THE ROYAL COUNTY OF BERKSHIRE PENSION FUND

Annual Meeting

Thursday 13 November 2025

Welcome – Councillor Simon Bond

Chair, Berkshire Pension Fund Committee

- **Introduction from Head of Fund - Jo Thistlewood, Head of Fund**
- **LGPS Regulations Update - Philip Boyton, Deputy Head of Fund**
- **Administration Review - Martin Griffiths, Pension Administration Manager**
- **Actuarial Update - Barnett Waddingham LLP**

  Liam Drysdale, Principal (Senior Consulting Actuary)

  Graeme Cornwell, Actuarial Consultant
- **Q & A - All**

THE ROYAL COUNTY OF BERKSHIRE PENSION FUND

Introduction from Head of Pension Fund

Jo Thistlewood CPFA, ACA
Head of Pension Fund

Financial position:

- Fund net assets grown by £100m to **£3.133bn** at 31 March 2025
- Contribution income **£211m**; benefits paid **£183m**

Investment performance:

- Investment returns **2.2%** in year to 31 March 2025, LGPS average **3.4%;** three-year performance **4.3%** pa, LGPS average **3.6%** pa.
- Underperformance against fund's benchmark – Equities main contributor.
- No changes proposed to investment allocation before valuation. Review process started.
- Responsible Investment policy revision.

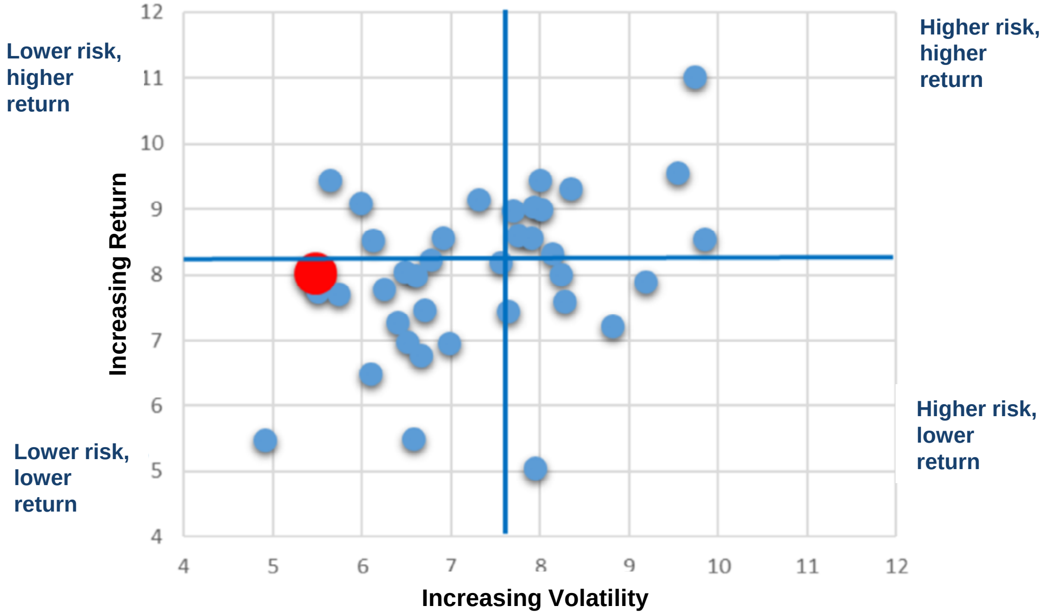
Funding update:

- 2025 valuation **86% funded** (2022: 86%)
- Employer results and contribution rates circulated very soon.

Other:

- Funding Strategy Statement consultation launch
- 2023-24 audit update

5-year risk and return



THE ROYAL COUNTY OF BERKSHIRE PENSION FUND

LGPS Regulations Update

Philip Boyton MCIPPdip
Deputy Head of
Pension Fund

Governance

NATIONAL LEVEL

HM TREASURY ➔

MINISTRY OF HOUSING, COMMUNITIES & LOCAL GOVERNMENT (MHCLG)
(The 'Responsible Authority' as defined in The Public Service Pensions Act 2013)➔

SCHEME ADVISORY BOARD

LOCAL LEVEL

Administering Authority ('Scheme Manager')

Royal Borough of Windsor & Maidenhead
Responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under the Local Government Pension Scheme Regulations.

Berkshire Pension Fund Committee
5 RBWM Elected Members

- Cllr. Simon Bond (Chair)
- Cllr. Suzanne Cross (Vice-Chair)
- Cllr. Asghar Majeed
- Cllr. Mark Howard
- Cllr. Julian Tisi

The 5 Committee Members have voting rights.

Berkshire Pension Fund Advisory Panel

To consider and make recommendations to the Berkshire Pension Fund Committee on all Pension Fund matters.

- Cllr. Subash Mohindra (Slough BC)
- Cllr. Glenn Dennis (Reading BC)
- Cllr. Stephen Newton (Wokingham BC)
- Cllr. Jeremy Cottam (West Berkshire Council)
- Cllr. Stephen O'Regan (Bracknell Forest Council)

The Advisory Panel has no voting rights.

Berkshire Pension Fund Board

Responsible for assisting the Administering Authority in securing compliance with the LGPS Regulations, other legislation relating to governance and administration and the requirements imposed by the Pensions Regulator.

Scheme Employer Representatives:

- Nikki Craig (RBWM)
- Arthur Parker (Bracknell Forest Council)
- Julian Curzon (Haybrook College)

Scheme Member Representatives:

- Alan Cross (Retired Member) (Chair)
- Jeff Ford (Retired Member)
- Neil Bullough (Active Member)

Senior Pension Fund Officers

- Rachel Howard, Director of Resources & s.151
- Jo Thistlewood, Head of Pension Fund
- Philip Boyton, Deputy Head of Pension Fund
- Martin Griffiths, Pensions Admin Manager
- Patrick Osei, Fund Accountant

Investment Manager: Local Pensions Partnership Investments Ltd

Appointed by the Administering Authority as the Investment Manager of all Pension Fund assets ('investments') through an Advisory and Management Agreement effective from 1 June 2018 (in line with the Government's objective to 'pool' Local Authority Pension Funds in England and Wales).

Actuary: Barnett Waddingham LLP

Appointed by the Administering Authority as the Independent Actuary, responsible for calculating how much Scheme employers should pay into the Scheme, for undertaking a Triennial valuation, producing IAS19/FRS102 accounting reports for scheme employers and other adhoc actuarial matters.

Custodian: Northern Trust

Appointed by the Administering Authority as the global custodian, responsible for the safekeeping of the Fund's investment assets, production of Fund performance data, trade settlement and income collection, tax reclaims and other global custody services from time to time.

LGPS (E&W): Access and Fairness Consultation

- **Consultation closed 7 August 2025**
  - Survivor Benefits
  - Gender Pension Gap Reporting
  - Opting Out
  - Forfeiture
  - McCloud Remedy
  - Misc. Changes
    - Lifetime Allowance
    - Lump Sum Allowance
    - Refund of net employee Pension Contributions

LGPS (E&W): Access and Protections Consultation

- **Consultation closes 22 December 2025**
  - Normal Minimum Pension Age
  - Access for Mayors and Councillors in England
  - Academies and Secretary of State Directions
  - New Fair Deal

Pension Schemes Bill 2025

- **Considered in three parts:**
  - Pooling
  - Local Investment
  - Governance

Inheritance Tax on Lump Sum Death Grants

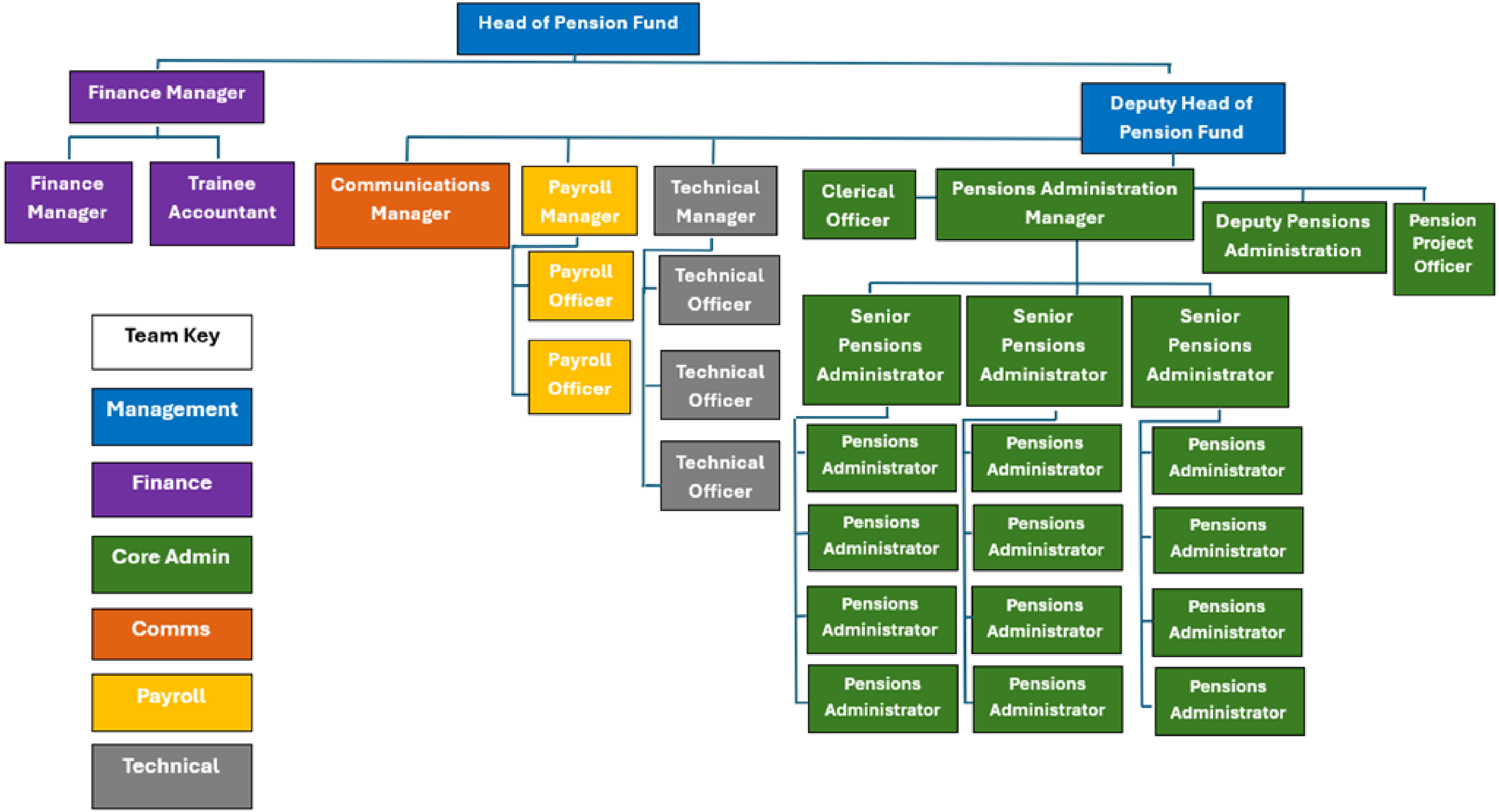
- **Autumn 2024 Budget Announcement:**
  - Consultation closed 22 January 2025
  - Proposed approach from 6 April 2027

THE ROYAL COUNTY OF BERKSHIRE PENSION FUND

Administration Review 2025

Martin Griffiths
Pension Administration Manager

Team Structure



Current and ongoing challenges and projects

- Maintaining the Fund’s Key Performance Indicators (KPIs)

  (these include the completion of tasks for new starters, deaths, retirements and refunds)
- Meeting the requirements of the Pensions Regulator
- Complying with audit findings
- Maintaining accurate data (Common and Specific)
- Resources, recruitment and retention
- Training and development

Current and ongoing challenges and projects

The McCloud Remedy

- The LGPS rules changed from 1 October 2023. When public service pension schemes changed from final salary schemes to career average schemes in 2014 and 2015, older members were protected from the changes.

- In 2018, the Courts found that younger members had been discriminated against because the protections did not apply to them.

- The 2023 changes to the regulations are called the McCloud remedy. They removed the age discrimination found in the McCloud court case.

Current and ongoing challenges and projects

The McCloud Remedy

- Although very few LGPS members were affected by these changes. It has generated a tremendous amount of work for all LGPS Funds.

- The Berkshire Fund has successfully identified all the members in scope under the Remedy.

- Annual Benefit Statements were available to download for all our Active and Deferred member by 31 August reflecting the McCloud Remedy, except for the small number of members where changes to the Regulations were required before this information could be made available.

Current and ongoing challenges and projects

The McCloud Remedy

- Many calculations will have to be revised by the end of August 2026, these include transfers, divorces, deaths, pensioner and dependant benefits.
- All our pensioner members will have had their benefits recalculated by the end of the year.
- Going forward when members take their benefits a check will automatically take place to see if they would have been better taking their benefits under the Final Salary or CARE arrangements.

Current and ongoing challenges and projects

Dashboard Project

Pensions Dashboards Programme

- Pensions Dashboards will allow people to access information for all their pensions online, securely and all in one place. It will provide clear and simple information about a person's multiple pension savings, including their State Pension.

- With the release of Pensions Dashboards soon approaching, the Berkshire Pension Fund has recently carried out a data cleanse exercise for LGPS members of our Fund to make sure that we have up-to-date information about them.

Current and ongoing challenges and projects

Dashboard Project

Pensions Dashboards Programme

- The connection deadline for the Local Government Pension Scheme (LGPS) to the Pensions Dashboards ecosystem was **31 October 2025**. This is the date by which Public Sector schemes must connect their data to the dashboard to ensure members can view their LGPS pensions alongside other pots online. This was achieved by working with our software provider Heywood Technologies.

- The actual date at which we expect the **MoneyHelper Dashboard** to be launched will be **Autumn 2026** and more information will be available to our members in the 6 months prior to the final agreed date.

Current and ongoing challenges and projects

Other challenges coming our way include…

- New opt-out procedures
- Changes to child related leave
- Recalculations of certain survivor benefits following the Goodwin Case
- Changes to the Normal Minimum Pension Age (NMPA)
- Admittance of councillors back into the LGPS
- New Fair Deal

Year end update

- **Employer Returns**: Employers were required to provide a statutory end-of-year return of employee data and contributions for the period 1 April to 31 March, this was completed successfully with a very small number of employers not meeting our deadline
- **Data Quality:** Our data quality scores thanks to these submissions had continued to improve year on year, which is great for the dashboards and the valuation

Data Category	2023/24 Score	2024/25 Score	Aim
Common data	**98.60%**	**98.60%**	**95%**
Scheme specific data	**97.10%**	**96.80%**	**95%**

Communications update

Over 40 member engagement events 2024/2025

- one to one appointments
- member presentations
- online and in person

Over 900 members seen

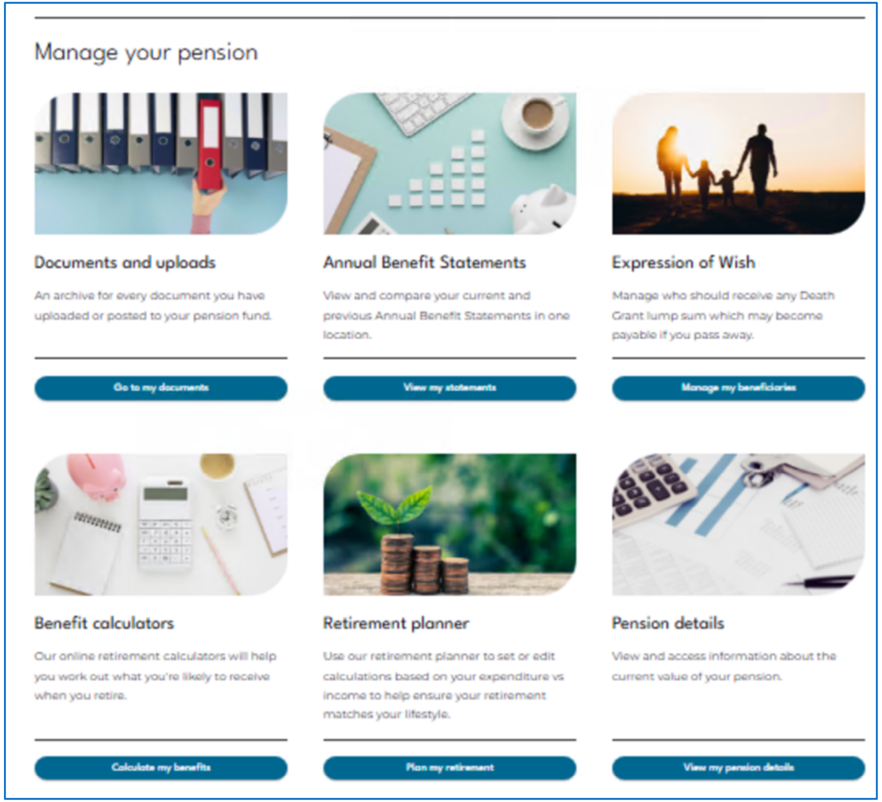
Over 47% of our membership are signed up to our online portal

Launching later this month…

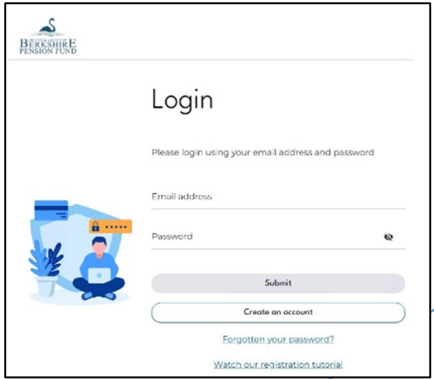
‘Engage’ pension portal

- ✓ User friendly design
- ✓ Enhanced features
- ✓ Retirement planner
- ✓ Benefit calculators
- ✓ Payslips and P60s for retired members

‘Engage’ dashboard



All users will be prompted to ‘**Create an account**’ when logging in for the first time but there is a registration tutorial and guidance notes taking you through the steps.



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BARNETT WADDINGHAM
Part of HOWDEN

Royal County of Berkshire Pension Fund

2025 Actuarial Valuation

Annual Meeting

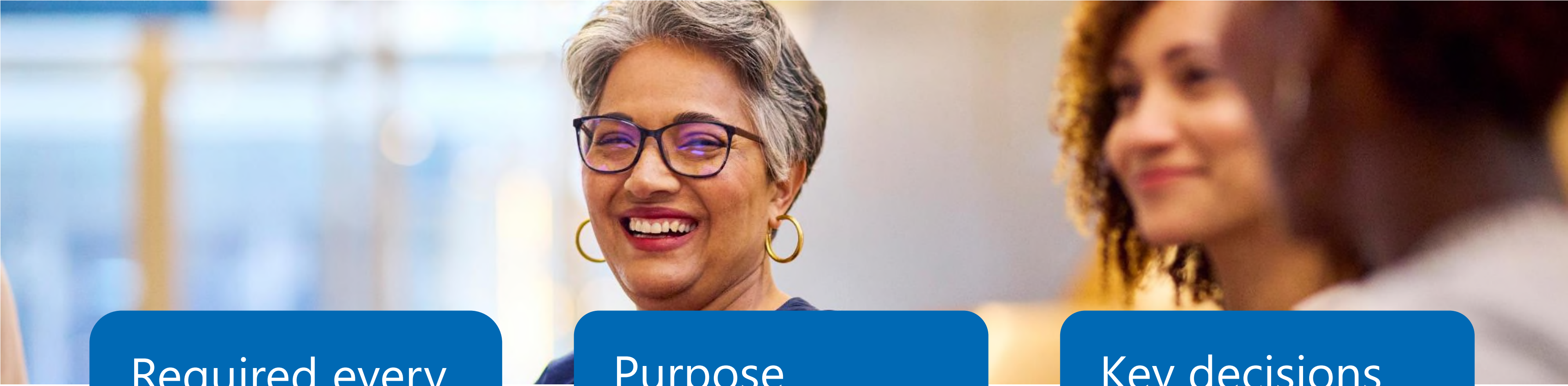
Liam Drysdale FFA
Graeme Cornwell

13 November 2025

What's on the agenda

1. Background to valuations
2. Proposed assumptions
3. Whole Fund results at 31 March 2025
4. Looking ahead

1 Background to valuations



Required every 3 years

- Measurement date of 31 March 2025
- Completed by 31 March 2026
- Applies to all LGPS Funds in England & Wales

Purpose

- ***Set employer contributions***
- Review and set funding strategy
- Assist government benchmarking (Section 13 valuation)

Key decisions

- Set funding strategy
- Determine actuarial assumptions
- Allow for employer-specific circumstances

What is a funding valuation?

Liabilities

- Financial value of pension promises
- Today's value of future pensions from the Fund

Assets

- Long-term investments
- Suitable risk
- Investment return on assets

Employer results

- Employers pooled or standalone
- Tracked separately

Valuing liabilities for each employer

Member data for details of the benefits

Assumptions about future **amount** of benefit

Assumptions about **when** benefits will be paid

Actuary builds **model** and runs (lots of) calculations

Liability for each individual employer, in line with FSS

Valuing assets for each employer

- Assets at the **start** of the period
- Plus **contributions** paid in
- Minus **benefits** paid out
- **Investment** return – gain or loss
- Assets at the **end** of the period

Key outcomes - Employer contribution rates

Primary rate

- Cost of future benefits
- Employer share only
- Membership profile

Secondary rate

- Reflects employer's funding position and individual circumstances
- Surplus/deficit

Total contribution rate

- Primary plus secondary
- Stability objective

2

Proposed assumptions

Impact of increase in financial assumptions

Pension increases (CPI)	• Increases liability for **all members** • All benefit payments are higher
Salary increases	• Increases liability for some **active members** • Final salary benefit payments higher
Discount rate	• Reduces liability for **all members** • Investment return does more work

Assumptions	2025 valuation	2022 valuation
Financial assumptions		
CPI inflation	2.7%	2.9%
Salary increases	3.7%	3.9%
Discount rate	5.3%	5.1%

Proposed mortality assumptions - impact

The resulting life expectancies are set out in the table below. The table sets out the change relating to the updated base mortality assumption as well as the change relating to the updated future changes in mortality assumption.

Life expectancy from age 65 (years)	2022 val	2025 current mortality, 2022 improvements	2025 current mortality, 2025 improvements	Total change frm 2022 to 2025
Male, retiring today, age 65	21.2	21.7	21.7	0.6 years
Female, retiring today, age 65	23.7	23.8	24.0	0.3 years
Male, retiring in 20 years, current age 45	22.5	23.1	23.4	0.8 years
Female, retiring in 20 years, current age 45	25.0	25.1	25.8	0.8 years

No material change

The proposed mortality assumptions results in no material change in the funding position and primary contributions

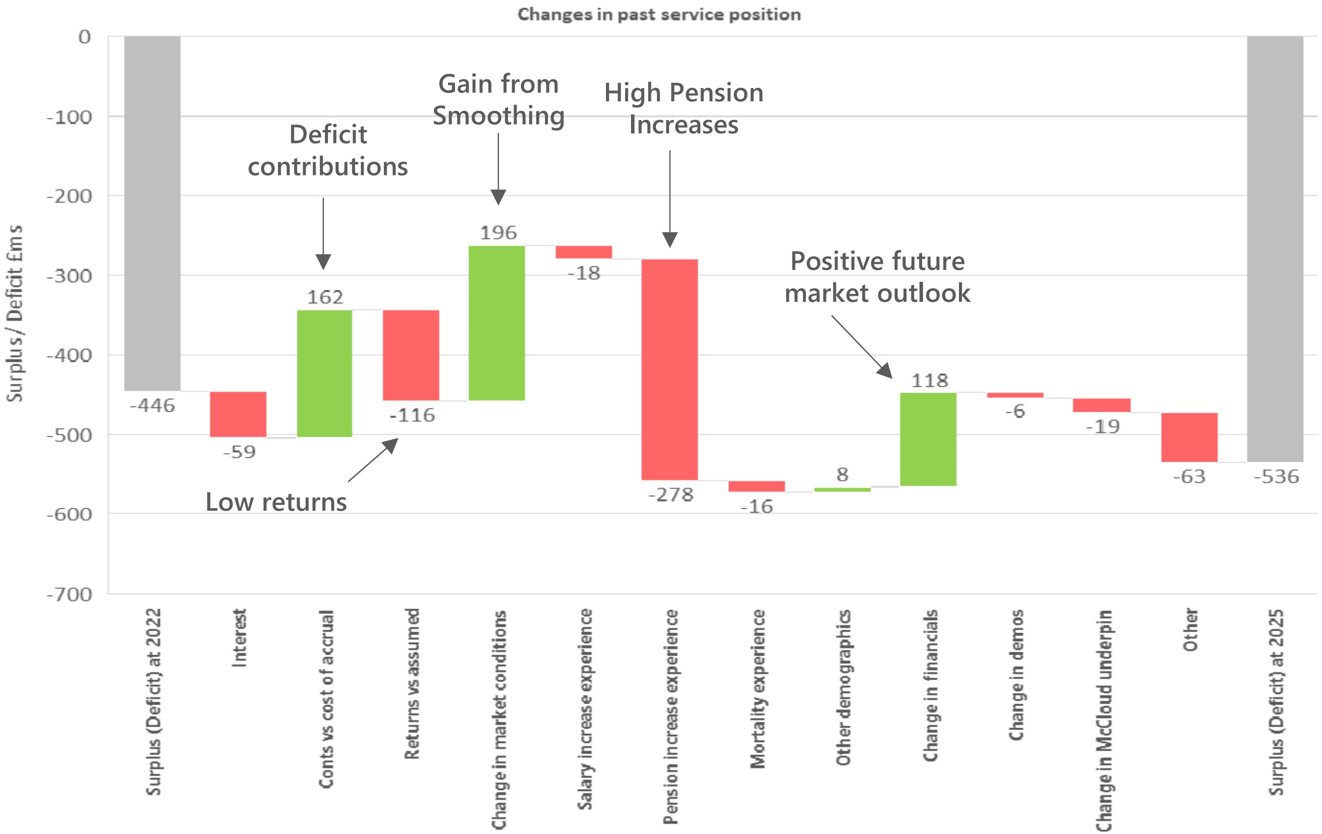
Whole Fund Results at 31 March 2025

3

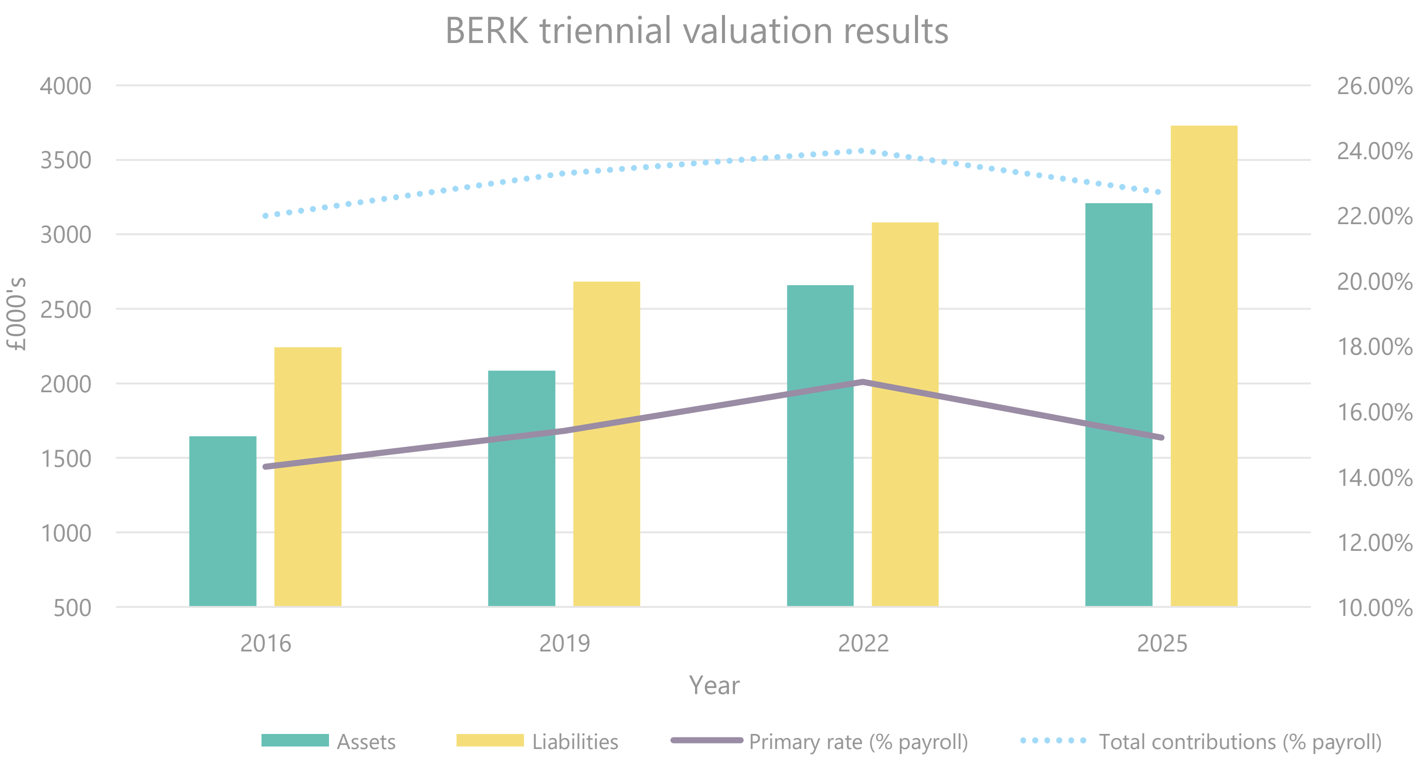
2025 Whole Fund results

Using the proposed assumptions the results of the valuation are set out in the chart below. We have included the funding position at the previous valuation for comparison.

Why has the funding level changed?



Fund triennial valuation progress



2025 primary rate (Whole Fund level)

Decrease in primary rate due to improved future market outlook

Secondary rate not included

Contribution rates will vary by employer

Primary rate	2025 Proposed basis of payroll p.a.	Previous valuation of payroll p.a.
Average total future service rate	21.7%	23.4%
Less average member rate	6.5%	6.5%
Fund primary rate	15.2%	16.9%

Calculating specific employer contribution rates

1. Membership experience

Funding positions differ based on past member experience such as mortality, salary increases, impacting the secondary rate.

Primary rates differ if employers are open/closed and as a result of the average age of the membership.

2. Targeting a different exit basis

On exiting the Fund, employers will be valued on different bases depending on whether they have a guarantor in the Fund.

Employers without a guarantor will be targeting a low-risk basis, and so contributions valued on a more prudent basis.

3. Deficit recovery periods and surplus spreading

Employers in deficit will be required to pay this off over a specified term, depending on the type of employer and their expected end date.

Employers whose funding level is above a certain threshold may receive negative secondary contribution rates, to give back some of that surplus over a specified period.

4. Stability mechanisms reviewed to smooth contribution changes

Stability of contributions is a core principle in the LGPS

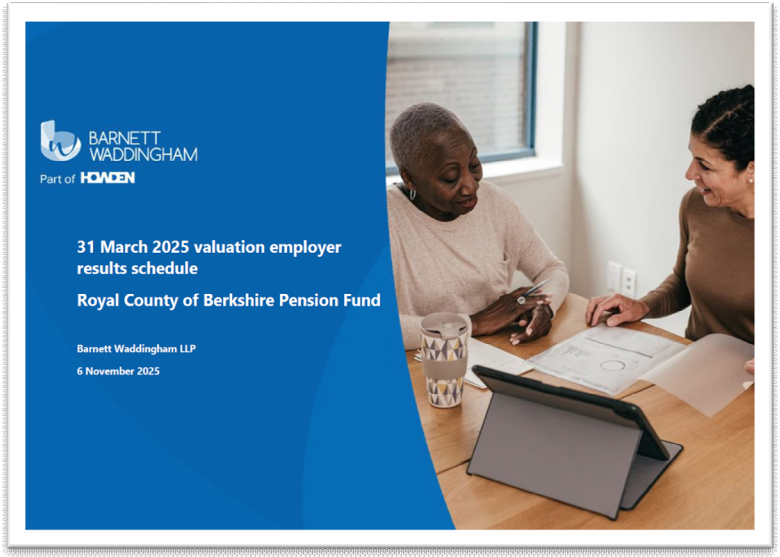
Contribution increases (or decreases) will be phased in to avoid large, short-term changes

Surplus refund parameters reviewed to give further stability in future

Looking ahead

4

Your report



Information included

Your funding position

Your proposed contribution rates from **1 April 2026**

Indicative minimum risk position (if applicable)

Whole fund position

Check the data

Please flag if the data used is not in line with your expectations

Data summary set out in Appendix 1

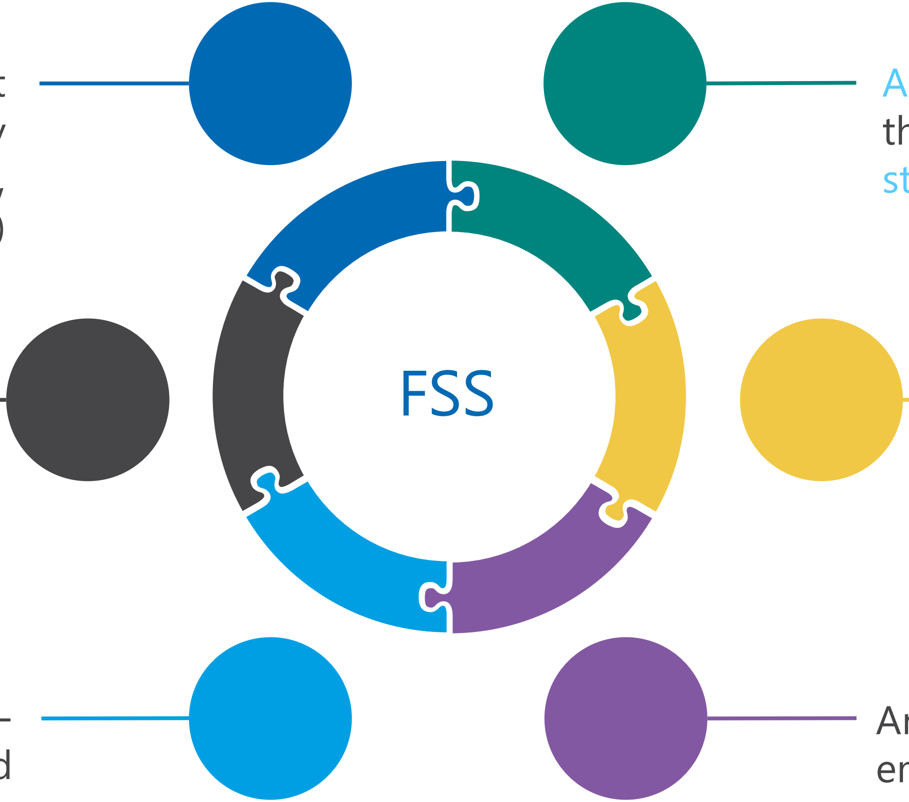
2025 guidance

Guidance for Preparing and maintaining a Funding Strategy Statement (SAB, CIPFA, MHCLG)

What's new/different

- Updated structure with subheadings
- More focus on employer understanding
- Broader focus, incorporating other funding-related policies
- Engagement plan – have your say on the FSS

What should the FSS contain?



Risks which might affect the strategy (investment, regulatory, climate)

Aims and objectives of the FSS and Key stakeholders

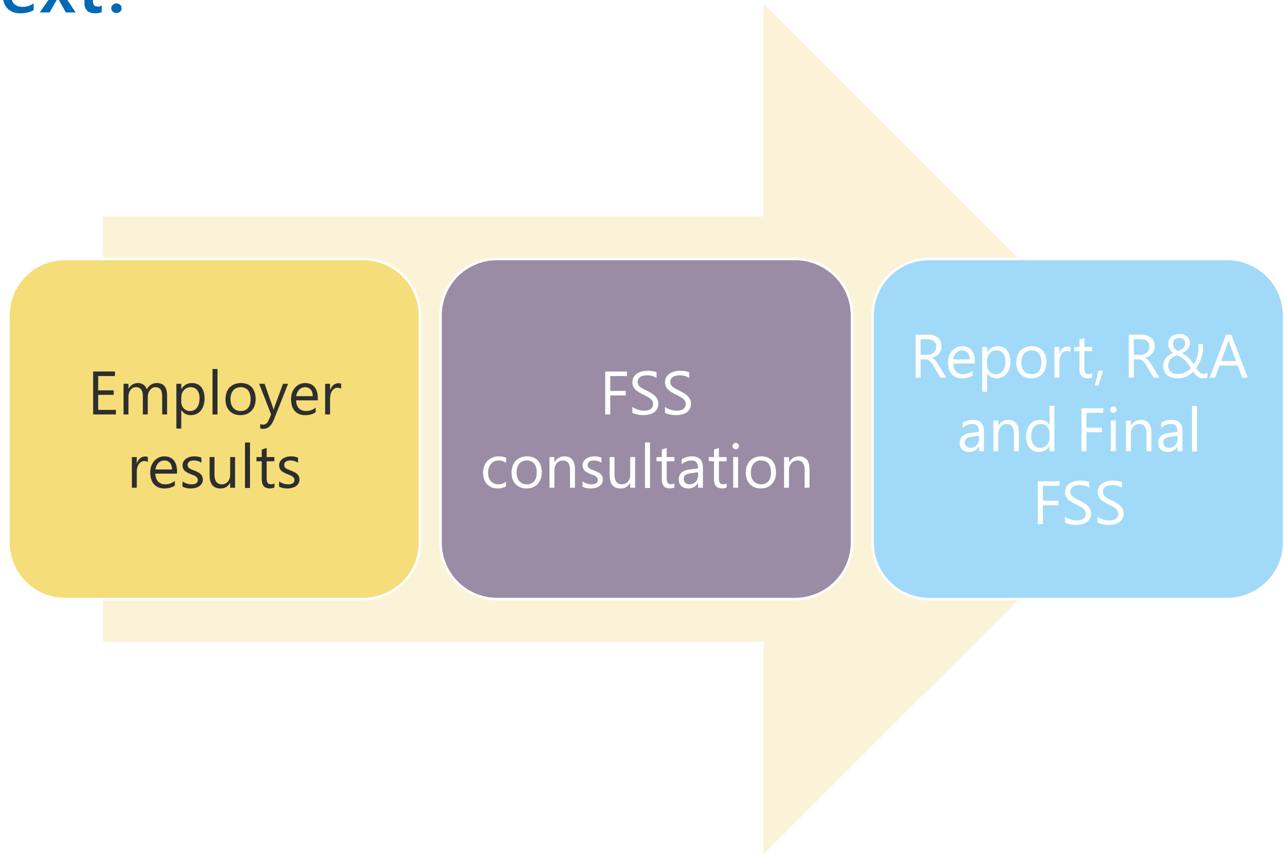
Cessations – how to manage exit deficits and exit credits. DDA/DSAs.

Valuation: How employer contributions are calculated, main actuarial assumptions

New employers - contributions and funding position when joining a fund

Any pooling of employers

What next?



Thank you

Any questions?