

Royal County of Berkshire Pension Fund

Actuarial Valuation as at 31 March 2007 Valuation Report

April 2008

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Royal County of Berkshire Pension Fund – Actuarial Valuation as at 31 March 2007 - Valuation Report

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Dear Andrew

Actuarial Valuation as at 31 March 2007

As instructed we have carried out an actuarial valuation of the Royal County of Berkshire Pension Fund (“the Fund”) as at 31 March 2007.

The valuation is being carried out in accordance with Regulation 77 of the Local Government Pension Scheme Regulations 1997 (“the Regulations”) as amended.

We now have pleasure in presenting our report on the results of the actuarial valuation to the Royal Borough of Windsor and Maidenhead as administering authority to the Fund.

This report has been prepared in accordance with version 8.1 of the guidelines ‘GN9: Funding Defined Benefits - Presentation of Actuarial Advice’ published by the Board for Actuarial Standards. However the following aspects of GN9 are not relevant to LGPS Funds in the current circumstances and we have not reported on them:

- Paragraph 3.4.16 of GN9 requires the actuary to include the certification of technical provision in relation to a valuation under Part 3 of the Pensions Act 2004. As Part 3 of the Pensions Act 2004 does not apply to the LGPS, this report does not comply with paragraph 3.4.16 of GN9; and
- Part 3.5 of GN9 requires the actuary to report on the value of the liabilities that would arise had the Fund wound up on the valuation date (based on the cost of buying out the accrued benefits with insurance policies). As the LGPS is a statutory scheme, there is no regulatory provision for scheme to wind up and the scheme members have a statutory right to their accrued benefits. Therefore the concept of solvency on a buy-out basis does not apply to the LGPS. Accordingly, this report does not comply with part 3.5 of GN9.

Our report is set out in the following sections

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1 Introduction

1.1 Purpose of the Valuation

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

1.2 Previous Valuation

- 1.2.1 The last formal actuarial valuation of the Fund was carried out as at 31 March 2004 by Hymans Robertson LLP and the results of that valuation were set out in the formal valuation report dated March 2005.
- 1.2.2 The results of the formal valuation indicated that the assets of the Fund represented 87% of the accrued liabilities of the Fund. The Total Required Contribution Rate was certified as 15.8% of payroll which equates to 270% of employee contributions which assumed that the past service funding level would be restored over a period of 20 years.
- 1.2.3 A schedule of the certified contribution rates is included in Appendix A.

1.3 Changes to the LGPS

- 1.3.1 There have been numerous changes to the LGPS since the previous valuation, most notably the re-instatement and then subsequent removal of the “Rule of 85” with a different level of protection afforded to older scheme members than was envisaged at the 2004 valuation.
- 1.3.2 Following changes to the tax rules governing pension schemes on 6 April 2006, a change was made allowing retiring scheme members the opportunity to commute pension for additional lump sum – known as “commutation”.
- 1.3.3 However the most significant change has been the introduction of a new scheme from 1 April 2008. On 4 April 2007, the Department for Communities and Local Government (“DCLG”) issued regulations for the LGPS in England and Wales to come into effect from 1 April 2008. Under these regulations, benefits earned after 31 March 2008 will remain final salary benefits but will be payable from 65. Pensions will accrue at 60ths with no separate lump sum accrual although scheme members will be able to exchange pension for lump sum benefits. Benefits earned to 31 March 2008 will be as before.
- 1.3.4 A number of other benefit changes will also come into force along with variable levels of employee contributions. Full details of the benefits under the pre and post 2008 benefit and contribution structure are set out in Appendix G.

1.4 Outstanding Benefit Issues

- 1.4.1 As at the date of this report however there are still a couple of outstanding issues relating to the post 2008 benefit structure.
- 1.4.2 On the 1 October 2007, formal consultation ended on how the 85 year rule protections could be extended.
- 1.4.3 At the time the Government Actuary's Department had estimated that the capital cost of removing the current level of tapered protections between 2016 and 2020 to be in the region of £0.35 billion - £0.40 billion. GAD further estimated that, in payroll terms, this figure equated to some 0.1% of payroll, or in total about £25 million annually, for 20 years.
- 1.4.4 Unfortunately, in light of the consultation, the Minister for Local Government announced on the 13 December 2007 that no final decision had been made on the outcome of the statutory consultation exercise and, instead decided to ask the Local Government Pension Scheme Policy Review Group, with the assistance of GAD, to undertake a fresh costings exercise on the outcome of data from the 2007 LGPS actuarial valuations.
- 1.4.5 It was initially intended that ill health retirement benefits would be based on two tiers, with the option of a third tier being payable directly by the employer.
- 1.4.6 Communities and Local Government decided to review the regulatory provisions governing ill-health retirements, with the formal consultation ending on the 12 January 2008.
- 1.4.7 Our understanding is that Regulations will be made to come into force 1 April 2008, which will provide employers with powers to award benefits for those scheme members who are permanently incapable of their local authority employment but are judged by an Independent Occupational Health Practitioner to be capable of gainful employment within a reasonable period after leaving that employment.
- 1.4.8 3rd tier scheme members will then be entitled to payment of their accrued pension benefits from the Scheme until gainful employment has been secured.
- 1.4.9 As at the date of this report, the final terms of the regulations are still awaited but it is anticipated that the costs of the 3rd tier of ill health benefits will be no more than 0.1% of payroll.
- 1.4.10 In completing our valuation calculations we have built in a margin which equates to 0.1% of payroll to help meet the costs of either of these two potential changes to the post 2008 benefit structure.

2 Valuation Process

2.1 Funding Method

- 2.1.1 Contributions are paid to the Fund by the employing bodies to provide for the benefits which will become payable to Scheme members when they fall due. The funding objectives are to meet the cost of Scheme members' benefits whilst they are working and to build up assets to provide adequate security for the benefits as they accrue.
- 2.1.2 The factors affecting the Fund's finances are constantly changing and so it is necessary for its financial position and the contributions payable to be reviewed, from time to time, by means of an actuarial valuation to check that these objectives are being met.
- 2.1.3 For the purposes of this valuation we have, as in the past, adopted an approach which separately considers the benefits in respect of service completed before the valuation date ("past service") and benefits in respect of service expected to be completed after the valuation date ("future service"). This approach enables us to focus on:-
- The past service funding level of the Fund. This is the ratio of accumulated assets to liabilities in respect of past service after making allowance for future increases to members' pay and pensions in payment. A funding level in excess of 100% indicates a surplus of assets over liabilities; a funding level of less than 100% indicates a deficit.
 - The future service funding rate i.e. the level of contributions required from the employing bodies to support the cost of benefits building up in future.
- 2.1.4 The method we have adopted at this valuation is known as the "Projected Unit Method". The key feature of this method is that in assessing the future service cost we calculate the contribution rate which meets the cost of one year of benefit accrual. This is the same method adopted at the previous valuation and is an appropriate method for a Fund which is open to new members.
- 2.1.5 A full description of the valuation methods adopted at this valuation is set out in Appendix B.
- ### 2.1.6 Valuation Data
- 2.1.7 In our review of the funding position of the Scheme we start with the known facts at the valuation date i.e. the benefit structure, the Fund's membership and the accumulated assets.
- 2.1.8 A summary of the data on which we have based our valuation calculations is set out in Appendix C. We have relied on the accuracy of information supplied by the administering authority.
- 2.1.9 We have been supplied with a copy of the audited accounts as at 31 March 2007.

3 Valuation Assumptions

- 3.1.1 The next step is to formulate assumptions about the factors affecting the Fund's future finances such as inflation, pay increases, investment returns, rates of mortality, early retirement and staff turnover etc.
- 3.1.2 Future levels of pay increases will determine the level of benefits to be paid in future in respect of active members as well as the contributions that will be received by the Fund. Once in payment, pension benefits, in excess of Guaranteed Minimum Pensions (“GMPs”) are linked to the Retail Prices Index through increases granted in line with the Pensions (Increase) Act 1971.
- 3.1.3 The cost of providing for benefits, however, depends not only upon the amount but also the incidence of benefits paid i.e. at what point in the future benefits begin to be paid and, for pension benefits, for how long they continue to be paid.
- 3.1.4 As money is being set aside now to provide for benefits payable in the future i.e. the benefits are being prefunded, then part of the cost of providing the benefits can be met from investment returns achieved by the Fund's assets. These assets build up from contributions paid by scheme members and participating employers to the Fund.
- 3.1.5 The assumptions adopted at the valuation can therefore be considered as:-
- The statistical assumptions which generally provide estimates of the likelihood of benefits and contributions being paid, and,
 - The financial assumptions which determine the estimates of the amount of benefits and contributions payable as well as their current or present value.
- 3.1.6 We examine the assumptions in more detail in the next 2 sections of our report.

3.2 Funding Model

- 3.2.1 At the previous valuation a market related funding model was adopted. Key features of the model are as follows:
- Future levels of price inflation are derived by considering the difference between index-linked gilt and fixed interest gilt yields at the valuation date.
 - Pay increases are assumed to exceed future price inflation.
 - The expected future return from equities is assumed to be a fixed “equity risk premium” over gilt yields.
 - The discount rate used to discount future payments to and from the Fund and so determine the value placed on the liabilities reflects the expected return that will be earned by the actual investment strategy adopted by the Fund.
- 3.2.2 At this valuation we have used a similar funding model. However there are two key differences

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- The expected future return from equities is based on dividend yields at the valuation date in addition to an allowance for real capital growth in asset values. This produces a “dynamic” equity risk premium which moves with market conditions rather than remaining fixed.
- Rather than take “spot” yields and market values of assets at the valuation date we have used smoothed yields and asset values.

3.2.3 The key difference between the two funding models is that the model we have adopted at 2007 will produce more stable funding levels and contribution rates.

4 Financial Assumptions

4.1.1 The derivation of the key financial assumptions adopted at this valuation and how they compared as at the previous valuation are set out below: -

4.2 Future Price Inflation

4.2.1 The base assumption is the future level of price inflation. This is derived by considering the difference in yields from conventional and index linked gilts. The following table shows smoothed bond yields at both valuation dates and the derivation of future inflation derived from gilt yield differentials.

Smoothed Yields	March 2007	March 2004
	% p.a.	% p.a.
Corporate bonds	5.4%	5.5%
Conventional gilt yields	4.7%	4.7%
Index linked gilt yields	1.3%	1.8%
Implied inflation	3.3%	2.9%

4.2.2 Both conventional gilt yields and index linked gilt yields have reduced since the previous valuation date although the “gap” has increased resulting in a higher level of implied inflation.

4.3 Future Pay Inflation.

4.3.1 As benefits are linked to pay levels at retirement, an assumption has to be made about future levels of pay inflation. Historically there has been a close link between price and pay inflation with pay increases in excess of price inflation averaging out at between 1% and 3% per annum depending on economic conditions.

4.3.2 The assumption adopted at the previous valuation was that pay increases, over and above increases due to promotion and other increments (or “salary scales”), would exceed price inflation by 1.5% per annum. We have used the same assumption at this valuation.

4.4 Future Investment Returns/Discount Rate

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

4.4.2 In our view the discount rate adopted should depend on the purpose of the valuation and the overall funding objectives. The regulations require the actuary to adopt methods and assumptions which “produce levels of employer contributions that are as stable

as possible”. Therefore, to help achieve this objective the discount rate should reflect the expected investment return to be achieved from the underlying investment strategy.

- 4.4.3 In determining the assumption to be made in relation to future investment returns it is necessary to consider the investment strategy of the Fund and the resulting expected future return earned by the assets held. The investment strategy of the Fund is to invest the assets in a mix of equities, bonds and property.
- 4.4.4 Redemption yields from bonds (gilts, index-linked gilts and corporate bonds) as set out in the previous table give an indication of the future rates of return expected from these asset classes. There is however no comparable market indicator to derive the market’s expected future return from investing in equities or property.
- 4.4.5 It is however possible to model future returns from equities by deriving an “equity risk premium”. This is effectively the expected return to be earned from equities over and above the returns available from gilts in return for taking on the additional risk of investing in equities rather than gilts.
- 4.4.6 The following table sets out the derivation of the equity risk premium and the expected return from equities at the current and previous valuation date.

Smoothed Equity Returns	March 2007	March 2004
	% p.a.	% p.a.
Equity Risk Premium		
Net equity yield	2.8%	
plus assumed real dividend growth	1.0%	
less real risk free return	1.3%	
Equity Risk Premium	2.5%	2.0%*
Equity Return		
Inflation	3.3%	2.9%
plus risk free real return	1.3%	1.8%
plus equity risk premium	2.5%	2.0%
Equity Return	7.1%	6.7%

* a fixed equity risk premium of 2% was adopted at 2004

- 4.4.7 It would also be possible to derive the expected future return from property in the same way. However as property is not held in the same proportion as equities and property might be expected to return somewhere between gilts and equities, we have assumed that the return from property is the same as the expected return from corporate bonds.
- 4.4.8 The discount rate is then the weighted average of future expected returns from the various asset classes based on the overall asset strategy adopted by the Fund.

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4.4.9 In summary therefore we have adopted the following assumptions.

Financial Assumptions	March 2007		March 2004	
	% p.a.	Real % p.a.	% p.a.	Real % p.a.
Investment Return				
Equities	7.1%	3.8%	6.7%	3.8%
Gilts	4.7%	1.4%	4.7%	1.8%
Bonds & Property	5.4%	2.1%	5.1%	2.2%
Discount Rate	6.6%	3.3%	6.3%	3.4%
Pay Increases	4.8%	1.5%	4.4%	1.5%
Price Inflation/Pension Increases	3.3%		2.9%	

4.4.10 The discount rate in real terms has reduced since the previous valuation. Further details are included in Appendix D.

4.5 Intervaluation Experience

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

Financial Experience	Actual	Assumed	Difference
	% p.a.	% p.a.	% p.a.
Investment Return	13.9%	6.3%	7.6%
Estimated Pay Increases	4.8%	4.4%	0.4%
Price Inflation/Pension Increases	3.1%	2.9%	0.2%

4.5.2 The principal conclusions are:

- Investment returns achieved were better than expected.
- Pension increases were slightly higher than the assumption made at the previous valuation.
- Pay increases were also higher than assumed at the previous valuation in nominal terms.

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

5 Demographic Experience and Assumptions

5.1 Statistical Experience – Active Members

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

Active Membership Movements	Actual Number	Assumed Number	Difference %
Early Leavers			
Contribution refunds	940		
Deferred benefits	4,758		
Transfers out	6		
Total	5,704	3,566.9	60%
Deaths in Service	46	59.8	(23%)
Retirements			
Ill health	91	282.7	(68%)
Age	593	593.0	-
Voluntary	18		
Redundancy	200		
Efficiency	35		
Total	937	876	7%

5.1.2 There were significantly more early leavers than assumed and fewer ill-health retirements than assumed which had a positive impact on the financial position of the Fund.

5.1.3 The key difference in terms of financial significance was in relation to the incidence of ill health retirements. Arguably there could be scope to reduce the assumption going forward. However given the changes to the rules for ill health retirement from 2008 we have not made any changes to our assumptions at this valuation but of course will monitor to position at future valuations.

5.2 Pensioner Mortality

- 5.2.1 Mortality investigations over the last few years have concluded that the population across the UK is living longer and that this improvement will continue at a faster rate than seen in the past. Our analysis of LGPS pensioner longevity over the course of the last 20 years or so confirms that pensioners are living longer although experience does vary across the country and from fund to fund.
- 5.2.2 The following table sets out the actual and expected mortality of pensioners during the intervaluation period. We have compared the actual and assumed number of deaths by “lives” and also by the amount of pension ceasing (by “amounts”).

Pensioner Deaths	Pensioners	Dependants	Total
By Number			
Actual	723	344	1,067
Assumed	540.8	266.3	807
% Difference	33.7%	29.2%	32.2%
By Amount of Pension			
	£(000)	£(000)	£(000)
Actual	3,140	688	3,828
Assumed	2,372.2	648	3,020
% Difference	32.4%	6.2%	26.7%

- 5.2.3 Analysis by number of pensioner deaths and indeed more importantly by the amount of pension ceasing, shows the number of pensioners and dependants dying or pension ceasing during the intervaluation period was greater than the number expected on the 2004 assumptions
- 5.2.4 We have also analysed the mortality experience in each intervaluation year to identify any trends:

Year	Ave Age of Death	Ave Term of Pension (Yrs)	Num Deaths
2004/2005	78.6	17.4	256
2005/2006	80.7	19.5	281
2006/2007	79.6	18.2	186
Average	79.7	18.4	241

- 5.2.5 The average age at death was age 80 and pensions were in payment for an average of 18.4 years.
- 5.2.6 In terms of any trends, there does not appear to be any obvious trends. A three-year period tends not to be a long enough period to determine any long term trends. However national studies over longer periods suggest that average age at death and the average time a pension is in payment is increasing.

5.3 Pensioner Mortality Assumptions

- 5.3.1 From our analysis we can conclude that overall the mortality experience during the intervaluation period had a positive financial impact in that more pensioners died and more pension ceased to be paid compared to the assumptions adopted at the previous valuation.
- 5.3.2 However there is evidence to suggest that the pace of improvement in longevity continues and so there could be a case to amend the assumptions adopted at this valuation to allow for a continuation of improvements in mortality going forward. However there is no need to increase the assumptions significantly based on past experience.
- 5.3.3 We have therefore assumed that current pensioners will follow the mortality experience underlying the PA92 tables projected to 2007 and then assumed that pensioners will experience the mortality of someone 2 years younger than they actually are.
- 5.3.4 For active members and deferred benefits members who will become pensioners at some stage in the future we have adopted the PA92 tables projected to calendar year 2017 with a minus 2 year age adjustment.
- 5.3.5 We have then also assumed a further improvement of 10% in longevity so that the tables adopted are 90% of the PA92 tables with calendar year of projection to 2007 for existing pensioners and 2017 for scheme members still to retire, both with a minus 2 year age adjustment.

6 Valuation Results

6.1 Past Service Position

The following table sets out the past service position and required contribution rate for the Fund as a whole.

Past Service Funding Position		£(000)
Asset Value		1,491,911
Past Service Liabilities		
Active Members	665,602	
Deferred Pensioners	260,756	
Pensioners	566,432	
Value of Scheme Liabilities		1,492,790
Surplus (Deficit)		(879)
Funding Level		99.9%
Contribution Rates		% of payroll
Future Service Total		21.3%
less average employee contribution rate		(6.5%)
Employer		14.8%
Deficit Contribution (20 years)		-
Total Employer Contribution Rate		14.8%
Employer Contribution (% of employee ctbns)		225%

6.2 Reconciliation of Past Service Position

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

Change in Past Service Position			
	£(000)	£(000)	£(000)
Surplus(Deficit) at 31 March 2004			(146,000)
Benefits Accrued	(181,688)		
Settlements/Curtailments	(4,436)		
Contributions Paid	168,559		
Deficit Funded (Use of Surplus)		(17,565)	
Expected Return on Assets	(206,293)		
Actual Return on Assets	472,912		
Change in Market Conditions	(62,148)		
Financial Gain(Loss)		204,472	
Salary Increases	(7,329)		
Pension Increases	(5,165)		
Membership Movements	37,401		
Experience		24,907	
Change in demographic assumptions		(34,205)	
Interest Cost		(32,486)	
Surplus(Deficit) at 31 March 2007			(879)

6.3 Sensitivity Analysis

6.3.1 We have also completed calculations to project the results of the 2010 valuation assuming

- All assumptions are borne out in practice
- Investment returns are only 50% of anticipated
- Investment returns are 150% of expected.

6.3.2 The results are set out in the following table

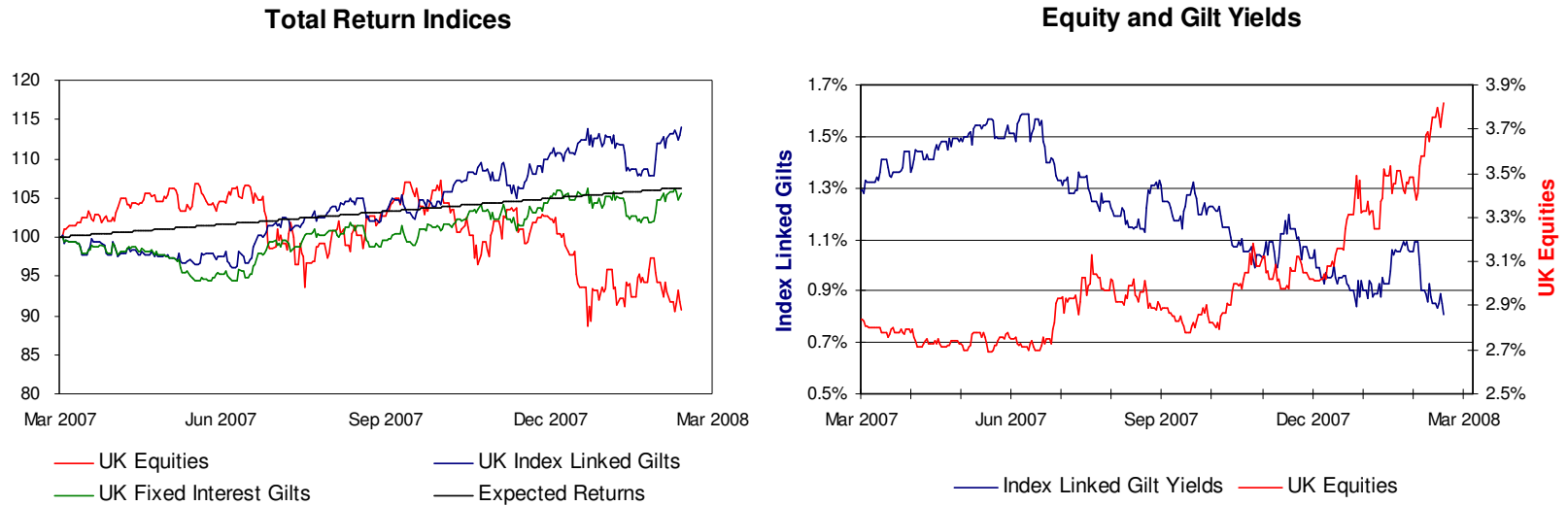
Investment Returns (% of expected)	50%		100%		150%	
Valuation Date	31 March 2007	31 March 2010	31 March 2010	31 March 2010	31 March 2010	31 March 2010
Funding Level	100%	91%	100%	110%		
Employer Contribution - % of payroll	14.8%	16.3%	14.8%	13.2%		
Increase/(decrease) - % of payroll		1.5%	-	(1.6%)		
Increase/(decrease) - relative		10%	-	(11%)		

6.3.3 As we see, if investment returns are as expected, then the required level of contribution at 2010 is expected to remain stable. However pension costs could change by around +/- 10% (or +/- 1.5% of payroll) under the other scenarios considered.

6.3.4 We have also considered what the position as at 31 March 2007 would be if we were to assume a further 10% improvement in mortality. The effect would be to reduce the funding level by around 2% and increase the ongoing employer contribution rate by around 0.3% of payroll.

6.4 Post Valuation Events

6.4.1 Since the valuation date there has been considerable volatility in both bond and equity markets. The following charts plot the change in UK equity and gilt markets together with changes in equity dividend yields and index linked gilt yields.

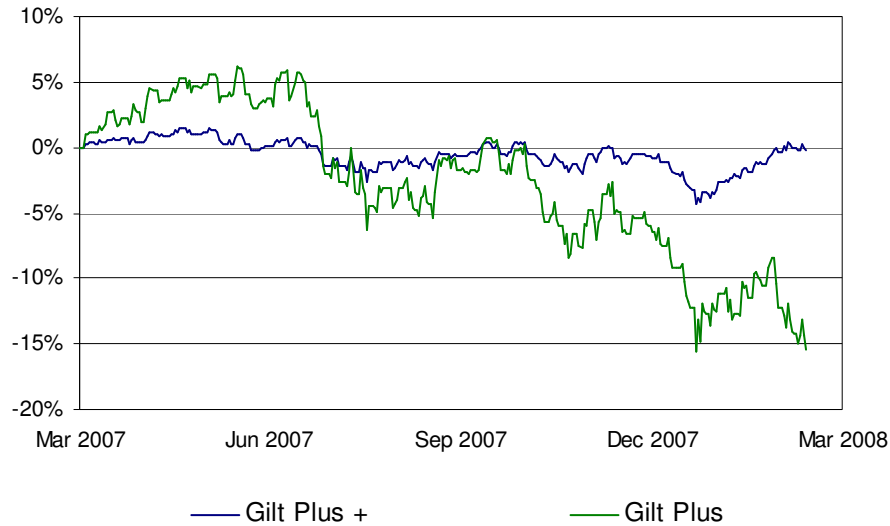


6.4.2 As we see, equity and bond markets have moved in very different directions. Current asset values are likely to be well below what was projected/assumed at the valuation date. Current liability values are also likely to be very different to what was projected/assumed due to changes in yields.

6.4.3 The change in liability values will depend on the underlying funding model and how discount rates are derived. A model which derives the discount rate as a fixed amount over gilt yields (a “Gilts Plus” model) will have seen a dramatic increase in liability values as index linked gilt yields have reduced and coupled with the underperformance of assets is likely to mean a significant reduction in funding level.

6.4.4 Our own funding model incorporates a “dynamic equity risk premium” which also takes into account changes in equity dividend yields – our “Gilts Plus +” model. The next chart shows the expected change in funding level under both a “Gilts Plus” model and our own “Gilts Plus +” model.

Change in Funding Levels



6.4.5 As we see under our own “Gilts Plus +” model the funding level is estimated to be relatively unchanged since the valuation date as the underperformance of assets has been offset by a reduction in liability values.

7 Comments and Conclusions

7.1.1 As anticipated, the overall funding level as at 31 March 2007 has increased since 31 March 2004.

7.1.2 This is due to a combination of factors as follows:

- The actual rate of investment return that was achieved by the Fund being greater than was assumed at the previous valuation, plus,
- The planned amount of deficit funded via employers contributions, less,
- The reduction in discount rates reflecting a reduction in yields.

7.1.3 However in terms of overall cost, this has been offset by an increase in the cost of ongoing accrual of benefits, due to the change in market conditions, allowance for mortality improvements and the introduction of the new scheme in 2008 as follows.

Ongoing Costs - % of payroll		
As at 2004		12.4%
Change in market conditions	2.5%	
Changes in Regulations	(1.3%)	
Change in mortality assumptions	1.2%	
As at 2008		14.8%

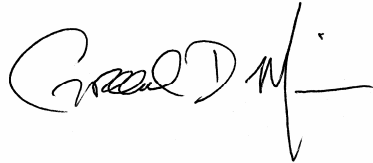
7.1.4 The contribution rates that we have certified have been set to fund each employer’s share of the deficiency in the Fund over the next 20 years. Given the statutory nature and strength of covenant of the employers participating in the Fund we believe this approach represents an appropriate balance of prudence and affordability and is consistent with the funding objectives set out in the Funding Strategy Statement.

7.1.5 The certified contribution rates for each employer are set out in our certificate in Appendix F. These contribution rates make allowance for the changes to the Regulations that will come into effect on 1 April 2008.

7.1.6 New Employers joining the Fund

- 7.1.7 We would recommend that any new small employers or admitted bodies joining the Fund with no previous interest in the Fund should pay an employer's contribution of 14.5% of payroll plus the capital costs of any early retirements based on our advice and using methods and factors issued by us from time to time.
- 7.1.8 Any employing bodies joining the Fund where they have
- had a previous interest in the Fund, or,
 - where the number of active members is significant,
- should be referred to us for individual calculation as to the required level of contribution.
- 7.1.9 Any employing bodies joining the Fund where there is an expectation of a bulk transfer from outside the Fund should be referred to us but initially should pay a contribution of 14.5% of payroll subject to any subsequent adjustment as a result of any bulk transfer payment.
- 7.1.10 Any employer who ceases to participate in the Fund should be referred to us in accordance with Regulation 78.

Yours faithfully



Graeme D Muir FFA



Alison Hamilton FFA

Appendix A – 2004 Contribution Schedule

Below we have set out the Statement of Certified Contributions included in the 2004 valuation report.

The Common Rate of Contribution payable by each employing authority under Regulation 77 for the period 1 April 2005 to 31 March 2008 is 15.8% of pensionable pay.

Individual Adjustments required under Regulation 77 for the period 1 April 2005 to 31 March 2008 resulting in Minimum Total Contribution Rates expressed as a percentage of pensionable pay are as set out below:-

CODE	EMPLOYER	FUNDING POOL	% payroll for year to:		
			31 March 2006	31 March 2007	31 March 2008
SCHEDULED BODIES - UNITARY AUTHORITIES & ASSOCIATED EMPLOYERS					
2	Bracknell Forest Borough Council	Bracknell Forest Borough Council	11.7%	13.7%	15.7%
49	Binfield Parish Council	Bracknell Forest Borough Council	11.7%	13.7%	15.7%
9	Bracknell Town Council	Bracknell Forest Borough Council	11.7%	13.7%	15.7%
42	Winkfield Parish Council	Bracknell Forest Borough Council	11.7%	13.7%	15.7%
3	Royal Borough of Windsor & Maidenhead	Royal Borough of Windsor & Maidenhead	10.1%	12.1%	14.1%
118	Bray Parish Council	Royal Borough of Windsor & Maidenhead	10.1%	12.1%	14.1%
45	Eton Town Council	Royal Borough of Windsor & Maidenhead	10.1%	12.1%	14.1%
51	Cox Green Parish Council	Royal Borough of Windsor & Maidenhead	10.1%	12.1%	14.1%
18	Sunningdale Parish Council	Royal Borough of Windsor & Maidenhead	10.1%	12.1%	14.1%
19	Sunninghill & Ascot Parish Council	Royal Borough of Windsor & Maidenhead	10.1%	12.1%	14.1%
69	Desborough School	Royal Borough of Windsor & Maidenhead	10.1%	12.1%	14.1%
4	West Berkshire Council	West Berkshire Council	11.5%	13.5%	15.5%
88	Newbury Town Council	West Berkshire Council	11.5%	13.5%	15.5%
11	Thatcham Town Council	West Berkshire Council	11.5%	13.5%	15.5%
20	Tilehurst Parish Council	West Berkshire Council	11.5%	13.5%	15.5%
65	Denefield School	West Berkshire Council	11.5%	13.5%	15.5%
63	St Bartholomew's School	West Berkshire Council	11.5%	13.5%	15.5%
75	The Downs School	West Berkshire Council	11.5%	13.5%	15.5%
5	Reading Borough Council	Reading Borough Council	11.7%	13.2%	14.7%
66	Blessed Hugh Faringdon RC School	Reading Borough Council	11.7%	13.2%	14.7%
86	Kendrick School	Reading Borough Council	11.7%	13.2%	14.7%

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CODE	EMPLOYER	FUNDING POOL	% payroll for year to:		
			31 March 2006	31 March 2007	31 March 2008
76	Prospect Technology College	Reading Borough Council	11.7%	13.2%	14.7%
67	Reading School	Reading Borough Council	11.7%	13.2%	14.7%
68	Reading Girls School	Reading Borough Council	11.7%	13.2%	14.7%
6	Slough Borough Council	Slough Borough Council	11.3%	13.3%	15.3%
14	Britwell Parish Council	Slough Borough Council	11.3%	13.3%	15.3%
74	Castleview School	Slough Borough Council	11.3%	13.3%	15.3%
60	Cippenham Middle School	Slough Borough Council	11.3%	13.3%	15.3%
70	Herschel Grammar School	Slough Borough Council	11.3%	13.3%	15.3%
61	Holy Family RC School	Slough Borough Council	11.3%	13.3%	15.3%
71	Langley Grammar School	Slough Borough Council	11.3%	13.3%	15.3%
91	Lynch Hill School	Slough Borough Council	11.3%	13.3%	15.3%
	Pippins School	Slough Borough Council	11.3%	13.3%	15.3%
62	Priory School	Slough Borough Council	11.3%	13.3%	15.3%
71	Slough Grammar School	Slough Borough Council	11.3%	13.3%	15.3%
77	The Westgate School	Slough Borough Council	11.3%	13.3%	15.3%
7	Wokingham District Council	Wokingham District Council	10.0%	12.0%	14.0%
97	Barkham Parish Council	Wokingham District Council	10.0%	12.0%	14.0%
117	Finchampstead Parish Council	Wokingham District Council	10.0%	12.0%	14.0%
96	Shinfield Parish Council	Wokingham District Council	10.0%	12.0%	14.0%
52	Swallowfield Parish Council	Wokingham District Council	10.0%	12.0%	14.0%
12	Wokingham Town Council	Wokingham District Council	10.0%	12.0%	14.0%
21	Woodley Town Council	Wokingham District Council	10.0%	12.0%	14.0%
73	Whitelocke School	Wokingham District Council	10.0%	12.0%	14.0%
OTHER SCHEDULED BODIES					
90	Royal Berkshire Fire & Rescue Service (Clerical)	Royal Berkshire Fire & Rescue Service (Clerical)	15.7%	17.0%	17.0%
106	Thames Valley Probation Board	Thames Valley Probation Board	16.6%	16.6%	16.6%
25	Thames Valley Valuation Tribunal Group	Thames Valley Valuation Tribunal Group	14.0%	15.6%	15.6%
ADMITTED BODIES					
26	Age Concern Berkshire	Admitted Bodies	15.6%	15.6%	15.6%
38	Association of South East Colleges	Admitted Bodies	15.6%	15.6%	15.6%
23	Berkshire County Blind Society	Admitted Bodies	15.6%	15.6%	15.6%
82	Berkshire Disability Information Network (BDIN)	Admitted Bodies	15.6%	15.6%	15.6%
95	Berkshire Young Musicians Trust	Admitted Bodies	15.6%	15.6%	15.6%
59	CfBT Advice & Guidance	Admitted Bodies	15.6%	15.6%	15.6%

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CODE	EMPLOYER	FUNDING POOL	% payroll for year to:		
			31 March 2006	31 March 2007	31 March 2008
81	East Berkshire MIND	Admitted Bodies	15.6%	15.6%	15.6%
28	Elizabeth Fry Hostel	Admitted Bodies	15.6%	15.6%	15.6%
102	Fernhill Care Limited	Admitted Bodies	15.6%	15.6%	15.6%
30	Mary Hare Grammar School	Admitted Bodies	15.6%	15.6%	15.6%
105	Parents & Children Together	Admitted Bodies	15.6%	15.6%	15.6%
40	Reading Voluntary Action Company Limited	Admitted Bodies	15.6%	15.6%	15.6%
35	School of St Helen & St Katharine Trust	Admitted Bodies	15.6%	15.6%	15.6%
99	Shinfield Park Day Nursery	Admitted Bodies	15.6%	15.6%	15.6%
103	Slough Community Leisure Limited	Admitted Bodies	15.6%	15.6%	15.6%
37	Slough Council For Voluntary Service	Admitted Bodies	15.6%	15.6%	15.6%
98	Woodley Age Concern	Admitted Bodies	15.6%	15.6%	15.6%
COLLEGES					
58	Berkshire College of Agriculture	Berkshire College of Agriculture	14.5%	15.4%	16.3%
55	Bracknell & Wokingham College	Bracknell & Wokingham College	14.5%	15.4%	16.3%
57	East Berkshire College	East Berkshire College	14.5%	15.4%	16.3%
53	Newbury College	Newbury College	14.5%	15.4%	16.3%
54	Reading College & School of Arts & Design	Reading College & School of Arts & Design	14.5%	15.4%	16.3%
46	Thames Valley University	Thames Valley University	14.5%	15.4%	16.3%
HOUSING ASSOCIATIONS					
104	Housing Solutions Limited	Housing Associations	16.2%	16.9%	17.4%
79	Maidenhead & District Housing Association	Housing Associations	16.2%	16.9%	17.4%
83	New Support Options Limited	Housing Associations	16.2%	16.9%	17.4%
84	Turnstone Support Limited	Housing Associations	16.2%	16.9%	17.4%
80	Windsor & District Housing Association	Housing Associations	16.2%	16.9%	17.4%
TRANSFEEE ADMISSION BODIES					
109	Amey (BPO Services) Limited	Amey (BPO Services) Limited	12.4%		
116	Apetito Limited	Apetito Limited	18.2%	18.2%	18.2%
108	Berkshire Connexions Partnership	Berkshire Connexions Partnership	14.0%	14.0%	14.0%
112	Central Parking Systems	Central Parking Systems	22.5%	22.5%	22.5%
110	Fox IT Limited	Fox IT Limited	13.5%	13.5%	13.5%
114	Holroyd Howe Limited	Holroyd Howe Limited	15.7%	15.7%	15.7%
107	Interserve (Facilities Services Slough) Limited	Interserve (Facilities Services Slough) Limited	13.0%	13.0%	13.0%
115	MITIE PFI Limited	MITIE PFI Limited	16.7%	16.7%	16.7%
113	Northgate Information Solutions Limited	Northgate Information Solutions Limited	14.5%	14.5%	14.5%

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CODE	EMPLOYER	FUNDING POOL	% payroll for year to:		
			31 March 2006	31 March 2007	31 March 2008
111	Slough Accord Limited	Slough Accord Limited	16.6%	16.6%	16.6%
CLOSED EMPLOYERS					
100	Corn Exchange Trust	Corn Exchange Trust	14.3%	14.3%	14.3%
94	Day Centre At William Street	Day Centre At William Street	14.3%	14.3%	14.3%
44	Reading Transport Limited	Reading Transport Limited	8.2%	10.2%	12.2%
39	South Hill Park Trust Limited	South Hill Park Trust Limited	14.3%	14.3%	14.3%
48	Sovereign Housing Association	Sovereign Housing Association	10.4%	12.4%	14.4%
Additional Annual Payments					
44	Reading Transport Limited	Reading Transport Limited	£96,000	£99,000	£103,000
39	South Hill Park Trust Limited	South Hill Park Trust Limited	£18,000	£18,000	£19,600
48	Sovereign Housing Association	Sovereign Housing Association	£95,000	£99,200	£103,500

Appendix B – Valuation Method

Valuation of Liabilities

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

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

Past Service Funding Level

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

Future Service Funding Rate

The first stage is to calculate the value of benefits accruing to existing active members in the future, by reference to projected pay as at the date of retirement or earlier exit. In the valuation we consider the benefits accruing in the year following the valuation date. The value of benefits accruing in the year following the valuation date is then expressed as a percentage of payroll over the same period having first deducted the equivalent contribution paid by the active members.

The method described above results in a stable, long term contribution rate over time, if the assumptions adopted are borne out in practice and there is a steady flow of new entrants to the Fund. If the admission of new entrants is such that the average age of the membership profile increases then the contribution rate calculated at future valuations would be expected to increase.

Overall Result

Any past service surplus or deficiency if significant can be used to offset against the contribution rate payable by the employing bodies over the period following the valuation date.

Name of Method

The method described above is known as the Projected Unit Method of valuation.

Valuation of Assets

Assets have been valued at a 6 month smoothed market value straddling the valuation date. Where additional contributions to fund previous early retirement costs are due to the Fund at the valuation date we have included these as an asset of the Fund.

Appendix C – Valuation Data

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

Active Members	Number		Actual Pensionable Pay £ (000)		Average £	
	2007	2004	2007	2004	2007	2004
Full Time						
Males	3,540	3,700	103,510	94,779	29,240	25,616
Females	5,061	5,002	127,700	110,558	25,232	22,103
Part Time						
Males	684	550	7,320	5,173	10,702	9,405
Females	8,008	6,559	79,047	58,374	9,871	8,900
Total	17,293	15,811	317,578	268,884	18,365	17,006

Pensioners	Number		Annual Pensions £ (000)		Average £	
	2007	2004	2007	2004	2007	2004
Males	3,758	3,661	23,627	21,185	6,287	5,787
Females	4,662	3,806	13,850	10,496	2,971	2,758
Dependants	1,647	1,591	4,105	3,359	2,492	2,111
Total	10,067	9,058	41,581	35,040	4,130	3,868

Deferred Pensioners (incl "undecideds")	Number		Annual Pensions £ (000)		Average £	
	2007	2004	2007	2004	2007	2004
Males	4,483	3,644	8,695	7,466	1,940	2,049
Females	10,795	7,657	10,383	7,920	962	1,034
Total	15,278	11,301	19,078	15,386	1,249	1,361

Notes

1. 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.
2. Annual pensions are funded items only include pension increases up to and including the 2007 PI Order.
3. Pensionable pay is actual earnings.

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Details of the assets held at the valuation date and accounts are as follows.

Assets at This Valuation		31 March 2007		31 March 2004	
		£(000)	%	£(000)	%
UK Equities	621,021	42%	430,445	44%	
Overseas Equities	325,092	22%	209,415	22%	
UK Fixed Interest Gilts	55,629	4%	12,257	1%	
Corporate Bonds	-	-	69,609	7%	
UK Index Linked Gilts	80,236	5%	53,998	6%	
Overseas Bonds	58,497	4%	17,188	2%	
Property	144,426	10%	93,983	10%	
Unit Trusts	122,034	8%	-	-	
Private Equity	-	-	-	-	
Cash	-	-	74,352	8%	
Net Current Assets	81,554	5%	7,152	1%	
TOTAL	1,488,489	100%	968,399	100%	

Revenue Accounts	Year to	March 2007 £ (000)	March 2006 £ (000)	March 2005 £ (000)	TOTAL £ (000)
EXPENDITURE	Retirement Pensions	40,033	37,852	35,681	113,566
	Retirement Lump Sums	9,294	7,230	5,650	22,174
	Death Benefits	-	-	-	-
	Leavers benefits	9,372	14,275	12,293	35,940
	Admin/Investment Expenses	4,193	4,353	3,656	12,202
	Other Expenditure	-	-	-	-
		62,892	63,710	57,280	183,882
TOTAL					
INCOME	Employees Ctbns	19,552	18,548	17,300	55,400
	Employers Ctbns	46,302	37,333	29,524	113,159
	Transfer Values	12,943	19,996	19,465	52,404
	Investment Income	41,361	36,570	33,097	111,028
	Other Income	-	-	-	-
		120,158	112,447	99,386	331,991
Fund Value		£ (000)	£ (000)	£ (000)	£ (000)
Assets at Start of Year		1,372,608	1,088,993	968,399	968,399
Cashflow		57,266	48,737	42,106	148,109
Change in value		54,615	238,878	74,488	367,981
Assets at End of Year		1,484,489	1,376,608	1,084,993	1,484,489
Annual Returns					
Approx Rate of Return		6.7%	24.9%	10.8%	13.9%

Appendix D – Actuarial Assumptions

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

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

Financial Assumptions

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

Price Inflation

In formulating a set of financial assumptions, the base point is the expected level of future price inflation.

In a market related valuation the approach is to consider the difference in yields available from index-linked gilts and traditional gilts as at the valuation date. This effectively tells us what the market's expectations are for long term inflation.

At the current and previous valuation dates the yields were as follows:-

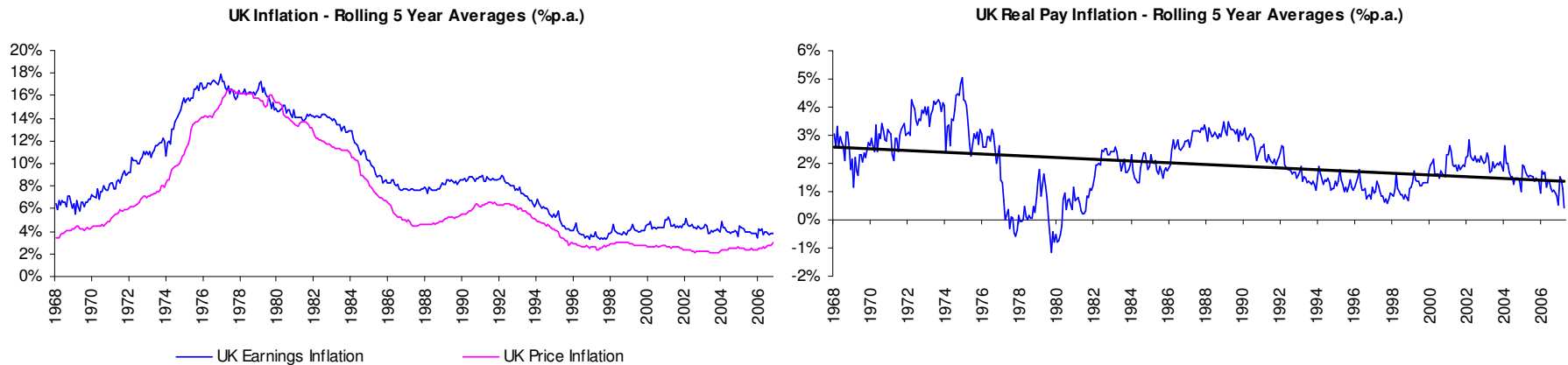
Smoothed Yields	March 2007	March 2004
	% p.a.	% p.a.
Corporate bonds	5.4%	5.5%
Conventional gilt yields	4.7%	4.7%
Index linked gilt yields	1.3%	1.8%
Implied inflation	3.3%	2.9%

Pay Increases

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

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

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The trend has been that real pay increases have been around 1% to 3% per annum although as overall levels of inflation have reduced so too has the level of real pay growth.

Investment Returns

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

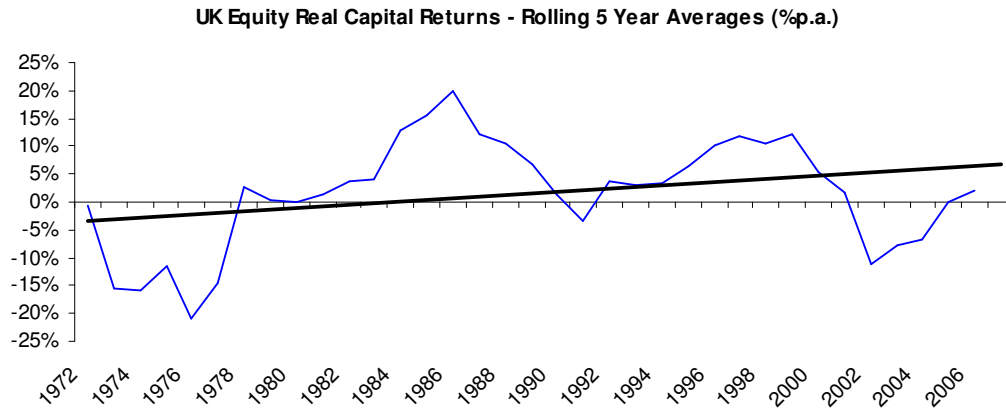
Redemption yields from gilts give an indication of the market's expectations of long term interest rates and so some indication about future risk free rates of return. There is however no comparable market indicator to derive the market's expected future return from investing in equities at any particular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

It is generally accepted however that the expected future return from investing in equities should exceed that available from investing in gilts. This extra expected return is known as the equity risk premium. By comparing yields from gilts and equities it is possible to derive the equity risk premium.

The real return to be earned in future from equities from current market levels will be the current net dividend yield plus future real growth in dividends which in the long term equate to underlying dividend growth..

The next chart shows the long term capital return in real terms over the last 35 years or so which has averaged out at around 2 per cent per annum although there have been prolonged periods when the real capital returns have been significantly different to this average.

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For the purposes of the valuation therefore we have assumed that real capital returns/dividend growth will be 1.0% per annum. The derivation of the equity risk premium and the assumption regarding future equity returns were therefore as follows:-

Smoothed Equity Returns	March 2007 % p.a.	March 2004 % p.a.
Equity Risk Premium		
Net equity yield	2.8%	
plus assumed real dividend growth	1.0%	
less real risk free return	1.3%	
Equity Risk Premium	2.5%	2.0%*
Equity Return		
Inflation	3.3%	2.9%
plus risk free real return	1.3%	1.8%
plus equity risk premium	2.5%	2.0%
Equity Return	7.1%	6.7%

* a fixed equity risk premium of 2% was adopted at 2004

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It would also be possible to derive the expected future return from property in the same way. However as property is not held in the same proportion as equities and property might be expected to return somewhere between gilts and equities, we have assumed that the return from property is the same as the expected return from corporate bonds.

The discount rate is then the weighted average of future expected returns from the various asset classes based on the overall asset strategy that is adopted by the Fund.

In summary therefore we have adopted the following assumptions.

Financial Assumptions	March 2007		March 2004	
	% p.a.	Real % p.a.	% p.a.	Real % p.a.
Investment Return				
Equities	7.1%	3.8%	6.7%	3.8%
Gilts	4.7%	1.4%	4.7%	1.8%
Bonds & Property	5.4%	2.1%	5.1%	2.2%
Discount Rate	6.6%	3.3%	6.3%	3.4%
Pay Increases	4.8%	1.5%	4.4%	1.5%
Price Inflation/Pension Increases	3.3%		2.9%	

Statistical Assumptions

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

Sample rates are shown in the following tables: -

Age	Incidence per 1000 active members per annum							Salary Scales				
	Males			Females				Males		Females		
	Death	Ill Health	Withdrawal	Death	Ill Health	Withdrawal	FT	PT	FT	PT		
20	0.50	0.0	0.1	400	0.20	0.1	0.10	400	100	100	100	100
25	0.40	0.1	0.6	360	0.20	0.1	0.43	360	123	100	114	100
30	0.30	0.1	1.5	264	0.30	0.3	0.80	264	146	100	126	100
35	0.50	0.3	2.4	184	0.50	0.5	1.18	184	166	100	134	100
40	0.90	0.5	3.3	108	0.60	0.8	1.63	108	183	100	137	100
45	1.30	0.9	4.5	48	0.80	1.2	2.28	48	194	100	137	100
50	2.50	1.6	6.0	0	1.40	2.2	4.05	0	199	100	137	100
55	4.30	3.5	9.0	0	2.20	4.2	7.55	0	199	100	137	100
60	6.90	7.4	14.4	0	3.10	8.5	12.23	0	199	100	137	100
64	11.10	13.2	21.9	0	4.00	11.5	13.98	0	199	100	137	100

Other assumptions		
Age Retirements	Benefits accrued prior to 1 April 2008: It is assumed that active members will retire at age 60 or when they would first satisfy the rule of 85 if later, no later than 65	
	Benefits accrued after 31 March 2008: It is assumed that active members will retire at age 65 of if they would reach age 60 by 2016 then as for benefits accrued prior to 1 April 2008.	
Pensioner Mortality	Prospective Pensioners	90% of PxA92 c2017 less 2 years
	Prospective Ill Health Pensioners	90% of PxA92 c2017 + 4 years
	Current Pensioners	90% of PxA92 c2007 less 2 years
Probability of partners pension coming into payment (including a loading for dependants benefits)		90%
Partner Age Difference	Males are assumed to be 3 years older than their partners	
Commutation	It is assumed that members at retirement will commute pension to provide a lump sum of 50% * (3/80ths lump sum + HMRC maximum lump sum) at a rate of £12 of lump sum for £1 of pension.	
Ill health tiers	It is assumed that 15% of ill health retirements will be eligible for benefits based on full prospective service and 85% will qualify for a service enhancement of 25% of prospective service.	

Appendix E – Individual Employer Data as at 31 March 2007

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay £ (000)	Average £	Number	Annual Pensions £ (000)	Average £	Number	Annual Pensions £ (000)	Average £
Age Concern Berkshire	26	6	92	15,358	3	10	3,358	6	5	884
Age Concern Bracknell	50	-	-	-	1	2	2,002	-	-	-
Amey BPO Services Ltd	109	1	6	6,097	24	98	4,067	81	170	2,103
Apetito Ltd	116	-	-	-	2	1	680	1	2	1,658
Association of South East Colleges	38	7	142	20,316	8	50	6,260	7	9	1,347
Barkham Parish Council	97	1	6	5,984	-	-	-	-	-	-
Berks Archaeological Trust Ltd	22	-	-	-	-	-	-	-	-	-
Berks Coll. of Art + Design	56	-	-	-	8	23	2,884	3	7	2,247
Berks College Of Agriculture	58	94	1,550	16,493	23	43	1,860	127	90	706
Berks Fire & Rescue Service	90	130	3,112	23,940	27	135	4,994	46	86	1,869
Berks Probation Service	89	-	-	-	26	112	4,299	26	66	2,531
Berks Young Musician Trust	95	16	320	19,970	3	7	2,486	8	22	2,715
Berkshire Connexions Partnership	108	153	3,420	22,350	4	30	7,380	34	41	1,201
Berkshire County Blind Society	23	4	56	14,091	3	6	1,900	2	2	1,193
Berkshire County Council	1	2	19	9,433	3,639	13,531	3,718	3,400	3,514	1,034
Berkshire Disability Information Network	82	1	13	13,408	-	-	-	-	-	-
Berkshire Valuation Tribunal	25	4	86	21,567	4	22	5,548	4	15	3,745
Binfield Parish Council	49	2	19	9,486	-	-	-	1	4	3,945
Bracknell & Wokingham College	55	177	2,573	14,536	58	92	1,579	103	54	523
Bracknell District	2	2,211	40,907	18,502	683	3,042	4,453	1,502	1,844	1,228
Bracknell Parish Council	13	-	-	-	-	-	-	-	-	-
Bracknell Town Council	9	17	326	19,176	16	69	4,283	16	12	769
Bray Parish Council	118	1	18	18,420	-	-	-	-	-	-
Britwell Parish Council	14	-	-	-	3	2	666	2	1	457
Castleview Combined	74	20	204	10,219	2	2	968	10	4	395

Royal County of Berkshire Pension Fund – Actuarial Valuation as at 31 March 2007 - Valuation Report

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£ (000)	£		£ (000)	£		£ (000)	£
Central Parking Systems	112	3	77	25,793	-	-	-	-	-	-
Cfbt Berks Careers Guidance	59	18	514	28,543	37	163	4,410	64	126	1,976
Cippenham Middle School	60	13	176	13,526	-	-	-	3	2	679
Commission For New Towns	8	-	-	-	56	289	5,169	4	3	825
Cookham Parish Council	15	-	-	-	2	2	1,047	-	-	-
Corn Exchange Trust	100	10	176	17,562	-	-	-	10	15	1,456
Cox Green Parish Council	51	1	27	27,492	-	-	-	1	0	327
Crowthorne Parish Council	125	3	42	13,986	-	-	-	-	-	-
Datchet Parish Council	16	-	-	-	-	-	-	-	-	-
Day Centre at William Street	94	-	-	-	-	-	-	2	4	1,768
Denefield School	65	43	556	12,920	9	29	3,224	46	16	350
Desborough School	69	8	149	18,621	5	15	3,098	10	8	834
Didcot Parish Council	17	-	-	-	-	-	-	-	-	-
E&W Joint Golf Course Comm.	27	-	-	-	1	2	2,138	1	1	730
Early Town Council	10	17	326	19,180	9	54	5,986	5	4	723
East Berkshire College	57	155	3,150	20,321	77	215	2,791	231	233	1,010
Elizabeth Fry Hostel	28	4	119	29,651	1	8	7,948	11	15	1,352
Emmbrook School	-	-	-	-	-	-	-	-	-	-
Eton Town Council	45	-	-	-	-	-	-	-	-	-
Farley Hill School	-	-	-	-	-	-	-	-	-	-
Fernhill Care Ltd	102	-	-	-	2	5	2,368	-	-	-
Finchampstead Parish Council	117	2	14	7,066	-	-	-	-	-	-
Fitzpatrick	9,999	-	-	-	-	-	-	-	-	-
Fox IT Ltd	110	42	804	19,136	4	12	2,890	4	12	3,001
Greenwich Leisure Limited	128	39	512	13,131	-	-	-	1	4	3,587
Herschel Grammar School	70	24	448	18,686	1	2	2,429	17	11	629
Highdown School	-	-	-	-	-	-	-	-	-	-
Holroyd Howe Ltd	114	1	9	8,614	-	-	-	1	1	1,128
Holt School	-	-	-	-	-	-	-	-	-	-
Holy Family Combined	61	6	121	20,186	3	5	1,662	4	3	734
Housing Solutions Ltd	104	25	834	33,364	2	18	8,905	10	18	1,789
Hugh Farringdon	66	20	283	14,129	4	4	947	13	9	678

Royal County of Berkshire Pension Fund – Actuarial Valuation as at 31 March 2007 - Valuation Report

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£ (000)	£		£ (000)	£		£ (000)	£
Interserve (Facilities Services Slough) Ltd	107	60	1,226	20,428	16	86	5,366	74	174	2,349
James Elliman	-	-	-	-	-	-	-	-	-	-
John Madejski Academy	126	32	498	15,567	-	-	-	6	3	540
Johnson Controls Systems Ltd	101	-	-	-	-	-	-	1	1	902
Kendrick School	86	21	307	14,611	3	7	2,376	16	6	392
Langley Grammar School	71	21	356	16,941	1	4	3,785	6	12	2,018
Lifetime Training Solutions	92	-	-	-	2	1	686	2	5	2,327
Lynch Hill Combined	91	12	206	17,183	-	-	-	3	4	1,258
Magistrates Courts Committee	85	-	-	-	-	-	-	-	-	-
Maidenhead Housing Association	79	76	2,048	26,946	31	210	6,783	65	103	1,578
Manor Lodge Hostel	29	-	-	-	2	13	6,514	1	1	670
Mary Hare Grammar School	30	67	1,337	19,960	21	75	3,586	53	63	1,184
MIND in Bracknell	81	3	62	20,582	-	-	-	32	24	735
MITIE	115	3	63	21,153	2	5	2,361	-	-	-
Montem Junior School	-	-	-	-	-	-	-	-	-	-
National Car Parks Limited	130	4	92	23,076	-	-	-	-	-	-
National Police Court Mission	31	-	-	-	-	-	-	-	-	-
New Support Options Team	83	14	375	26,752	8	20	2,536	20	49	2,470
Newbury College	53	89	1,263	14,186	33	59	1,799	105	69	659
Newbury Town Council	88	10	214	21,356	3	9	3,142	4	4	1,034
Northgate Information Solutions	113	6	193	32,146	-	-	-	2	17	8,263
Oxford Diocesan Coun.for Deaf	32	-	-	-	3	10	3,205	2	1	577
Parents and Children Together	105	45	716	15,906	2	10	5,182	25	17	661
People 1st (ALMO)	124	59	1,503	25,481	4	17	4,151	6	9	1,520
Pippins	-	-	-	-	-	-	-	-	-	-
Pippins School - Slough	119	9	72	8,031	2	4	1,893	1	1	1,111
Priory Combined	62	8	115	14,376	2	8	4,053	10	9	878
Prospect Technology College	76	37	607	16,412	8	14	1,799	12	6	482
RBWM	3	2,473	45,064	18,222	830	3,635	4,380	1,898	2,353	1,240
Reading Borough	5	2,697	54,268	20,122	1,446	6,250	4,323	1,860	2,679	1,440
Reading College of Technology	54	205	3,902	19,035	90	199	2,209	208	204	980
Reading Girls School	68	24	414	17,235	3	3	865	7	3	468

Royal County of Berkshire Pension Fund – Actuarial Valuation as at 31 March 2007 - Valuation Report

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£ (000)	£		£ (000)	£		£ (000)	£
Reading School	67	22	371	16,846	6	18	2,966	8	16	1,980
Reading Transport Ltd	44	68	1,763	25,928	161	805	5,002	44	153	3,470
Reading Voluntary Action Co Ltd	40	9	172	19,141	-	-	-	5	10	1,906
Ryvers School	87	25	215	8,585	5	7	1,379	14	9	633
S.E. Centre for the Built Environment	121	4	164	41,023	-	-	-	-	-	-
School of St Helen & St Katherine	35	39	651	16,688	14	37	2,609	10	6	618
SE Berks EBP	123	1	19	19,107	-	-	-	3	1	364
Shinfield Parish Council	96	2	32	16,083	-	-	-	1	0	82
Shinfield Park Day Nursery	99	-	-	-	-	-	-	1	1	1,164
Slough & Eton School	-	-	-	-	-	-	-	-	-	-
Slough Accord plc	111	1	27	26,858	1	9	8,558	6	21	3,442
Slough Borough	6	1,858	36,948	19,886	920	4,407	4,791	1,571	2,303	1,466
Slough Cmnty Transport/Shopmobility	93	1	29	29,230	-	-	-	-	-	-
Slough Community Centre Trust	36	-	-	-	2	5	2,459	-	-	-
Slough Community Leisure Ltd	103	68	1,233	18,135	1	2	1,972	45	36	792
Slough Council for Voluntary Service	24	-	-	-	-	-	-	-	-	-
Slough Council of Vol. Service	37	7	159	22,759	8	26	3,279	4	2	446
Slough Grammar (Upton)	72	16	285	17,805	3	1	174	8	4	516
South Hill Park Trust	39	9	194	21,568	7	22	3,136	13	23	1,750
Sovereign Housing Association	48	23	699	30,403	54	457	8,456	13	53	4,075
St Bartholomew's School	63	27	344	12,735	11	28	2,562	14	8	597
St Benedicts School	33	-	-	-	-	-	-	-	-	-
St Bernards Convent	-	-	-	-	-	-	-	-	-	-
St Crispins Sports Centre	34	-	-	-	-	-	-	2	4	2,012
Stratfield Mortimer Parish Council	120	1	22	22,429	-	-	-	-	-	-
Sunningdale Parish Council	18	1	21	20,800	1	0	281	1	3	2,803
Sunninghill Parish Council	19	1	6	5,682	2	7	3,266	2	1	445
Swallowfield Parish Council	52	3	39	13,155	-	-	-	-	-	-
Thames Valley Probation Group	106	623	13,413	21,530	102	603	5,917	284	378	1,332
Thames Valley University	46	140	3,693	26,379	105	375	3,575	121	172	1,421
Thatcham Town Council	11	5	112	22,488	6	23	3,878	8	4	451
The Downs School	75	10	139	13,890	2	1	712	8	7	815

Royal County of Berkshire Pension Fund – Actuarial Valuation as at 31 March 2007 - Valuation Report

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay £ (000)	Average £	Number	Annual Pensions £ (000)	Average £	Number	Annual Pensions £ (000)	Average £
Theale Parish Council	47	-	-	-	-	-	-	-	-	-
Tilehurst Parish Council	20	2	55	27,311	1	22	21,794	-	-	-
Turnpike School	64	-	-	-	3	4	1,456	2	2	1,086
Turnstone Support	84	6	150	25,081	3	10	3,302	6	24	3,980
Employer 913	913	-	-	-	2	1	742	-	-	-
Employer 963	963	-	-	-	3	8	2,783	-	-	-
Waingels School	-	-	-	-	-	-	-	-	-	-
Wargrave Parish Council	43	-	-	-	-	-	-	1	1	917
West Berkshire D.C.	4	2,596	41,782	16,095	624	2,763	4,428	1,469	1,790	1,218
Western House School	-	-	-	-	-	-	-	-	-	-
Westgate School	77	22	319	14,521	6	13	2,220	12	3	271
Westminster College	41	-	-	-	41	153	3,724	32	34	1,064
Wexham Court Parish Council	122	2	11	5,516	-	-	-	-	-	-
White Waltham Parish Council	127	-	-	-	-	-	-	-	-	-
Whitelocke Infant	73	3	35	11,641	3	10	3,314	4	3	781
William Penn School	-	-	-	-	-	-	-	-	-	-
Windsor Housing Association	80	19	521	27,409	23	100	4,337	22	77	3,507
Winkfield Parish Council	42	7	118	16,848	3	8	2,692	5	7	1,494
Winnersh Parish Council	129	-	-	-	-	-	-	-	-	-
Wokingham District	7	2,368	36,898	15,582	649	2,780	4,283	1,271	1,645	1,295
Wokingham Town Council	12	15	259	17,258	15	54	3,629	9	7	748
Woodley Age Concern	98	4	86	21,426	-	-	-	3	1	344
Woodley Town Council	21	29	486	16,773	12	60	4,986	19	21	1,130
Totals		17,325	17,325	18,274	17,325	17,325	18,274	17,325	17,325	18,274

Appendix F – Rates and Adjustments Certificate

Andrew Brooker
Head of Finance
Royal Borough of Windsor & Maidenhead
Town Hall
St Ives Road
MAIDENHEAD
SL6 1RF

Dear Sirs

On your instruction, we have made an actuarial valuation of the Royal County of Berkshire Pension Fund (“the Fund”) as at 31 March 2007.

In accordance with Regulation 77 of the Local Government Pension Scheme Regulations 1997 we have made an assessment of the contributions which should be paid to the Pension Fund by the employing authorities as from 1 April 2008 in order to maintain the solvency of the Fund.

The required contribution rates are set out in the attached statement.

Yours faithfully



Graeme D Muir
Fellow of the Faculty of Actuaries

Statement to the Rates and Adjustments Certificate

The Common Rate of Contribution payable by each employing authority under Regulation 77 for the period 1 April 2008 to 31 March 2011 is 14.8% of payroll.

Individual Adjustments payable by each employing authority under Regulation 77 for the period 1 April 2008 to 31 March 2011 resulting in Minimum Total Contribution Rates comprising the Future Service Contribution Rate and the Deficit Contribution are as set out below: -

Employer	Funding Pool	CPX Code	Certified Rate 2008/09	Certified Rate 2009/10	Certified Rate 2010/11	Additional Monetary Amount
Royal Borough of Windsor & Maidenhead	Royal Borough of Windsor & Maidenhead	3	14.7%	14.7%	14.7%	
Bray Parish Council	Royal Borough of Windsor & Maidenhead	118	14.7%	14.7%	14.7%	
Cox Green Parish Council	Royal Borough of Windsor & Maidenhead	51	14.7%	14.7%	14.7%	
Desborough School	Royal Borough of Windsor & Maidenhead	69	14.7%	14.7%	14.7%	
Sunningdale Parish Council	Royal Borough of Windsor & Maidenhead	18	14.7%	14.7%	14.7%	
Sunninghill Parish Council	Royal Borough of Windsor & Maidenhead	19	14.7%	14.7%	14.7%	
White Waltham Parish Council	Royal Borough of Windsor & Maidenhead	127	14.7%	14.7%	14.7%	
Bracknell Forest Borough Council	Bracknell Forest Borough Council	2	15.5%	15.5%	15.5%	
Binfield Parish Council	Bracknell Forest Borough Council	49	15.5%	15.5%	15.5%	
Bracknell Town Council	Bracknell Forest Borough Council	9	15.5%	15.5%	15.5%	
South Hill Park Trust	Bracknell Forest Borough Council	39	15.5%	15.5%	15.5%	
Winkfield Parish Council	Bracknell Forest Borough Council	42	15.5%	15.5%	15.5%	
Crowthorne Parish Council	Bracknell Forest Borough Council	125	15.5%	15.5%	15.5%	
Reading Borough	Reading Borough Council	5	14.7%	14.7%	14.7%	
Blessed Hugh Faringdon Catholic School	Reading Borough Council	66	14.7%	14.7%	14.7%	
John Madejski Academy	Reading Borough Council	126	14.7%	14.7%	14.7%	
Kendrick School	Reading Borough Council	86	14.7%	14.7%	14.7%	
Prospect Technology College	Reading Borough Council	76	14.7%	14.7%	14.7%	
Reading Girls School	Reading Borough Council	68	14.7%	14.7%	14.7%	
Reading School	Reading Borough Council	67	14.7%	14.7%	14.7%	
Slough Borough	Slough Borough Council	6	15.3%	15.3%	15.3%	
Castleview Combined	Slough Borough Council	74	15.3%	15.3%	15.3%	

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Employer	Funding Pool	CPX Code	Certified Rate 2008/09	Certified Rate 2009/10	Certified Rate 2010/11	Additional Monetary Amount
Cippenham Middle School	Slough Borough Council	60	15.3%	15.3%	15.3%	
Herschel Grammar School	Slough Borough Council	70	15.3%	15.3%	15.3%	
Holy Family Combined	Slough Borough Council	61	15.3%	15.3%	15.3%	
Langley Grammar School	Slough Borough Council	71	15.3%	15.3%	15.3%	
Lynch Hill Combined	Slough Borough Council	91	15.3%	15.3%	15.3%	
Pippins School - Slough	Slough Borough Council	119	15.3%	15.3%	15.3%	
Priory Combined	Slough Borough Council	62	15.3%	15.3%	15.3%	
Ryvers School	Slough Borough Council	87	15.3%	15.3%	15.3%	
Slough Grammar (Upton)	Slough Borough Council	72	15.3%	15.3%	15.3%	
Westgate School	Slough Borough Council	77	15.3%	15.3%	15.3%	
Wexham Court Parish Council	Slough Borough Council	122	15.3%	15.3%	15.3%	
West Berkshire D.C.	West Berkshire District Council	4	14.8%	15.0%	15.2%	
Denefield School	West Berkshire District Council	65	14.8%	15.0%	15.2%	
Thatcham Town Council	West Berkshire District Council	11	14.8%	15.0%	15.2%	
The Downs School	West Berkshire District Council	75	14.8%	15.0%	15.2%	
Newbury Town Council	West Berkshire District Council	88	14.8%	15.0%	15.2%	
St Bartholomew's School	West Berkshire District Council	63	14.8%	15.0%	15.2%	
Stratfield Mortimer Parish Council	West Berkshire District Council	120	14.8%	15.0%	15.2%	
Tilehurst Parish Council	West Berkshire District Council	20	14.8%	15.0%	15.2%	
Thames Valley Valuation Tribunal Group	West Berkshire District Council	25	15.6%	15.6%	15.6%	
Wokingham Borough Council	Wokingham Borough Council	7	14.5%	15.0%	15.3%	
Barkham Parish Council	Wokingham Borough Council	97	14.5%	15.0%	15.3%	
Earley Town Council	Wokingham Borough Council	10	14.5%	15.0%	15.3%	
Finchampstead Parish Council	Wokingham Borough Council	117	14.5%	15.0%	15.3%	
Shinfield Parish Council	Wokingham Borough Council	96	14.5%	15.0%	15.3%	
Swallowfield Parish Council	Wokingham Borough Council	52	14.5%	15.0%	15.3%	
Whitelocke Infant	Wokingham Borough Council	73	14.5%	15.0%	15.3%	
Winnersh Parish Council	Wokingham Borough Council	129	14.5%	15.0%	15.3%	
Wokingham Town Council	Wokingham Borough Council	12	14.5%	15.0%	15.3%	
Woodley Town Council	Wokingham Borough Council	21	14.5%	15.0%	15.3%	

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Employer	Funding Pool	CPX Code	Certified Rate 2008/09	Certified Rate 2009/10	Certified Rate 2010/11	Additional Monetary Amount
Berks Fire & Rescue Service	Berks Fire & Rescue Service	90	17.0%	17.0%	17.0%	
Berks College of Agriculture	Colleges	58	15.2%	15.2%	15.2%	
Bracknell & Wokingham College	Colleges	55	15.2%	15.2%	15.2%	
East Berkshire College	Colleges	57	15.2%	15.2%	15.2%	
Newbury College	Colleges	53	15.2%	15.2%	15.2%	
Thames Valley University - Reading	Colleges	54	15.2%	15.2%	15.2%	
Thames Valley University - Slough	Colleges	46	15.2%	15.2%	15.2%	
Maidenhead Housing Association	Housing Associations	79	17.5%	17.5%	17.5%	
New Support Options Team	Housing Associations	83	17.5%	17.5%	17.5%	
Turnstone Support	Housing Associations	84	17.5%	17.5%	17.5%	
Windsor Housing Association	Housing Associations	80	17.5%	17.5%	17.5%	
Age Concern Berkshire	Admitted Bodies	26	15.6%	15.6%	15.6%	
Association of South East Colleges	Admitted Bodies	38	15.6%	15.6%	15.6%	
Berkshire Maestros	Admitted Bodies	95	15.6%	15.6%	15.6%	
Berkshire County Blind Society	Admitted Bodies	23	15.6%	15.6%	15.6%	
Berkshire Disability Information Network	Admitted Bodies	82	15.6%	15.6%	15.6%	
Elizabeth Fry Hostel	Admitted Bodies	28	15.6%	15.6%	15.6%	
Fernhill Care Ltd	Admitted Bodies	102	15.6%	15.6%	15.6%	
East Berkshire MIND	Admitted Bodies	81	15.6%	15.6%	15.6%	
Parents and Children Together	Admitted Bodies	105	15.6%	15.6%	15.6%	
Reading Voluntary Action Co Ltd	Admitted Bodies	40	15.6%	15.6%	15.6%	
School of St Helen & St Katherine	Admitted Bodies	35	15.6%	15.6%	15.6%	
Slough Community Transport/Shopmobility	Admitted Bodies	93	15.6%	15.6%	15.6%	
Slough Council for Voluntary Service	Admitted Bodies	37	15.6%	15.6%	15.6%	
Woodley Age Concern	Admitted Bodies	98	15.6%	15.6%	15.6%	
Mary Hare Grammar School	Admitted Bodies	30	15.6%	15.6%	15.6%	
Housing Solutions Ltd	Admitted Bodies	104	15.6%	15.6%	15.6%	
Slough Community Leisure Ltd	Admitted Bodies	103	15.6%	15.6%	15.6%	

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Employer	Funding Pool	CPX Code	Certified Rate 2008/09	Certified Rate 2009/10	Certified Rate 2010/11	Additional Monetary Amount
S.E. Centre for the Built Environment	Admitted Bodies	121	15.6%	15.6%	15.6%	
South East Berkshire EBP	Admitted Bodies	123	15.6%	15.6%	15.6%	
Thames Valley Probation Group	TVPB	106	14.0%	14.0%	14.0%	
Berkshire Connexions Partnership	CFBT and Connexions	108	14.0%	14.0%	14.0%	
Cfbt Berks Careers Guidance	CFBT and Connexions	59	15.6%	15.6%	15.6%	
APCOA Parking Services Ltd	APCOA Parking Services Ltd	112	20.0%	20.0%	20.0%	
Fitzpatrick	Fitzpatrick	9999	24.4%	24.4%	24.4%	
Greenwich Leisure Limited	Greenwich Leisure Limited	128	16.0%	16.0%	16.0%	
Interserve (Facilities Services Slough) Ltd	Interserve (Facilities Services Slough) Ltd	107	13.0%	13.0%	13.0%	
Holroyd Howe Ltd	MITIE	114	15.7%	15.7%	15.7%	
MITIE	MITIE	115	16.7%	16.7%	16.7%	
National Car Parks Limited	National Car Parks Limited	130	19.2%	19.2%	19.2%	
Northgate Information Solutions	Northgate Information Solutions	113	14.5%	14.5%	14.5%	
People 1st (ALMO)	People 1st (ALMO)	124	16.9%	16.9%	16.9%	
Slough Accord plc	Slough Accord plc	110	16.6%	16.6%	16.6%	
Closed Employers						
Corn Exchange Trust	Corn Exchange Trust	100	14.3%	14.3%	14.3%	
Reading Transport Ltd	Reading Transport Ltd	44	18.7%	19.7%	20.7%	£2.0k pa
Sovereign Housing Association	Sovereign Housing Association	48	21.0%	21.0%	21.0%	£62.6k pa

Notes

Further sums should be paid to the Fund to meet the costs of any early retirements using methods and assumption issued by us from time to time.

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. Additional Monetary Amounts should increase in line with PI Orders beginning 1 April 2009. The assumptions underlying the number of members who will become entitled to pensions under the provisions of the Scheme and the liabilities arising in respect of such members are set out in Appendix D.

Appendix G – LGPS Benefits

LGPS 1997		LGPS 2008	
General Features			
Type of Scheme	Final salary	Final salary	
Relationship with S2P	Contracted-out	Contracted-out	
Member Contributions	6%	Banded Contributions based on full time pay as at 1 st April	
		Range	Cont Rate
	5% for manual workers in scheme prior to 01/04/1998	£0 - £12,000	5.50%
		£12,001 - £14,000	5.80%
		£14,001 - £18,000	5.90%
		£18,001 - £30,000	6.50%
		£30,001 - £40,000	6.80%
		£40,001 - £75,000	7.20%
		£75,000 and above	7.50%
		Bands to be increased annually with RPI.	
		Transitional protection for members currently paying 5% until 2011/2012.	

Royal County of Berkshire Pension Fund – Actuarial Valuation as at 31 March 2007 - Valuation Report

	LGPS 1997	LGPS 2008
General Features		
Final Pay	Best of the last 3 years pensionable pay	Best 3 consecutive years salary in the last 10 where pay reduces as a result of downgrading or less responsibility.
Pensionable Pay	Normal salary plus any shift allowance, bonuses, contractual overtime, Maternity Pay, Paternity Pay, Adoption Pay and any other taxable benefit specified as being pensionable.	Normal salary plus any shift allowance, bonuses, contractual overtime, Maternity Pay, Paternity Pay, Adoption Pay and any other taxable benefit specified as being pensionable.
Retirement Benefits		
Normal Retiring Age	Age 65	Age 65
Early Retirement	Age 60 onwards Joined after 30/09/2006 then benefits reduced. Member as at 30/09/2006 then benefits protected.	Age 60 onwards 85 year rule goes for future service from 01/04/2008, subject to transitional protections. Transitional protections: DOB < 01/04/1956: 85 year rule stays for service up to 01/04/2016 DOB 01/04/1956 – 31/03/1960: Those who satisfy 85 year rule will be subject to a tapered reduction.
Early Retirement	Age 50+ Minimum 3 months membership or transfer in	Age 55+ (existing members remains at age 50+ for retirements up to 31/03/2010) Minimum 3 months membership or transfer in

Royal County of Berkshire Pension Fund – Actuarial Valuation as at 31 March 2007 - Valuation Report

	LGPS 1997	LGPS 2008						
General Features								
	Employers discretion to waive any actuarial reduction	Employers discretion to waive any actuarial reduction						
Flexible Retirement	Age 50+	Age 55+						
	Minimum 3 months membership or transfer in	(existing members remains at age 50+ for retirements up to 31/03/2010)						
	Reduce hours or move to a lower graded post	Minimum 3 months membership or transfer in						
	Draw pension and salary	Reduce hours or move to a lower graded post						
	Employers discretion to waive any actuarial reduction	Draw pension and salary						
	Employers discretion to waive any actuarial reduction	Employers discretion to waive any actuarial reduction						
Late Retirement	Continue to day before eve of 75 th birthday	Continue to day before eve of 75 th birthday						
	Benefits accrue to date of retirement	Benefits accrue to date of retirement						
Ill Health Retirement	Permanently unable to undertake own job or any comparable job with employer. Benefits are enhanced as per the table below with a maximum enhancement of potential membership to age 65	Minimum 2 years membership for ill health enhancement						
	<table border="1"> <thead> <tr> <th>Accrued Membership</th> <th>Benefit Payable</th> </tr> </thead> <tbody> <tr> <td>Less than 3 months</td> <td>Refund of contributions</td> </tr> <tr> <td>3 months to 5 yrs</td> <td>Accrued Membership</td> </tr> </tbody> </table>	Accrued Membership	Benefit Payable	Less than 3 months	Refund of contributions	3 months to 5 yrs	Accrued Membership	First Tier - No reasonable prospect of alternative employment ever again then service enhanced by 100% of prospective service to age 65.
Accrued Membership	Benefit Payable							
Less than 3 months	Refund of contributions							
3 months to 5 yrs	Accrued Membership							

	LGPS 1997	LGPS 2008
General Features		
	5 but less than 10 yrs	Membership Doubled
	10 yrs to 13 yrs 122 days	Membership Enhanced to 20 yrs
	13 yrs 123 days or more	Membership Enhanced by 6 2/3 yrs
Benefit Accrual	Pension = $1/80^{\text{th}}$	Pension = $1/60^{\text{th}}$
	Lump Sum = $3/80^{\text{th}}$ plus increased lump sum by commutation 12:1 up to a maximum of 25% of lifetime allowance	Lump Sum = By commutation 12:1 up to a maximum of 25% of lifetime allowance
	Spouse's Pension = $1/160^{\text{th}}$	Spouse's Pension = $1/160^{\text{th}}$
Death and Survivor Benefits		
Lump Sum Death Benefit	Active = 2 x Pensionable Pay	Active = 3 x Pensionable Pay
	Deferred = Current value of deferred lump sum	Deferred = 5 x Current value of deferred annual pension
	Pensioner = 5 year guarantee less pension paid	Pensioner = 10 year guarantee less pension paid (for death before age 75)

	LGPS 1997	LGPS 2008
General Features		
Dependants' Provision	Widow(er)s Registered civil partners	Widow(er)s Registered civil partners Nominated cohabiting partners
Dependants' Pension (Death in Service)	If membership > 3 months 50% x notional ill health pension Otherwise 1/160th x accrued membership	1/160th x full prospective service to age 65
Spouse's Short Term Pension	Active = 3 months x salary (increased to 6 months if dependent children) Deferred = none Pensioner = 3 months x member's pension (increased to 6 months if dependent children)	None
Children's Pensions	Surviving Parent 1 child = 1/4 x notional pension 2+ children = 1/2 x notional pension divided by number of children Orphans 1 child = 1/3 x notional pension 2+ children = 2/3 x notional pension divided by number of children	Surviving Parent 1 child = 1/2 x dependant's pension 2+ children = 1 x dependant's pension divided by number of children Orphans 1 child = 2/3 x dependant's pension 2+ children = 1 1/3 x dependant's pension divided by number of children

	LGPS 1997	LGPS 2008
General Features		
	For death in service the notional pension is the ill health pension or a pension based on the lesser of 10 years and full service to age 65 where this is higher.	
Increasing Benefits		
AVCs	<p>Maximum contributions – 50% of taxable earnings</p> <p>Options available:</p> <ul style="list-style-type: none"> • Open market annuity • LGPS Top Up Pension • Tax Free Lump Sum (100% of fund up to max of 25% of Lifetime Allowance) • LGPS Service Credit (if commenced AVCs prior to 13/11/2001) 	<p>Maximum contributions – 50% of taxable earnings</p> <p>Options available:</p> <ul style="list-style-type: none"> • Open market annuity • LGPS Top Up Pension • Tax Free Lump Sum (100% of fund up to max of 25% of Lifetime Allowance) • LGPS Service Credit (if commenced AVCs prior to 13/11/2001)
Added Years/Pension	<p>Maximum purchase 6 2/3 years</p> <p>Payable from next birthday to age 65 (contracts taken out before 01/10/2006 may have an earlier date than age 65)</p>	<p>Maximum purchase £5,000 extra pension (in multiples of £250).</p>
Leaving the Scheme		
Withdrawal Benefits on Leaving	<p>Less than 3 months membership and no transfer in</p> <ul style="list-style-type: none"> • Refund of contributions 	<p>Less than 3 months membership and no transfer in</p> <ul style="list-style-type: none"> • Refund of contributions

	LGPS 1997	LGPS 2008
General Features		
	<ul style="list-style-type: none">•CETV	<ul style="list-style-type: none">• CETV
	<ul style="list-style-type: none">•Defer decision	<ul style="list-style-type: none">• Defer decision
	More than 3 months membership or transfer in	More than 3 months membership or transfer in
	<ul style="list-style-type: none">•CETV	<ul style="list-style-type: none">• CETV
	<ul style="list-style-type: none">• Defer Benefits until NRA	<ul style="list-style-type: none">• Defer Benefits until NRA