partners	Registered civil partners
		Nominated cohabiting partners
Dependants' Pension	If membership > 3 months	1/160th x full prospective service to age 65
(Death in Service)	50% x notional ill health pension	
	Otherwise 1/160th x accrued membership	
Spouse's Short Term Pension	Active = 3 months x salary (increased to 6 months if dependent children)	None
	Deferred = none	
	Pensioner = 3 months x member's pension (increased to 6 months if dependent children)	
Children's Pensions	**Surviving Parent**	**Surviving Parent**
	1 child = 1/4 x notional pension	1 child = 1/2 x dependant's pension
	2+ children = 1/2 x notional pension divided by number of children	2+ children = 1 x dependant's pension divided by number of children
	Orphans	**Orphans**
	1 child = 1/3 x notional pension	1 child = 2/3 x dependant's pension
	2+ children = 2/3 x notional pension divided by number of children	2+ children = 1 1/3 x dependant's pension divided by number of children
	For death in service the notional pension is the ill health pension or a pension based on the lesser of 10 years and full service to age	

General Features	LGPS 1997	LGPS 2008
	65 where this is higher.	
Increasing Benefits		
AVCs	Maximum contributions – 50% of taxable earnings Options available: Open market annuity LGPS Top Up Pension Tax Free Lump Sum (100% of fund up to max of 25% of Lifetime Allowance) LGPS Service Credit (if commenced AVCs prior to 13/11/2001)	
Added Years/Pension	Maximum purchase 6 2/3 years Payable from next birthday to age 65 (contracts taken out before 01/10/2006 may have an earlier date than age 65)	Maximum purchase £5,000 extra pension (in multiples of £250).
Leaving the Scheme		
Benefits on Leaving	**Less than 3 months membership and no transfer in** Refund of contributions CETV Defer decision **More than 3 months membership or transfer in** CETV Defer Benefits until NRA	