City of Westminster Pension Fund

Actuarial Valuation as at 31 March 2013

Valuation Report

Barnett Waddingham LLP

28 March 2014

Contents

1. Introduction and Summary

Purpose of the Valuation

1.1. We have carried out an actuarial valuation of City of Westminster Pension Fund ("the Fund") as at 31 March 2013, as requested by Westminster City 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 Westminster City 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).

Results of the Valuation

1.5. The results of the valuation are that the past service funding level of the Fund as a whole has increased from 73.8% to 74.5% between 31 March 2010 and 31 March 2013. There are a number of factors that have contributed to this improvement including:

- Slightly higher than expected investment returns;
- Lower than expected pay increases;
- Higher than expected amounts of pension ceasing;
- Offset by a change in market conditions, principally a reduction in gilt yields and lower discount rates.

1.6. At the same time, the overall employer contribution rate, including payments to target full funding, has increased from 20.4% to 29.8% of pensionable salaries. The increase in contribution rate reflects:

- An older active membership than at 2010;
- A reduction in the deficit recovery period from 30 years to 25 years;
- A lower total pensionable payroll than at 2010.

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

Graeme D Muir FFA

Partner

2. Valuation Data

Data Sources

2.1. We have used the following items of data as provided by Westminster City 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	276,451	32%
Overseas Equities	366,484	42%
UK Gilts	49,821	5%
Corporate Bonds	111,092	13%
Property	35,787	4%
Other assets	244	0%
Cash	34,303	4%
Total	**874,182**	**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 7.9% per annum.

2.6. The current investment strategy is set out in a Statement of Investment Principles dated March 2012.

Benefits

2.7. The valuation has been carried out in accordance with Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 (“the Regulations”) as amended.

2.8. However, from 1 April 2014, The Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 will come into effect and replace the current regulations.

2.9. The benefits for service from 1 April 2014 will be based on the Local Government Pension Scheme Regulations 2013. The main changes are to move from a final salary pension scheme based on 60ths accrual and a retirement age of 65 to a career average revalued earnings pension scheme based on 49ths accrual and a retirement age equal to State Pension Age.

2.10. The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 serve the dual purpose of retaining the previous benefit structure for service up to 31 March 2014 and introducing new protections for members close to retirement to ensure that they are not disadvantaged by the benefit changes.

2.11. The benefits underlying the valuation are summarised in Appendix 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 specified as an additional contribution expressed as either a percentage of pay or as a cash amount to be paid in future.

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 states that: "The Fund is financed on the principle that it seeks to have sufficient funds to enable payment of 100% of the benefits promised."

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 – for Scheme Employers (Scheduled Bodies), this is based on the expected investment return from the Fund's assets. For Admission Bodies, the discount rate is set acknowledging the possibility that the employer may cease participation in the Fund at any time, and this risk is reflected through a lower discount rate.
- 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.

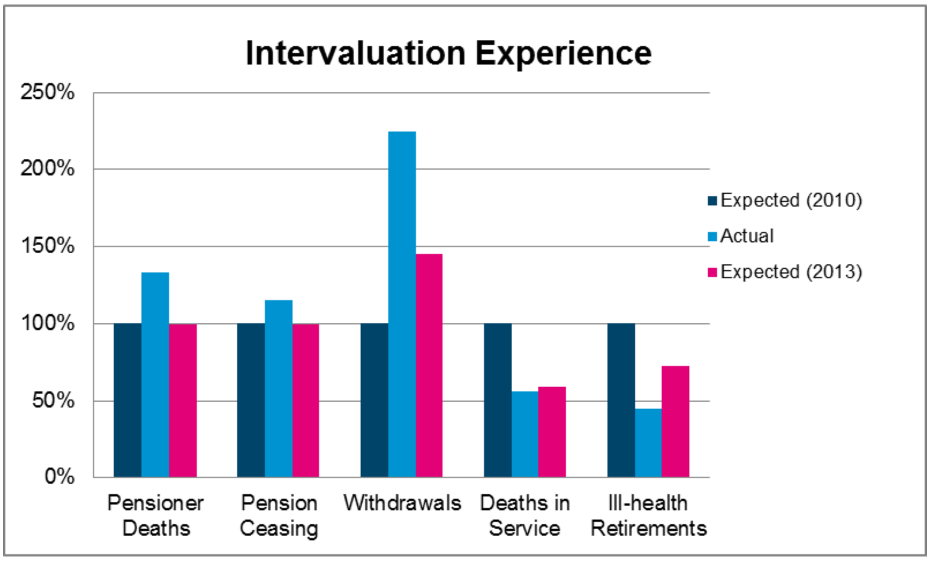
4.3. The assumptions used for this valuation are based on the expected long-term cost of providing the benefits and we believe that these are suitable for setting the contribution amounts from employers. If an employer leaves the Fund, a different set of assumptions may apply to allow for the crystallisation 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 13 September 2013. 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.

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

Intervaluation Experience	Actual	Expected
Investment Return	7.9% pa	7.5% pa
Pay Increases*	1.2% pa	5.3% pa
Pension Increases	3.5% pa	3.3% pa
* includes short term overlay		

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



5. Valuation Results

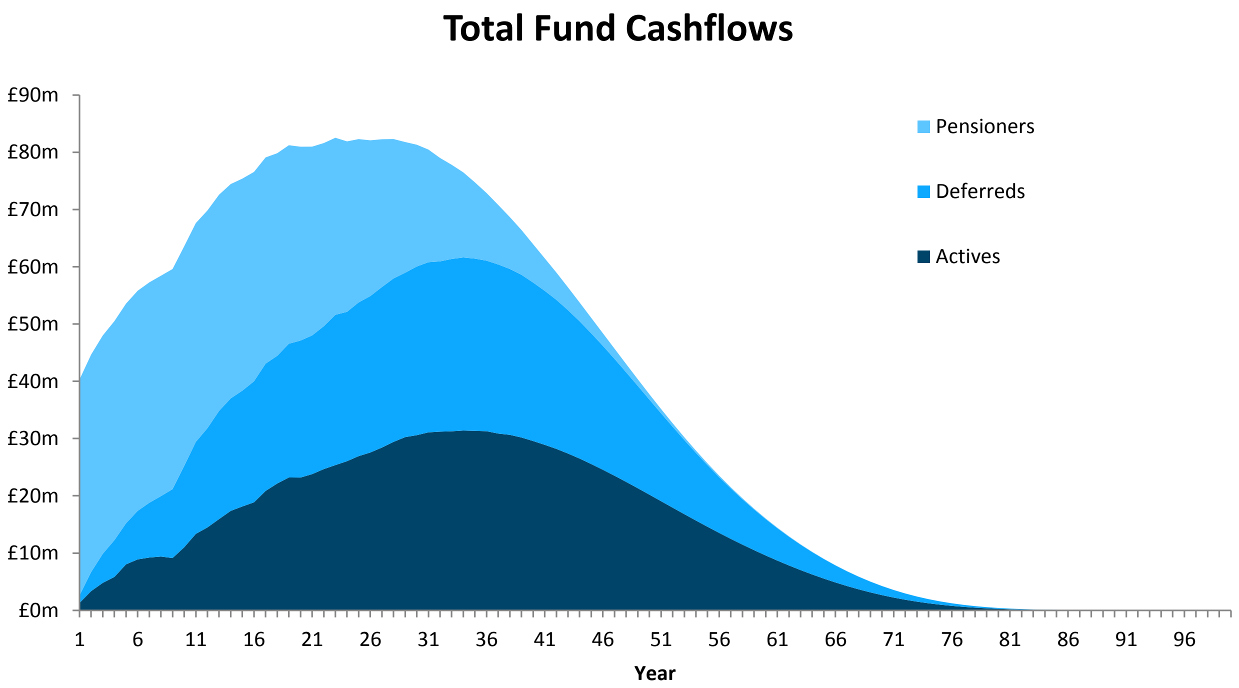
Previous Valuation

5.1. The last formal actuarial valuation of the Fund was carried out as at 31 March 2010 by Aon Hewitt 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 73.8% of the accrued liabilities of the Fund. The average employer contribution was calculated to be 20.4% of payroll which assumed that the past service funding level would be restored over a period of 30 years.

Projected Cashflows

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



Past Service Funding Position and Contribution Rates

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

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

Past Service Funding Position	31 March 2013 £000's
Smoothed Asset Value	**866,938**
Active Members	280,165
Deferred Members	312,654
Pensioner Members	571,379
Value of Accrued Liabilities	**1,164,198**
Surplus/(Deficit)	**(297,260)**
Funding Level	**74%**
Average Employer Contribution Rates	**% of Pensionable Pay**
Future Service Cost	13.3%
Deficit Recovery over 25 years	16.5%
Total	**29.8%**

5.5. As we see, the funding level as at 31 March 2013 is 74% and the average required employer contribution to restore the funding position to 100% over the next 25 years is 29.8% 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:

Change in Financial Assumption	**Approximate Effect on Deficit**	
	+ 0.5% p.a.	**- 0.5% p.a.**
Discount rate	Decreased by £101m	Increased by £101m
CPI	Increased by £84m	Decreased by £84m
Long-term rate of salary increase	Increased by £8m	Decreased by £8m
Change in Demographic Assumption	**Approximate Effect on Deficit**	
	+ 0.25% p.a.	**- 0.25% p.a.**
Long-term rate of improvement in mortality projection	Increased by £12m	Decreased by £12m

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 79%. This allows for contributions to be paid as certified and assumes that investment returns and other experience over the next 3 years are in line with the assumptions described above.

Neutral Estimate

5.11. We are also required to consider whether the assumptions used are neutral, that is “not deliberately either optimistic or pessimistic and does not incorporate adjustments to reflect the desired outcome”.

5.12. Other than the discount rate, we consider all the assumptions used to be neutral.

5.13. We would consider a neutral discount rate to be 6.4% per annum rather than the 5.9% per annum projected return for the Fund’s assets (the Scheduled Body discount rate). The higher neutral discount rate results from removing some prudence from the equity and expense 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		**(238,100)**
Benefits Accrued	(63,911)	
Early Retirements	(4,248)	
Contributions Paid	162,047	
Deficit Funded (Use of Surplus)	**93,888**	
Interest Cost	(41,802)	
Asset Gain/Loss	3,734	
Change in Market Conditions	(186,097)	
Financial Gain(Loss)	**(224,164)**	
Salary Increases	37,231	
Pension Increases	(4,322)	
Membership Movements	3,240	
Experience	**36,149**	
Change in Assumptions	**34,967**	
Surplus(Deficit) at 31 March 2013		**(297,260)**

5.15. As we can see, one main reason for the increase in deficit is the change in the market conditions underlying the assumptions.

6. Risk and Uncertainty

6.1. There are many factors that affect the financial position of the Fund, in particular:

6.2. Employer covenant risk – there is a risk to the Fund that any of the employing bodies may be unable to pay contributions or meet any cessation deficits as they fall due.

6.3. For this reason, Admission Bodies are assessed using a risk adjusted discount rate which allows for the risk of the employer ceasing and leaving a deficit in the Fund. 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 being understood and that those risks are being appropriately managed.

6.6. Inflation - in projecting the expected future benefit payments, we make assumption 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.

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	
	2013	2010	2013	2010	2013	2010	Average Age	Average Retirement Age
Males	1,197	1,413	45,981	55,817	38,413	39,502	45.2	62.8
Females	2,116	2,546	56,910	69,584	26,895	27,331	44.8	63.2
Total	**3,313**	**3,959**	**102,890**	**125,401**	**31,057**	**31,675**	**45.0**	**63.0**

Pensioners	Number		Annual Pensions £ (000)		Average Pension £		This Valuation Average Age
	2013	2010	2013	2010	2013	2010	
Males	2,162	2,077	21,910	16,932	10,134	8,152	71.0
Females	2,186	1,854	12,589	8,654	5,759	4,668	70.6
Dependants	937	834	3,403	2,498	3,632	2,995	72.1
Total	**5,285**	**4,765**	**37,902**	**28,084**	**7,172**	**5,894**	**71.0**

Deferred Pensioners (including "undecideds")	Number		Annual Pensions £ (000)		Average Pension £		This Valuation	
	2013	2010	2013	2010	2013	2010	Average Age	Average Retirement Age
Males	2,450	2,111	7,472	6,890	3,050	3,264	47.4	61.7
Females	4,388	3,498	10,267	8,184	2,340	2,340	46.0	61.9
Total	**6,838**	**5,609**	**17,739**	**15,074**	**2,594**	**2,687**	**46.5**	**61.8**

Notes

A1.2. The numbers relate to the number of records and so will include members in receipt of, or potentially in receipt of, more than one benefit.

A1.3. Annual pensions are funded items only and include pension increases up to and including the 2013 Pension Increase Order.

A1.4. Pensionable pay is actual earnings.

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

Revenue Accounts	Year to	March 2013 £ (000)	March 2012 £ (000)	March 2011 £ (000)	TOTAL £ (000)
Expenditure	Retirement Pensions	36,941	32,749	28,748	**98,438**
	Retirement Lump Sums	6,146	9,848	7,582	**23,576**
	Death Benefits	941	580	920	**2,441**
	Leavers' Benefits	4,250	6,691	9,033	**19,974**
	Expenses	694	757	1,132	**2,583**
	Other Expenditure	-	20	-	**20**
Total		48,972	50,645	47,415	**147,032**
Non-investment income	Employees' Ctbns	7,068	7,643	8,577	**23,288**
	Employers' Ctbns	24,582	90,391	23,786	**138,759**
	Transfer Values	3,991	2,536	5,367	**11,894**
	Other Income	-	-	337	**337**
Investment Income		15,029	14,813	10,612	**40,454**
Total Income		50,670	115,383	48,679	**214,732**
New Money for Investment		(13,331)	49,925	(9,348)	**27,246**
Fund Value					
Assets at Start of Year		774,153	707,194	670,371	**670,371**
Total Cashflow		1,698	64,738	1,264	**67,700**
Change in value		98,331	2,221	35,559	**136,111**
Assets at End of Year		874,182	774,153	707,194	**874,182**
Annual Returns					
Approx Rate of Return (per annum)		14.8%	2.3%	6.9%	**7.9%**

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 (rounded)
Gilts	3.3% per annum	6%
Cash	3.1% per annum	4%
Bonds	3.9% per annum	13%
Equities	6.9% per annum	74%
Property	6.0% per annum	4%
Expense Allowance	0.2% per annum	

Financial Assumptions		2013	2010
Discount Rate (Scheduled Bodies)	In service	5.9% per annum	7.5% per annum
	Left service	5.9% per annum	7.5% per annum
Discount Rate (Admission Bodies)	In service	4.9% per annum	6.3% per annum
	Left service	3.5% per annum	4.8% per annum
Retail Price Inflation (RPI)		3.5% per annum (20 year point on the BoE Inflation Curve)	3.8% per annum
Consumer Price Inflation (CPI)		2.7% per annum (RPI less 0.8%)	3.3% per annum
Pension and Deferred Pension Increases		2.7% per annum (RPI less 0.8%)	3.3% per annum
Short Term Pay Increases		1% for the 3 years to 31 March 2016	n/a
Long Term Pay Increases		4.5% per annum (RPI plus 1%)	5.3% per annum

Statistical Assumptions	2013	2010
Post retirement Mortality		
Current Mortality	S1PA tables (110% multiplier for males)	S1PA tables (75% multiplier)
Mortality Projection	2012 CMI Model with a long term rate of improvement of 1.5% per annum	2009 CMI Model with a long term rate of improvement of 1.25% per annum
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	All members are assumed to retire at the earliest age which they can retire as of right, with no reduction to benefits accrued prior to 1 April 2008
	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.	Members joining on or after 1 October 2006 are assumed to retire at age 65
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	90% of members are assumed to be married or co-habiting (with a persion eligible for death benefits) at retirement or earlier death
Partner Age Difference	Males are 3 years older than their spouse and females are 3 years younger than their spouse	A man is assumed to be 3 years older than his spouse, civil partner or cohabitee. A woman is assumed to be 3 years younger than her spouse, civil partner or cohabitee
Ill-health Tiers	50% of ill-health retirements will be eligible for benefits based on full prospective service and 50% will qualify for a service enhancement of 25% of prospective service	80% of ill-health retirements will be eligible for benefits based on full prospective service, 10% will qualify for a service enhancement of 25% of prospective service, and 10% will be eligible for benefits based on accrued service (payable for a maximum of 3 years)
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 for £1 of pension	Each member is assumed to exchange 25% of the maximum amount permitted of their past service pension rights and 75% of the maximum amount permitted of their future service pension rights, on retirement for additional lump sum
50/50 Scheme Allowance	It is assumed that 5% of active members will opt to pay 50% of contributions for 50% of benefits under the new scheme	n/a
Other Statistical Assumptions	Same as used by Government Actuary's Department when LGPS reforms were designed and based on analysis of incidence of death, retirement and withdrawal for Local Authority Funds	Sample rates are set out in the Aon Hewitt 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 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
900	Westminster City Council	2,542	£76,020,732	45.4	5,573	£12,803,789	46.4	4,515	£31,179,472	71.9
901a	Housing Communities Agency	216	£9,998,753	47.1	727	£3,590,711	48.5	519	£5,063,762	66.6
902	IPF	-	-	-	2	See Note (1)	See Note (1)	7	£32,390	76.7
903	Queens Park FSU	-	-	-	6	£24,301	55.0	7	£45,505	76.4
904	Age Concern	-	-	-	14	£31,837	55.4	12	£35,325	69.8
905	Association of London Government	-	-	-	13	£48,090	50.7	10	£112,075	66.4
906	Capital Careers Ltd	-	-	-	41	£160,227	50.9	18	£91,035	67.6
908	Housing 21	-	-	-	105	£258,854	49.2	128	£465,152	65.7
909	City West Homes Ltd	185	£7,486,214	44.8	146	£528,800	44.5	38	£594,337	63.5
910	Elonex PLC	-	-	-	3	See Note (1)	See Note (1)	1	See Note (1)	See Note (1)
911	Paddington Academy	46	£1,170,480	42.1	45	£26,794	35.4	8	£59,291	51.7
912	Westminster Academy	24	£550,513	42.3	43	£85,933	44.0	7	£50,203	62.1
913	King Solomon Academy	26	£511,363	36.2	19	£10,092	35.6	-	-	-
914	Pimlico Academy	52	£1,396,503	35.7	54	£51,994	31.7	6	£43,874	64.3
917	Day Care Service (Housing 21)	2	See Note (1)	See Note (1)	4	See Note (1)	See Note (1)	-	-	-
918	Capita IT Services	6	£183,640	47.5	-	-	-	-	-	-
920	ARK Atwood Primary Academy	11	£166,984	33.8	-	-	-	-	-	-
921	St Marylebone School	29	£682,830	38.7	5	£3,751	40.9	-	-	-
922	Quintin Kynaston Community Academy	41	£1,038,259	38.8	3	See Note (1)	See Note (1)	-	-	-
923	St Georges Academy	19	£460,902	46.4	-	-	-	-	-	-
924	Millbank Academy	34	£392,004	44.2	6	£2,482	47.1	-	-	-
925	Greycoat Academy	25	£575,812	47.0	2	See Note (1)	See Note (1)	-	-	-
926	Westminster City Academy	18	£529,414	43.9	2	See Note (1)	See Note (1)	1	See Note (1)	See Note (1)
927	Allied Healthcare	2	See Note (1)	See Note (1)	2	See Note (1)	See Note (1)	-	-	-
928a	Housing Ombudsman Service	35	£1,618,807	40.7	23	£71,008	47.5	8	£105,762	52.0
	Total	**3,313**	**£102,890,380**	**45.0**	**6,838**	**£17,739,216**	**46.5**	**5,285**	**£37,902,125**	**71.0**

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 13.3% of pensionable payroll.

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

		Minimum Level of Contributions					
Code	Employer	2014/15 % Pay	2014/15 Additional Monetary Amount	2015/16 % Pay	2015/16 Additional Monetary Amount	2016/17 % Pay	2016/17 Additional Monetary Amount
900	Westminster City Council	12.5%	£6,008,000	12.5%	£7,508,000	12.5%	£9,008,000
901a	Housing Communities Agency	20.8%		20.8%		20.8%	
909	City West Homes Ltd	12.3%	£509,100	12.3%	£532,200	12.3%	£556,300
911	Paddington Academy	11.8%		11.8%		11.8%	
912	Westminster Academy	12.4%		12.4%		12.4%	
913	King Solomon Academy	8.1%		8.1%		8.1%	
914	Pimlico Academy	9.3%		9.3%		9.3%	
917	Day Care Service (Housing 21)	25.6%		25.6%		25.6%	
918	Capita IT Services	24.6%		24.7%		24.7%	
920	ARK Atwood Primary Academy	8.2%		8.3%		8.3%	
921	St Marylebone School	14.2%		14.2%		14.2%	
922	Quintin Kynaston Community Academy	17.7%		17.7%		17.7%	
923	St Georges Academy	19.4%		19.7%		19.9%	
924	Millbank Academy	23.5%		23.9%		24.4%	
925	Greycoat Academy	23.2%		23.2%		23.2%	
926	Westminster City Academy	19.9%		19.9%		19.9%	
927	Allied Healthcare	27.5%		27.5%		27.5%	
928a	Housing Ombudsman Service	25.0%		25.0%		25.0%	

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.

A4.5. Contributions are due to be paid monthly in arrear unless otherwise agreed between an employer and the Administering Authority. Any such agreements are reflected in the amounts certified above.

Projected New Benefits

A4.6. The following table shows the amount of new pension and lump sum benefits (excluding non ill health early retirement benefits) projected to come into payment in each year during the period 1 April 2014 to 31 March 2017.

Year to	Retirement Benefit
31 March 2015	£6,628k
31 March 2016	£8,565k
31 March 2017	£9,329k

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							
Code	Employer	2014/15 % Pay	2014/15 Additional Monetary Amount	2015/16 % Pay	2015/16 Additional Monetary Amount	2016/17 % Pay	2016/17 Additional Monetary Amount
	Wilberforce Academy	19.2%		19.2%		19.2%	
	Pimlico Free School	13.0%		13.0%		13.0%	
929	Churchill Gardens Primary	19.9%		19.9%		19.9%	
930	Gateway Academy	14.7%	£37,600	14.7%	£37,600	14.7%	£37,600
933	Amey	32.1%		32.1%		32.1%	

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. Employer 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 employer 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 3/80^{ths}.	
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.	