Barnett Waddingham

Wandsworth Council Pension Fund

Actuarial Valuation as at 31 March 2013

Valuation Report

Barnett Waddingham LLP

31 March 2014

Contents

1. Introduction and Summary

Purpose of the Valuation

1.1. We have carried out an actuarial valuation of Wandsworth Council Pension Fund (“the Fund”) as at 31 March 2013, as requested by Wandsworth Council. 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 Wandsworth Council 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).

1.5. The results of the valuation are that the past service funding level of the Fund as a whole has increased from 91% to 95% between 31 March 2010 and 31 March 2013, largely due to better than expected investment returns over the period and a change in assumptions underlying the present value of liabilities, reflecting a change in methodology since the last valuation.

1.6. At the same time, the contribution rate for the average employer, including payments to target full funding, has remained at 19.0% of pensionable salaries. This reflects an increase in the cost of future benefit accrual and a reduction in the deficit recovery period from 20 years to 17 years.

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

Alison Hamilton FFA **Roisin McGuire FFA**

2. Valuation Data

Data Sources

2.1. We have used the following items of data as provided by Wandsworth Council.

- 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. While 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	%
UK Equities	254,576	26%
Overseas Equities	296,672	30%
UK Gilts	73,328	7%
Corporate Bonds	89,980	9%
Overseas Bonds	426	0%
Property	9,489	1%
Derivatives	-78	-0%
Pooled Funds	225,894	23%
Other assets	3,035	0%
Cash	37,567	4%
Total	**990,889**	**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 9.5% per annum.

2.6. The current investment strategy is set out in a Statement of Investment Principles dated November 2013.

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. 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 6.

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; 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 is then divided by the projected payroll to get a cost of future benefits expressed as a percentage of payroll. 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

3.6. As part of the valuation, we are required to calculate results on an overall Fund level but also for the individual employers.

3.7. For the Fund's future service cost, we consider the benefits accruing in the single year following the valuation date.

3.8. 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.

3.9. At individual employer level we use the Projected Unit Method for employers who still admit new employees into the Fund. 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 result in less revision in the future.

3.10. 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.

3.11. The amounts that the employer then pays are a combination of the future service cost described above and any adjustments for the past service surplus or deficit. If there is a deficit, this adjustment will be expressed as a percentage of salary to be paid in each year.

Funding Strategy

3.12. 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

3.13. The Funding Strategy Statement sets out how employers' liabilities are best met going forward. In particular, it states that employer contribution rates should be held as near to constant as possible whilst having regard to the liabilities and with a view to funding prudently over the long term.

3.14. 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 for this 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 - these are set by the Pension Increase Order which is laid by the Government each year and is 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 is 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 that these are suitable for setting the contribution amounts from employers. If an employer leaves the Fund, a different set of assumptions may apply to allow for the crystallisation of their funding obligations. Note that 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 1 October 2013. Barnett Waddingham's Longevity Consulting team also provided advice to the Wandsworth Council Pension Fund regarding the appropriate mortality assumptions for the Fund. The results of this investigation can be found in their Mortality Assumptions report of 1 October 2013.

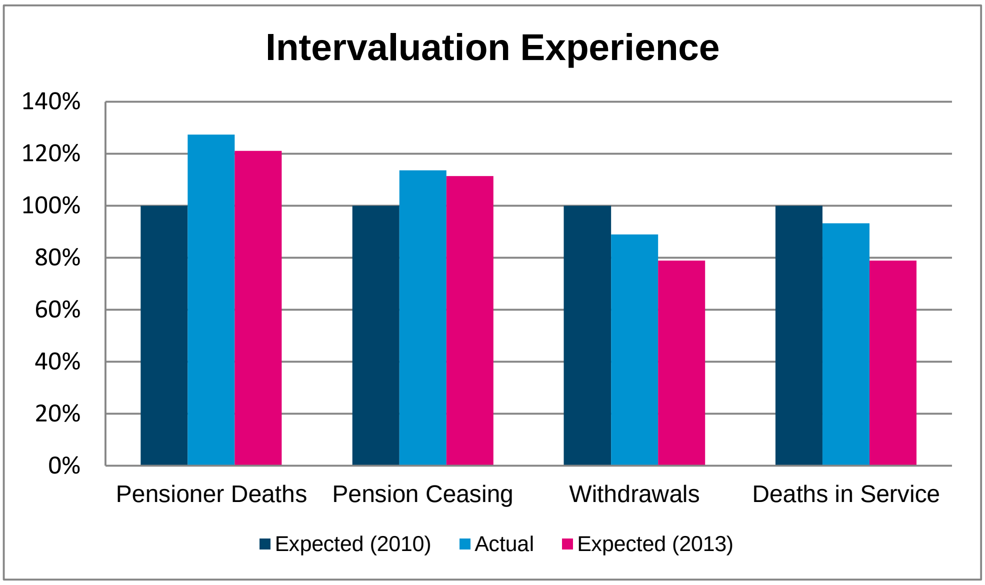
4.5. The final assumptions have been adopted following discussion with the Administering Authority and are as set out in Appendix 2. We confirm that we believe that these are appropriate for the purposes of this valuation.

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

Intervaluation Experience	Actual	Expected
Investment Return	9.5% pa	6.1% pa
Pay Increases*	1.8% pa	5.3% pa
Pension Increases	3.5% pa	3.3% pa

*includes short term overlay

4.7. 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

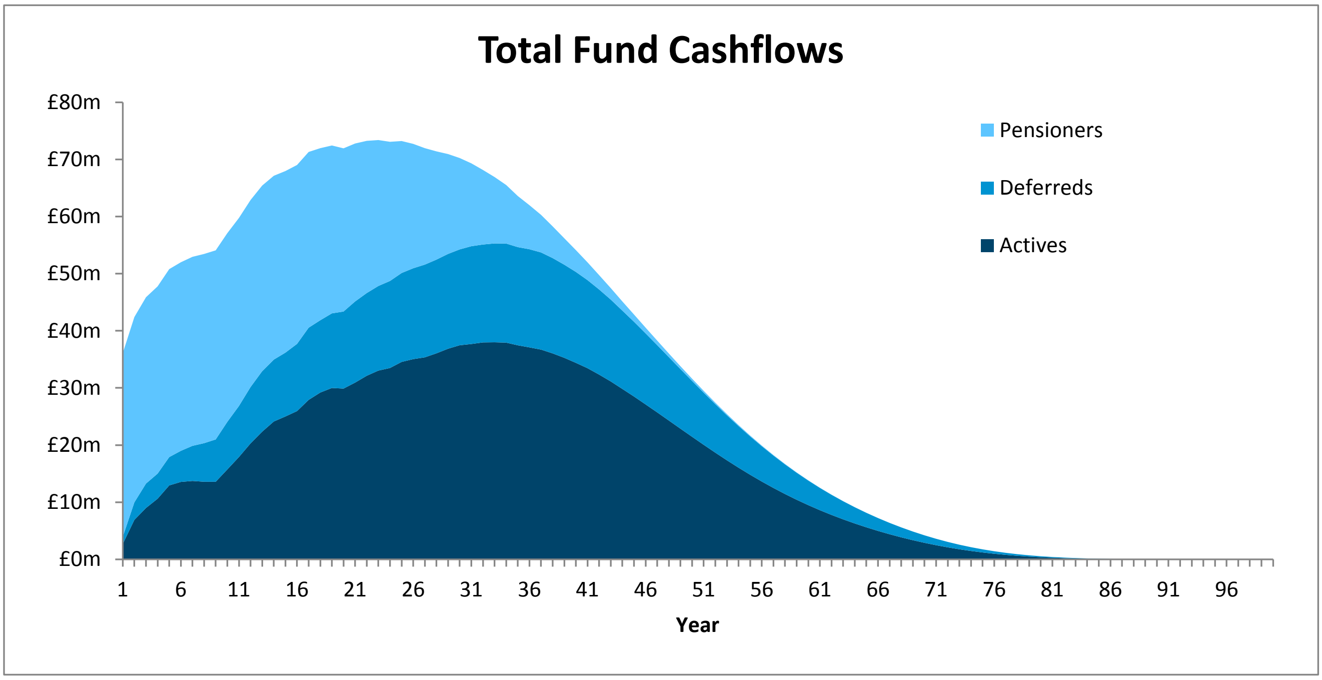
Previous Valuation

5.1. The last formal actuarial valuation of the Fund was carried out as at 31 March 2010 by Hymans Robertson 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 91% of the accrued liabilities of the Fund. The average employer contribution was calculated to be 19.0% of payroll which assumed that the past service funding level would be restored over a period of 20 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 at 31 March 2013

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 total employer contribution rate required to restore the funding position to 100% over the agreed 17 year period following the valuation date.

Past Service Funding Position		31 March 2013 £000's
Smoothed Asset Value		**979,915**
	Active Members	383,853
	Deferred Members	175,403
	Pensioner Members	475,936
Value of Scheme Liabilities		**1,035,192**
Surplus/(Deficit)		**(55,277)**
Funding Level		**95%**
Employer Contribution Rates		**% of Pensionable Pay**
Future service cost		16.0%
Deficit Recovery over 17 years		3.0%
Total		**19.0%**

5.5. As we see, the funding level as at 31 March 2013 is 95% and the average required employer contribution to restore the funding position to 100% over the next 17 years is 19.0% of pensionable pay.

5.6. The contributions payable by each employer are set out in Appendix 4. These are either based on 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 future 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	Effect on Deficit
Decreasing the discount rate by 0.5% per annum	Increases by £87m
Increasing the CPI assumption by 0.5% per annum	Increases by £74m
Increasing the long-term rate of salary increase by 0.5% per annum	Increases by £9m
Increasing the long-term rate of improvement used in the mortality projection from 1.5% to 1.75% per annum	Increases by £10m

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 3 years after the valuation date (i.e. at the next valuation) the funding position on the same basis will be 96%. 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 6.2% per annum rather than 5.4% per annum. The higher neutral discount rate results from removing some prudence from the equity assumptionequity 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

5.14. 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		**(75,000)**
Benefits Accrued	(101,473)	
Early Retirements	(1,658)	
Contributions Paid	95,143	
Deficit Funded (Use of Surplus)	**(7,988)**	
Interest Cost	(16,909)	
Asset Gain/Loss	89,567	
Financial Gain(Loss)	**72,658**	
Salary Increases	45,209	
Pension Increases	(3,544)	
Membership Movements	(84,639)	
Experience	**(42,974)**	
Change in Market Conditions and Assumptions	**(1,973)**	
Surplus(Deficit) at 31 March 2013		**(55,277)**

5.15. As we can see, the main reasons for the decrease in deficit are due to the change in the outlook for future financial assumptions and higher than expected investment returns experienced over the last 3 years.

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 assumptions 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, we make assumptions 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 their 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 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 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.
- 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 or the structure of the scheme could be changed by the Government.

Barnett Waddingham
Public Sector Consulting

Appendix 1 Valuation Data

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

Active Members	Number		Actual Pensionable Pay £ (000)		Average Pensionable Pay £		This Valuation	
Full Time	**2013**	**2010**	**2013**	**2010**	**2013**	**2010**	**Average Age**	**Average Retirement Age**
Males	1,218	1,324	44,220	48,297	36,306	36,478	46.8	63.3
Females	1,498	1,593	48,536	49,210	32,401	30,891	45.7	63.6
Part Time								
Males	258	211	2,973	2,153	11,524	10,204	42.3	64.8
Females	2,147	1,942	22,939	19,590	10,684	10,088	45.1	64.3
Total	**5,121**	**5,070**	**118,669**	**119,250**	**23,173**	**23,521**	**45.6**	**63.9**
Pensioners	**Number**		**Annual Pensions £ (000)**		**Average Pension £**		**This Valuation**	
	2013	**2010**	**2013**	**2010**	**2013**	**2010**	**Average Age**	
Males	1,740	1,591	17,976	12,982	10,331	8,160	71.7	
Females	2,405	2,179	11,863	8,946	4,933	4,106	71.5	
Dependants	749	734	2,445	2,056	3,264	2,801	73.4	
Total	**4,894**	**4,504**	**32,284**	**23,984**	**6,597**	**5,325**	**71.9**	
Deferred Pensioners (including "undecideds")	**Number**		**Annual Pensions £ (000)**		**Average Pension £**		**This Valuation**	
	2013	**2010**	**2013**	**2010**	**2013**	**2010**	**Average Age**	**Average Retirement Age**
Males	1,920	1,790	3,870	3,603	2,016	2,013	46.1	62.5
Females	5,127	4,496	6,628	5,582	1,293	1,242	45.5	62.6
Total	**7,047**	**6,286**	**10,498**	**9,185**	**1,490**	**1,461**	**45.7**	**62.6**

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	31 March 2013 £ (000)	31 March 2012 £ (000)	31 March 2011 £ (000)	TOTAL £ (000)
Expenditure	Retirement Pensions	31,590	28,908	26,887	87,385
	Retirement Lump Sums	7,465	8,059	8,841	24,365
	Death Benefits	225	699	810	1,734
	Leavers' Benefits	2,431	4,296	3,851	10,578
	Expenses	661	608	630	1,899
	Other Expenditure	-	-	-	-
Total		42,372	42,570	41,019	125,961
Non-Investment Income	Employees' Ctbns	7,921	8,142	8,366	24,429
	Employers' Ctbns	23,584	23,243	23,887	70,714
	Transfer Values	4,656	5,872	4,585	15,113
	Other Income	-	-	-	-
Total		36,161	53,837	47,784	154,733
Net New Cashflow		(6,211)	(5,313)	(4,181)	(15,705)
Investment Income		16,951	16,580	10,946	44,477
Fund Value					
Assets at Start of Year		860,203	822,102	769,037	769,037
Total Cashflow		10,740	11,267	6,765	28,772
Change in value		119,946	26,834	46,300	193,080
Assets at End of Year		990,889	860,203	822,102	990,889
Annual Returns					
Approx Rate of Return (per annum)		16.0%	5.3%	7.5%	9.5%

Appendix 2 Actuarial Assumptions

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

Future Assumed Returns at 2013		Risk Adjusted Discount Rate Weighting
Equities	6.3% per annum	71%
Gilts and Cash	3.3% per annum	15%
Bonds	3.9% per annum	13%
Property	6.0% per annum	1%
Expense allowance	0.1% per annum	

Financial Assumptions	2013	2010
Discount Rate	5.4% per annum	6.1% per annum
Retail Price Inflation (RPI)	3.5% per annum	3.8% per annum
Consumer Price Inflation (CPI)	2.7% per annum	3.3% per annum
Pension and Deferred Pension Increases	2.7% per annum	3.3% per annum
Short Term Pay Increases	In line with the CPI assumption for the 2 years to 31 March 2015	1% per annum for the 2 years to 31 March 2012
Long Term Pay Increases	4.5% per annum	5.3% per annum

Statistical Assumptions	2013	2010
Post Retirement Mortality		
Current Mortality	For males, 110% of the S1PA Light tables for officers and 110% of the S1PA Heavy tables for manual workers. For females, 100% of the S1PA tables	Fund's VITA Curves
	For a male member's dependant, 115% of the S1DA tables. For a female member's dependant, 110% of the S1PA Light tables where the member is an officer, or 110% of the S1PA Heavy tables where the member is a manual worker.	
Mortality Projection	2012 CMI Model with a long term rate of improvement of 1.5% per annum	CMI Medium Cohort with a 1% per annum underpin
Retirement Ages	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	Members take each tranche of their benefit at the earliest age at which they are able to do so without reduction
	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	
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 benefits	A varying proportion of members are assumed to be married (or have an adult dependant) at retirement or on 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	No ill-health assumption. Employers pay the capital cost arising from early payment of pensions and augmentation of pension in the event of any ill-health retirement	No ill-health assumption. Employers pay the capital cost arising from early payment of pensions and augmentation of pension in the event of any ill-health retirement
	However, for employers within the academy pool, the contribution rate certified takes into account ill-health retirements. Here 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	
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% and 75% of the maximum allowed under HMRC rules for pre-31 March 2008 and post-1 April 2008 service respectively, and this will be at a rate of £12 lump sum of £1 of pension
50/50 Scheme Allowance	No allowance made	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	These are set out in the Hymans Robertson 2010 actuarial valuation report
	Sample rates shown below	

	Incidence per 1000 active members per annum							
	Death		Ill Health Retirement		Withdrawal		Salary Scales	
Age	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 Individual Employer Data as at 31 March 2013

Employer Membership Data		Active Members			Deferred Members			Pensioner Members		
Code	Employer	Number	Actual Pay	Average Age	Number	Deferred Pensions	Average Age	Number	Pensions in Payment	Average Age
1	Wandsworth Council	4,547	£109,368,290	46	6,530	£10,042,668	46	4,750	£31,618,224	72
2	North East Surrey Crematorium Board	-	-	-	1	Note (1)	Note (1)	7	£5,788	82
3	Battersea Old Peoples Housing Ltd	-	-	-	2	Note (1)	Note (1)	2	Note (1)	Note (1)
4	Wandsworth Rent Registration Service	-	-	-	-	-	-	1	Note (1)	Note (1)
5	Garrate Lane Law Centre	-	-	-	1	Note (1)	Note (1)	1	Note (1)	Note (1)
6	Balham Law Centre	-	-	-	4	Note (1)	Note (1)	-	-	-
7	Wandsworth Family Service Centre	-	-	-	3	Note (1)	Note (1)	2	Note (1)	Note (1)
8	Battersea Law Centre	-	-	-	2	Note (1)	Note (1)	1	Note (1)	Note (1)
9	Wandsworth Council for Community Relations	-	-	-	1	Note (1)	Note (1)	-	-	-
10	Projects by the Blind	-	-	-	-	-	-	-	-	-
12	Amdale Community Project	-	-	-	-	-	-	1	Note (1)	Note (1)
13	Careers Development Group	-	-	-	13	£16,174	54	15	£55,099	68
14	Wandsworth Enterprise Agency	-	-	-	1	Note (1)	Note (1)	2	Note (1)	Note (1)
15	Battersea Minders Project	-	-	-	-	-	-	1	Note (1)	Note (1)
20	Albermarle School	24	£179,410	51	43	£14,726	43	3	Note (1)	Note (1)
21	Burntwood School	38	£759,256	48	27	£34,844	43	10	£84,508	65
22	Eardley School	55	£447,621	45	29	£17,366	45	11	£35,116	72
23	Elliot School	-	-	-	50	£73,388	45	20	£89,616	68
24	Ethelburga School	-	-	-	3	Note (1)	Note (1)	3	Note (1)	Note (1)
25	Graveney School	-	-	-	17	£17,720	45	13	£98,545	69
26	Hillbrook School	33	£426,084	46	38	£17,690	46	3	Note (1)	Note (1)
27	Honeywell Infants School	23	£232,996	42	23	£15,028	41	3	Note (1)	Note (1)
28	Honeywell Junior School	14	£144,899	49	15	£10,275	52	6	£9,289	70

Employer Membership Data		Active Members			Deferred Members			Pensioner Members		
Code	**Employer**	**Number**	**Actual Pay**	**Average Age**	**Number**	**Deferred Pensions**	**Average Age**	**Number**	**Pensions in Payment**	**Average Age**
29	John Paul II School	-	-	-	12	£20,507	44	3	Note (1)	Note (1)
30	Salesian College	-	-	-	15	£15,997	41	9	£44,065	67
31	Southfields Community College	-	-	-	77	£66,592	39	12	£76,022	65
32	Saint Cecilia's	32	£636,837	48	40	£35,812	40	3	Note (1)	Note (1)
33	Ashcroft Technology Academy	47	£845,562	45	39	£21,487	40	2	Note (1)	Note (1)
34	Chestnut Grove School	50	£818,985	44	15	£5,471	38	3	Note (1)	Note (1)
38	Graveney Academy	62	£1,352,685	45	6	£8,322	41	4	Note (1)	Note (1)
39	Belleville Academy	56	£616,506	45	9	£1,526	39	-	-	-
40	Civica ICT Burntwood	1	Note (1)	Note (1)	1	Note (1)	Note (1)	-	-	-
41	Putney ARK Academy	23	£575,393	46	1	Note (1)	Note (1)	-	-	-
42	Bolingbroke ARK Academy	11	£224,372	37	2	Note (1)	Note (1)	-	-	-
43	Southfields Academy	67	£1,270,890	44	8	£13,861	40	-	-	-
44	Civica ICT Southfields	1	Note (1)	Note (1)	-	-	-	-	-	-
55	Councillors	37	£722,882	55	19	£22,440	49	3	Note (1)	Note (1)
	Total	**5,121**	**£118,668,862**	**45.6**	**7,047**	**£10,497,862**	**45.7**	**4,894**	**£32,283,519**	**71.9**

Note (1) Membership details have been excluded for privacy reasons where there are fewer than 5 members.

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 19.0% of pensionable payroll.

A4.2. However, each employer pays contributions based on their particular circumstances and so individual adjustments are made. These give the following minimum total contributions as set out below.

		Minimum employer contributions due as a % of salary for the year beginning			Minimum 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
1	Wandsworth Council	19.0%	19.0%	19.0%	£20,707,100	£21,646,600	£22,628,800
20	Albermarle School	19.0%	19.0%	19.0%	£34,000	£35,600	£37,200
21	Burntwood School	19.0%	19.0%	19.0%	£144,000	£150,500	£157,400
22	Eardley School	19.0%	19.0%	19.0%	£84,900	£88,800	£92,800
26	Hillbrook School	19.0%	19.0%	19.0%	£80,800	£84,500	£88,300
27	Honeywell Infants School	19.0%	19.0%	19.0%	£44,200	£46,200	£48,300
28	Honeywell Junior School	19.0%	19.0%	19.0%	£27,500	£28,700	£30,000
32	Saint Cecilia's	19.0%	19.0%	19.0%	£120,800	£126,300	£132,000
33	Ashcroft Technology Academy	19.0%	19.0%	19.0%	£160,400	£167,700	£175,300
34	Chestnut Grove School	19.0%	19.0%	19.0%	£155,600	£162,700	£170,000
38	Graveney Academy	19.0%	19.0%	19.0%	£257,000	£268,700	£280,900
39	Belleville Academy	19.0%	19.0%	19.0%	£117,100	£122,500	£128,000
40	Civica ICT Burntwood	14.8%	14.8%	14.8%	£4,000	£4,200	£4,400
41	Putney ARK Academy	19.0%	19.0%	19.0%	£109,300	£114,300	£119,500
42	Bolingbroke ARK Academy	19.0%	19.0%	19.0%	£42,600	£44,600	£46,600
43	Southfields Academy	19.0%	19.0%	19.0%	£241,500	£252,400	£263,900
44	Civica ICT Southfields	14.8%	14.8%	14.8%	£2,800	£3,000	£3,100
55	Councillors	19.0%	19.0%	19.0%	£137,100	£143,300	£149,800

Employers with No Actives Members:

Code	Employer	Minimum employer contributions due as a % of salary for the year beginning			Minimum 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
2	North East Surrey Crematorium Board	0.0%	0.0%	0.0%	£0	£0	£0
3	Battersea Old Peoples Housing Ltd	0.0%	0.0%	0.0%	£0	£0	£0
4	Wandsworth Rent Registration Service	0.0%	0.0%	0.0%	£0	£0	£0
5	Garrate Lane Law Centre	0.0%	0.0%	0.0%	£0	£0	£0
6	Balham Law Centre	0.0%	0.0%	0.0%	£0	£0	£0
7	Wandsworth Family Service Centre	0.0%	0.0%	0.0%	£0	£0	£0
8	Battersea Law Centre	0.0%	0.0%	0.0%	£0	£0	£0
9	Wandsworth Council for Community Relations	0.0%	0.0%	0.0%	£0	£0	£0
10	Projects by the Blind	0.0%	0.0%	0.0%	£0	£0	£0
12	Arndale Community Project	0.0%	0.0%	0.0%	£0	£0	£0
13	Careers Development Group	0.0%	0.0%	0.0%	£0	£0	£0
14	Wandsworth Enterprise Agency	0.0%	0.0%	0.0%	£0	£0	£0
15	Battersea Minders Project	0.0%	0.0%	0.0%	£0	£0	£0
23	Elliot School	0.0%	0.0%	0.0%	£0	£0	£0
24	Ethelburga School	0.0%	0.0%	0.0%	£0	£0	£0
25	Graveney School	0.0%	0.0%	0.0%	£0	£0	£0
29	John Paul II School	0.0%	0.0%	0.0%	£0	£0	£0
30	Salesian College	0.0%	0.0%	0.0%	£0	£0	£0

Notes

A4.3. Further sums should be paid to the Fund to meet the costs of any early retirements using methods and assumptions discussed with us.

A4.4. 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.

Projected New Benefits

A4.5. 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's
31/03/2015	9,691
31/03/2016	11,156
31/03/2017	10,842

Appendix 5 Post Valuation Employers

A5.1. The below employers have joined the Fund since 31 March 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.

Certified rates for new employers in the Fund since 1 April 2013				%Pay	
Code	Employer	Funding Pool	2014/15	2015/16	2016/17
45	Greenwich Leisure Limited	Individual	19.0%	19.0%	19.0%
46	Spurgeons	Individual	19.0%	19.0%	19.0%
47	Burntwood Academy	Academies	19.0%	19.0%	19.0%
48	Tooting Primary School	Academies	19.0%	19.0%	19.0%
49	Rutherford House	Academies	19.0%	19.0%	19.0%
53	Mosaic Jewish School	Academies	19.0%	19.0%	19.0%

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. Employing authorities may pay further amounts at any time and future periodic contributions may be adjusted on a basis approved by ourselves.

A5.4. The certified contribution rates assume payments are made throughout the year. If an employing authority wishes to prepay any part of their contribution, an adjustment may be made to allow for the difference in the timing.

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	1/49th		1/60th for service after 1 April 2008. Benefits for service before 31 March 2008 were based on 1/80th accrual and an automatic lump sum of 3/80ths.	
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	1/160th 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)	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.	
	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.	
	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.	
	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.	
	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.	