

Shadow Advisory Board

2015 deficit management project - work plan

No.	Work to be undertaken	Timescales
1.	To consult with the LGPS community on revisions to the calculation of exit payments and greater flexibility on recovery of exit payments.	By end of February 2015
2.	To agree the extent to which calculation of comparative funding levels should allow for locally determined assumptions.	By end of February 2015
3.	<p>To recommend the following Scheme changes to DCLG:</p> <ul style="list-style-type: none"> • That a requirement for actuaries to calculate comparative funding levels on a standardised basis by 30th September in each valuation year is adopted, • That the statutory Scheme Advisory Board must set assumptions for standard funding valuations by a given date, • That the stability requirement in respect of primary, secondary and common employer contributions is clarified and is appropriately set. That a minimum employer contribution rate is set, • That funds are required to publish the recovery plan methodology in their funding strategy statements, and • That regulations explicitly allow for pre-funding of employer exit payments. 	By end of March 2015
4.	To commission the re-calculation of the individual 2013 fund valuation results on an agreed standardised basis. Figures to be included in the 2014/15 scheme annual report.	From April 2015 (following establishment of statutory Scheme Advisory Board) in time for the publication of the 2014/15 annual report.
5.	To research further the possibility of mandating that deficit contributions are paid in cash terms, rather than pensionable pay terms. Consequential recommendation to be made to DCLG if necessary.	From April 2015 (following establishment of statutory Scheme Advisory Board)
6.	<p>To commission data gathering in respect of impacts of :</p> <p>a) changes in asset allocation, and</p> <p>b) manager churn</p>	From April 2015 (following establishment of statutory Scheme Advisory Board)

Shadow Advisory Board

	on fund investment performance	
7.	To commission and develop best practice guidance for funds on employer management (including consideration of covenant checks, matters to consider on entering into admission agreements, security, etc)	From April 2015 (following establishment of statutory Scheme Advisory Board)
8.	To commission and develop recommendations for where intervention may be necessary in order to improve deficit management and/ or related governance processes.	From April 2015 (following establishment of statutory Scheme Advisory Board)
9.	To commission and develop guidance for funds in using liability matching investment strategies including liability driven investment.	From April 2015 (following establishment of statutory Scheme Advisory Board)
10.	To commission further research on broader strategies such as fixed liability funds and other alternatives.	From April 2015 (following establishment of statutory Scheme Advisory Board)

29th January 2015