Royal County of Berkshire Pension Fund

Actuarial Valuation as at 31 March 2010
Valuation Report

Barnett Waddingham
Public Sector Consulting

30 March 2011

Barnett Waddingham
Public Sector Consulting

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

Dear Andrew

Actuarial Valuation as at 31 March 2010

We have carried out an actuarial valuation of the Royal County of Berkshire Pension Fund ("the Fund") as at 31 March 2010. The Fund is part of the Local Government Pension Scheme ("LGPS").

The valuation is being carried out in accordance with Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 ("the Regulations") as amended.

The purpose of this report is to set out the results of the actuarial valuation of the Fund.

This report is addressed to the Royal Borough of Windsor and Maidenhead as administering authority to the Fund. It is not intended to assist any user other than Royal Borough of Windsor and Maidenhead in making decisions. Neither we nor Barnett Waddingham LLP accepts any liability to third parties in respect of this report.

This report has been written in accordance with "Technical Accounting Standard R: Reporting Actuarial Information" and "Technical Actuarial Standard D: Data" issued by the Board for Actuarial Standards and actuarial guidance note "GN9: Funding Defined Benefits – presentation of actuarial advice", insofar as they apply to the LGPS.

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.

1.1.2 The figures in this report count as part of a "planning exercise" for the purposes of the Board for Actuarial Standards' Technical Actuarial Standard R. This means the primary purpose of the figures is for "budgeting" or "target setting" – in this case setting the future levels of employer contributions payable to the Fund.

1.2 Previous Valuation

1.2.1 The last formal actuarial valuation of the Fund was carried out as at 31 March 2007 by ourselves and the results of that valuation were set out in the formal valuation report dated April 2008.

1.2.2 The results of the previous valuation indicated that the assets of the Fund represented 99.9% of the accrued liabilities of the Fund. The Total Required Contribution Rate was certified as 14.8% of payroll which assumed that the past service funding level would be restored over a period of 20 years.

1.3 Changes to the LGPS

1.3.1 The 2010 Emergency Budget announced that in future, the pension increase orders will be linked to the Consumer Price Index or CPI rather than RPI.

1.3.2 Also, it was announced that State Pension Age will be increased to age 66 for both men and women from 2020 which is likely to influence future retirement patterns.

1.3.3 A new independent pensions commission, led by Lord Hutton has also been created to investigate pension reform across the public sector. We anticipate some changes to the LGPS in future although at this stage it is difficult to assess what they might be.

1.3.4 Full current details of the current benefits and contribution structure are set out in Appendix 6.

2 Valuation Data

2.1 Data Sources

2.1.1 We have used the following items of data as provided by the Royal Borough of Windsor and Maidenhead.

- Membership extract as at 31 March 2010. The membership data has been checked for reasonableness and any missing or inconsistent data has been estimated where necessary. Whilst this should not be seen as a full audit of the data, we are happy that the data is sufficiently accurate for the purposes of the valuation.
- Fund accounts for the 3 years to 31 March 2010.

2.1.2 A summary of the data is set out in Appendix 2.

2.2 Assets

2.2.1 The asset allocation of the Fund as at 31 March 2010 was as follows:

Assets at This Valuation	31 March 2010	
	£(000)	%
UK Equities	13,425	1%
Overseas Equities	138,039	10%
Corporate Bonds	326,630	25%
Cash	110,162	8%
UK Gilts	1,940	0%
Overseas Bonds	375,075	28%
Property	90,843	7%
Other assets	-	-
Alternative assets	263,269	20%
Total	**1,319,383**	**100%**

2.2.2 We estimate that the annual return on the assets in market value terms for the 3 years to 31 March 2010 was approximately -5.1% per annum.

2.3 Benefits

2.3.1 Since the previous valuation changes to the benefits have been introduced with effect from 1 April 2008.

2.3.2 The benefits being valued including these changes are as set out in the Regulations governing the Local Government Pension Scheme ("the LGPS") and are summarised in Appendix 6.

3 Actuarial Methods and Assumptions

3.1 Valuation Method

3.1.1 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:-

3.1.2 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.

3.1.3 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.

3.1.4 There are various "funding methods" that can be used to determine the cost of providing benefits. The method we have adopted for employers open to new staff 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.

3.1.5 For employers that are closed to new staff we have used the Attained Age Method. The key feature of this method is that we assess the average contribution required to fund the benefits earned until retirement.

3.1.6 This is the same approach as adopted at the previous valuation.

3.2 Valuation Assumptions

3.2.1 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.

3.2.2 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, although in future pension benefits will be linked to the CPI rather than RPI.

3.2.3 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.

3.2.4 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.

3.2.5 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.

3.2.6 We examine the assumptions in more detail in the next two sections of our report.

3.3 Funding Model

3.3.1 At this valuation we have used a market related funding model. The key features of the model are as follows:

3.3.2 Assumed future levels of retail price inflation are derived by considering the difference between index-linked gilt and fixed-interest gilt yields at the valuation date, as published by the Bank of England. At this valuation we have also included an adjustment known as an inflation premium. This inflation premium is deducted from the market implied inflation assumption to reflect the expectation that market implied inflation tends to overstate actual retail price inflation.

3.3.3 Pay increases are assumed to exceed future retail price inflation based on past experience and expectations of future experience.

3.3.4 Pension increases are assumed to be in line with CPI rather than RPI. It is assumed that CPI will be 0.5% per annum less than RPI, consistent with the historical average.

3.3.5 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.

3.3.6 Rather than take "spot" yields and market values of assets at the valuation date we have used smoothed yields and asset values spanning the 6 month period around the valuation date.

3.3.7 The discount rate used to discount future payments to and from the Fund and so determine the value placed on the liabilities reflects the risk adjusted expected return that will be earned by the actual investment strategy adopted by the Fund.

3.3.8 Under TAS R a "funding model" is referred to as a "measure".

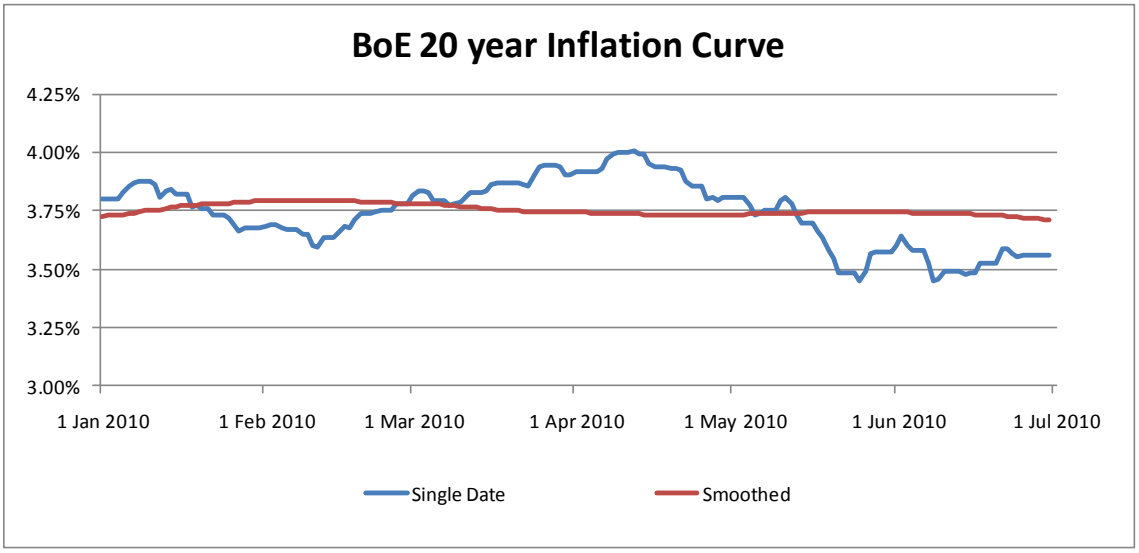
4 Financial Assumptions and Experience

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. Further details are set out in Appendix 4.

4.2 Future Retail Price Inflation

4.2.1 The base assumption is the future level of retail price inflation. This is derived by considering the difference in yields from conventional and index linked gilts using the Bank of England Inflation Curve and then adjusting by an inflation premium.

4.2.2 The following chart plots the Inflation Curve over the 6 month period spanning the valuation date.



4.2.3 As at the valuation date the spot inflation projection was 3.90% and the average or smoothed level over the 6 months spanning the valuation date was 3.75%. We have used the smoothed level but then reduced by a 0.25% inflation premium adjustment to end up with an RPI assumption of 3.5% per annum.

4.3 Future Pension Increases

4.3.1 Previously, pension increases were assumed to be in line with retail price increases. The 2010 Emergency Budget announced that in future, the pension increase orders will be linked to the CPI rather than RPI. We have therefore assumed that pension increases will be 0.5% less than the price inflation assumption. i.e. 3.0% per annum.

4.4 Future Pay Inflation

4.4.1 As benefits are currently 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.

4.4.2 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 in the longer term. At this valuation we have adopted a long term pay increase assumption of 1.25% in excess of price inflation reflecting a lowering of future real pay increase expectations.

4.4.3 In anticipation of Government policy we have also assumed a short term "pay freeze" for 2 years for those earning over £21,000 per annum.

4.4.4 At this valuation we have adopted the same incremental salary scales as adopted at the previous valuation.

4.5 Future Investment Returns/Discount Rate

4.5.1 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.

4.5.2 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 stable levels of employer contributions. In our view therefore, to help achieve this objective, the discount rate should reflect the expected investment return to be achieved from the underlying investment strategy.

4.5.3 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.

4.5.4 The investment strategy of the Fund is to invest the assets in a mix of equities, bonds and alternative assets.

4.5.5 Redemption yields from gilts give an indication of the future rates of return from these asset classes. Redemption yields from corporate bonds are also readily available. There is however no comparable market indicator to derive the market expected future return from investing in equities, property or other alternative assets.

4.5.6 It is however possible to model future returns from equities by considering current dividend yields and making an assumptions regarding future growth in capital values.

4.5.7 The following table sets out the derivation of the expected return from equities at the valuation date.

Smoothed Equity Returns	March 2010 % p.a.	March 2007 % p.a.
Net equity yield	3.3%	2.8%
Inflation	3.5%	3.3%
plus assumed real capital return	0.8%	1.0%
Equity Return	7.5%	7.1%
Gilt Yield	4.5%	4.7%
Equity Risk Premium	3.1%	2.5%

4.5.8 It would also be possible to derive the expected future return from other asset classes such as property and alternative asset classes. Intuitively we might expect that returns from asset classes other than equities and gilts might be expected to return somewhere between gilts and equities.

4.5.9 Accordingly we have assumed that the return from other alternative asset classes is 1% p.a. in excess of the return on corporate bonds.

4.5.10 We then derive the discount rate as firstly, the weighted average of future expected returns from the various asset classes based on the actual asset allocation as at the valuation date.

4.5.11 We then include a risk adjustment to the discount rate to reflect the amount of equity risk being taken relative to gilts. For a Fund with 75% or less exposure to equity type investments the risk adjustment is nil. For a Fund with more than 75% in equity type investments the reduction in discount rate is 50% of the extra return expected from the actual strategy compared to one invested 75% in equity type investments.

4.5.12 Finally to accommodate any extreme market conditions at the valuation date the resulting real discount rate is constrained to 4% per annum.

4.5.13 In summary therefore we have adopted the following assumptions.

Financial Assumptions	March 2010		March 2007	
	% p.a.	Real % p.a.	% p.a.	Real % p.a.
Investment Return				
Equities/alternatives	7.5%	4.0%		
Gilts	4.5%	1.0%		
Bonds & Property	6.6%	3.1%		
Discount Rate	6.8%	3.3%	6.6%	3.3%
Risk Adjusted Discount Rate	6.8%	3.3%	6.6%	3.3%
Pay Increases	4.7%	1.3%	4.8%	1.5%
Price Inflation	3.5%		3.3%	
Pension Increases	3.0%	(0.5%)	3.3%	

4.5.14 Note that the pay increase assumption is zero for 2 years for those earning over £21,000.

4.6 Intervaluation Experience - Financial

4.6.1 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	-5.1%	6.6%	(11.7%)
Estimated Pay Increases	4.6%	4.8%	(0.3%)
Price Inflation/Pension Increases	2.9%	3.3%	(0.4%)

4.6.2 The principal conclusions are:

- Investment returns were significantly less than assumed.
- Pay increases were slightly less than expected.
- Pension increases were less than expected.

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

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 intervaluation period compared to the assumptions adopted at the previous valuation.

Active Membership Movements	Actual	Assumed	Difference %
Early Leavers	6,552	5,353.5	22%
Deaths in Service	55	76	(28%)
Retirements			
Ill health	79	109.5	(28%)
Age	776		
Voluntary	19		
Redundancy	223		
Efficiency	19		
Total	**1,116**		

5.1.2 There were more early leavers than expected and fewer ill-health retirements than expected.

5.1.3 Overall the demographic 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.

5.1.4 We have adjusted our pre retirement assumptions to better reflect recent actual experience.

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.

Pensioner Deaths By Number	Pensioners	Dependants	Total
Actual	661	324	**985**
Assumed	430	140	**570**
% Difference	54%	131%	**73%**
By Amount of Pension	**£(000)**	**£(000)**	**£(000)**
Actual	2,834	840	**3,674**
Assumed	2,211	440	**2,651**
% Difference	28%	91%	**39%**

5.2.3 The number of pensioners dying during the intervaluation period was higher than expected. More importantly in terms of the amount of pension ceasing then this was also more than expected.

5.2.4 Overall the mortality experience over the intervaluation period had a positive impact on the financial position of the Fund in that the amount of pension ceasing was more than expected.

5.2.5 We have reviewed the mortality assumptions adopted at this valuation which bring the assumptions closer to recent experience but also allow for improvements in mortality over the next 20 years and also factoring in the terms of the longevity insurance for most of the existing pensions in payment.

5.3 Retirement Ages – Active Members

5.3.1 At the previous valuation it was assumed that active members will retire as soon as they are able to on unreduced benefits without requiring employer consent – typically satisfying the Rule of 85 but no earlier than age 60 nor later than age 65.

5.3.2 Experience suggests that whilst the Rule of 85 is an influencing factor on when active members choose to retire, State Pension Age is also a major factor, as for many active members, they need the additional income payable from the State before they can afford to retire.

5.3.3 There are existing plans in place to increase State Pension Age albeit very slowly. The new Government have however indicated that State Pension Age will be 66 from 2020.

5.3.4 It is difficult to assess what the impact will be but we have completed calculations assuming that active members will retire 1 year later than the date they would be entitled to retire and receive unreduced benefits.

6 Valuation Results

6.1 Past Service Funding Position and Contribution Rates

6.1.1 The following table sets out the valuation results for the Fund. We show

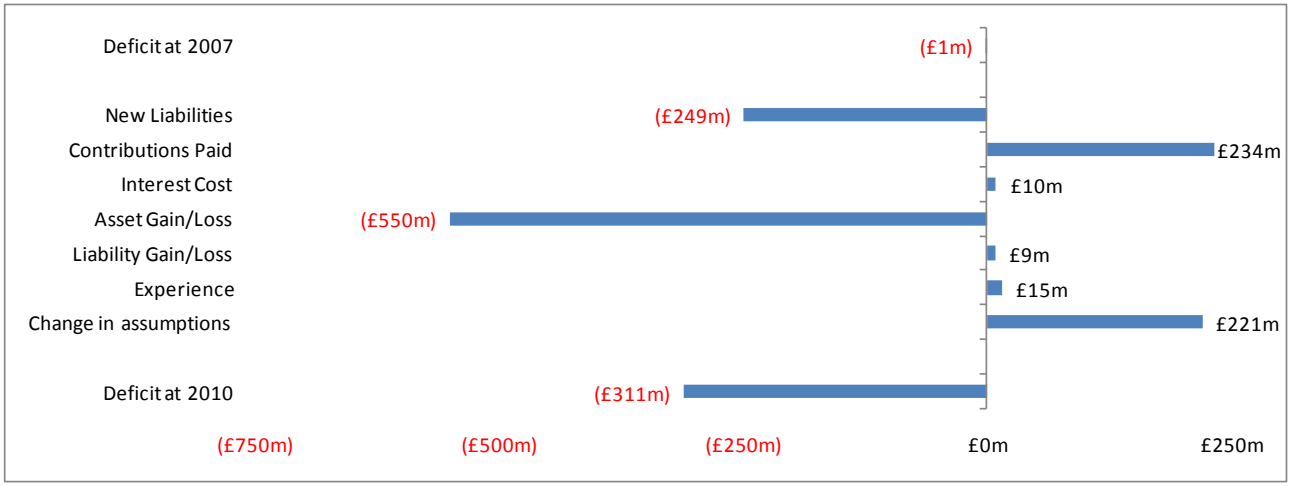
- The past service funding position
- The required average ongoing employer contribution rate for future service benefits
- The required total employer contribution rate to restore the funding position to 100% over the agreed 30 year period following the valuation date.

Past Service Funding Position	£(000)	
Smoothed Asset Value		**1,307,682**
Past Service Liabilities		
Active Members	640,101	
Deferred Pensioners	270,509	
Pensioners	707,747	
Value of Scheme Liabilities		**1,618,357**
Surplus (Deficit)		**(310,675)**
Funding Level		**81%**
Employer Contribution Rates		**% of Payroll**
Future Service Contribution Rate		12.8%
Deficit Recovery (30 years)		3.7%
Total Contribution Rate		**16.5%**

6.1.2 As we see, the funding level was 81% and the average required employer contribution to restore the funding position to 100% over the next 30 years is 16.5% of pensionable pay.

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 chart.



6.2.2 As we can see, overall the deficit has increased during the intervaluation period.

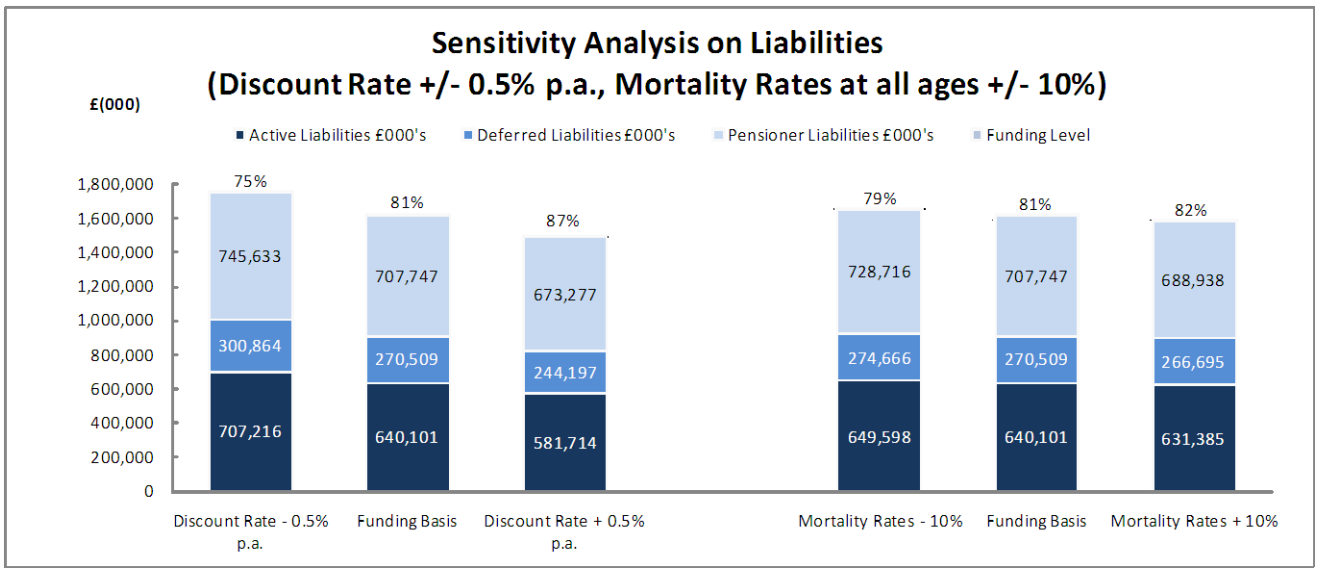
6.3 Sensitivity Analysis

6.3.1 It is important that it is understood that the valuation results for the Fund are based on the assumptions used to determine the liabilities. Changes to the adopted assumptions will affect the funding position of the Fund.

6.3.2 In order to illustrate this, a number of calculations have been carried out to highlight the sensitivity of the funding position to the assumptions adopted, focusing on the assumptions to which the funding position is most sensitive.

6.3.3 To highlight the sensitivity of the funding position to changes in the discount rate, we have considered the impact of changing this assumption by 0.5% p.a. in either direction. We have also considered the impact of mortality rates at all ages being either 10% higher or lower than assumed.

6.3.4 The results of this analysis is shown in the chart below:



6.3.5 If the discount rate is decreased by 0.5%, the funding level of the Fund falls from 81% to 75%, and if the discount rate is increased by 0.5%, the funding level increases to 87%. If mortality rates at all ages are decreased by 10%, the funding level falls from 81% to 79%, and if mortality rates at all ages are increased by 10%, the funding level increases to 82%.

6.3.6 We can see from the above chart that changing the discount rate affects the active and deferred liabilities more significantly than the pensioner liabilities, which is due to the longer duration of active and deferred liabilities. We can also see that adjusting the mortality rates at all ages by a fixed percentage affects the pensioner liabilities more significantly than the active and deferred liabilities, which is due to absolute mortality rates increasing with age.

7 Comments and Conclusions

7.1 Financial Position

7.1.1 The overall funding level has reduced since the 2007 valuation.

7.1.2 This is mainly due to investment returns achieved by the Fund being significantly less than assumed, however this was offset by the CPI changes and other assumption changes.

7.2 Employer Contribution Rates

7.2.1 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 30 years. Recovery periods will differ from 30 years for some employers.

7.2.2 The certified contribution rates for each employer are set out in our certificate in Appendix 5.

7.3 New Employers joining the Fund

7.3.1 We would recommend that any new small employers or admitted bodies joining the Fund with no previous interest in the Fund should be referred to us for individual calculation as to the required level of contribution.

7.3.2 Any employer who ceases to participate in the Fund should be referred to us in accordance with Regulation 38.

7.3.3 We would be pleased to answer any questions arising from this report.

Graeme D Muir FFA **Alison Hamilton FFA**

Appendix 1. 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.

For employers that are still open to new staff we have used the Projected Unit Method which considers 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.

For employers that are closed to new staff we have used the Attained Age Method. The key feature of this method is that we assess the average contribution required to fund the benefits earned until retirement.

Valuation of Assets

Assets have been valued at a 6 month smoothed market value straddling the valuation date.

Appendix 2. Valuation Data

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

Active Members	Number		Actual Pensionable Pay £ (000)		Average £	
Full Time	**2010**	**2007**	**2010**	**2007**	**2010**	**2007**
Males	3,471	3,540	109,691	103,510	31,602	29,240
Females	5,114	5,061	143,355	127,700	28,032	25,232
Part Time						
Males	938	684	10,452	7,320	11,142	10,702
Females	10,478	8,008	107,629	79,047	10,272	9,871
Total	**20,001**	**17,293**	**371,126**	**317,578**	**18,555**	**18,365**

Pensioners	Number		Annual Pensions £ (000)		Average £	
	2010	**2007**	**2010**	**2007**	**2010**	**2007**
Males	4,063	3,758	27,277	23,627	6,714	6,287
Females	5,766	4,662	18,155	13,850	3,149	2,971
Dependants	1,695	1,647	4,407	4,105	2,600	2,492
Total	**11,524**	**10,067**	**49,839**	**41,581**	**4,325**	**4,130**

Deferred Pensioners (incl "undecideds")	Number		Annual Pensions £ (000)		Average £	
	2010	**2007**	**2010**	**2007**	**2010**	**2007**
Males	5,316	4,483	9,953	8,695	1,872	1,940
Females	14,864	10,795	14,140	10,383	951	962
Total	**20,180**	**15,278**	**24,093**	**19,078**	**1,194**	**1,249**

Notes

- 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.
- Annual pensions are funded items only and include pension increases up to and including the 2010 PI Order.
- Pensionable pay is actual earnings.

A summary of the assets held by the Fund at the valuation date is as shown below.

Assets at This Valuation	31 March 2010	
	£(000)	%
UK Equities	13,425	1%
Overseas Equities	138,039	10%
Corporate Bonds	326,630	25%
Cash	110,162	8%
UK Gilts	1,940	0%
Overseas Bonds	375,075	28%
Property	90,843	7%
Other assets	-	-
Alternative assets	263,269	20%
Total	**1,319,383**	100%

	Year to	March 2010	March 2009	March 2008	TOTAL
Revenue Accounts		£ (000)	£ (000)	£ (000)	£ (000)
EXPENDITURE	Retirement Pensions	50,723	45,696	42,756	139,175
	Retirement Lump Sun	13,907	9,795	10,947	34,649
	Death Benefits	1,483	1,226	894	3,603
	Leavers benefits	13,312	5,718	10,792	29,822
	Expenses	959	877	673	2,509
	Other Expenditure	-	-	-	-
TOTAL		80,384	63,312	66,062	209,758
INCOME	Employees Ctbns	24,650	23,456	20,420	68,526
	Employers Ctbns	59,171	54,534	51,295	165,000
	Transfer Values	9,736	5,046	7,862	22,644
	Investment Income	17,962	35,125	39,635	92,722
	Other Income	-	-	-	-
TOTAL		111,519	118,161	119,212	348,892
Fund Value		£ (000)	£ (000)	£ (000)	£ (000)
Assets at Start of Year		1,009,050	1,393,338	1,488,489	1,488,489
Cashflow		31,135	54,849	53,150	139,134
Change in value		279,198	(439,137)	(148,301)	(308,240)
Assets at End of Year		1,319,383	1,009,050	1,393,338	1,319,383
Annual Returns					
Approx Rate of Return (per annum)		29.3%	-28.8%	-7.3%	-5.1%

Appendix 3. 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

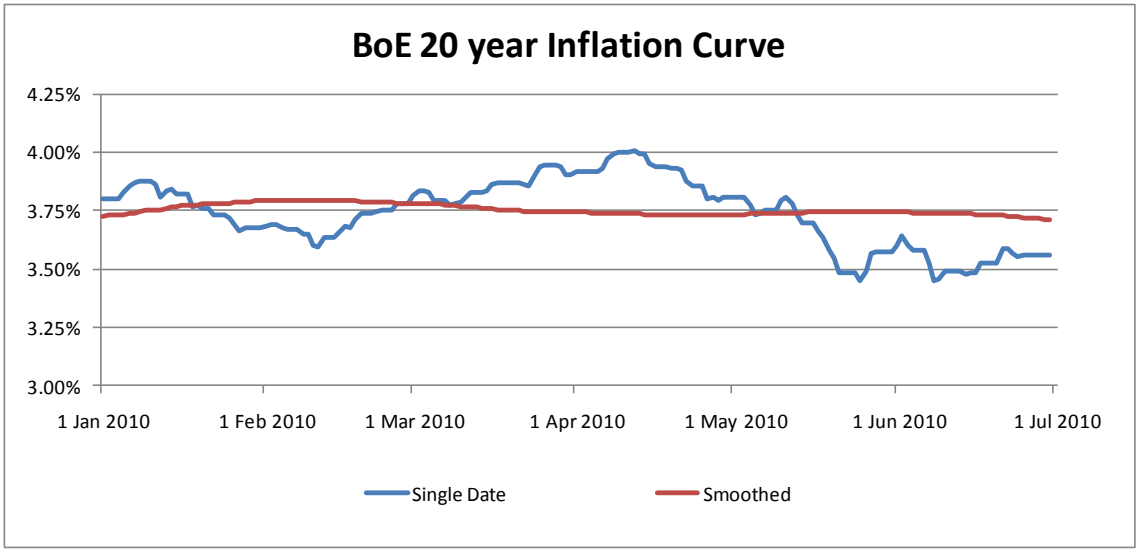
There are number of ways to try to estimate what future levels of inflation might be.

One approach would be to look at the long term trend in the past although much depends on the measurement period.

In these days of "marked to market" valuations, the usual approach is to look at the difference between yields from fixed-interest and index-linked gilts.

At this valuation we have looked at 20 year Bank of England Inflation curve which is the level of future RPI over the next 20 years as implied by the gilt market.

The following chart shows this on a daily basis during the 6 month period straddling the valuation date. We have also shown the smoothed or rolling average observation over that period.

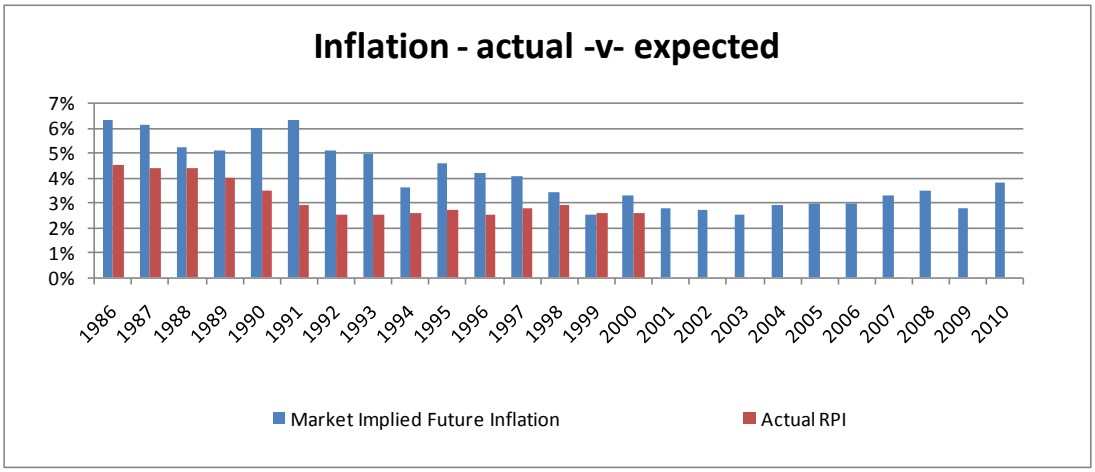


However one of the issues in adopting such an approach is the arguably imperfect nature of the gilt market. The supplier of gilts (the Government) is a reluctant supplier, especially for long-dated gilts (which are the ones which are most useful for estimating future inflation for pension schemes).

On the demand side, there are certain institutions (insurance companies for example) who are essentially "forced holders" of gilts to meet various solvency requirements. Accordingly, the pricing of gilts is not perfect.

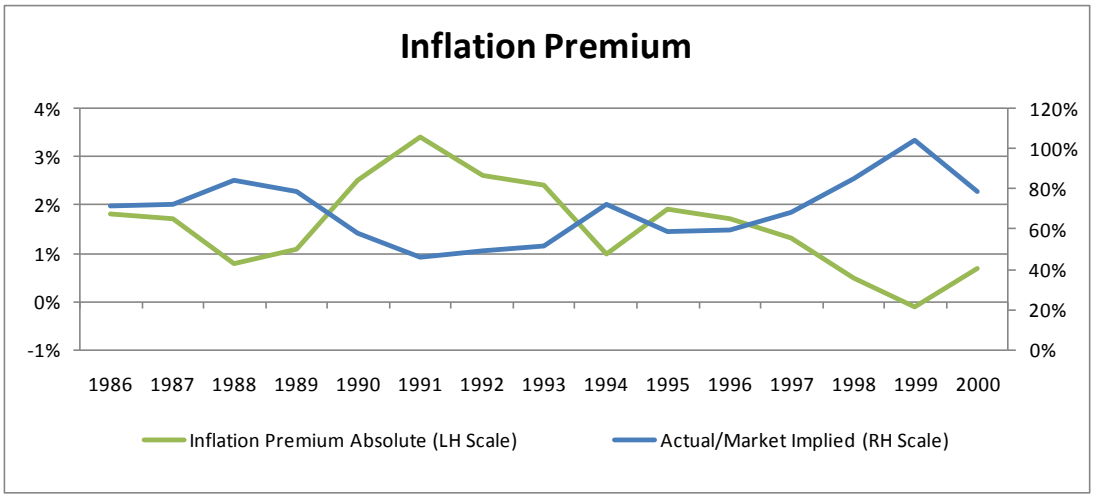
There is also the issue of what is known as the "inflation premium". The argument is that investors will pay a premium for inflation protection and so arguably index-linked gilts are "more expensive" than fixed-interest gilts or equivalently index-linked gilt yields are lower than they might otherwise be.

The following chart shows how the gilt market implied 10 year inflation level at the beginning of each year has compared with the resulting 10 year actual level of inflation.



As we see the market implied level of inflation has consistently over-estimated the actual level of inflation.

The following chart shows the inflation premium both at an absolute level – the difference between actual and expected inflation and in relative terms (actual/expected).



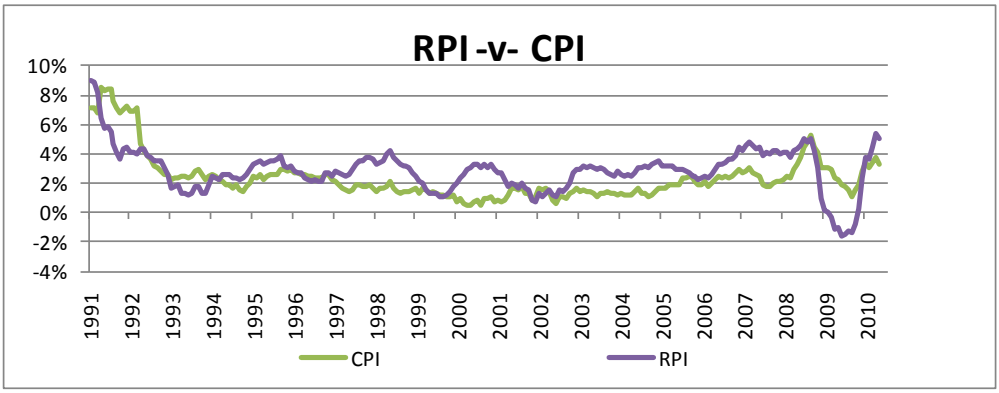
Pension Increases

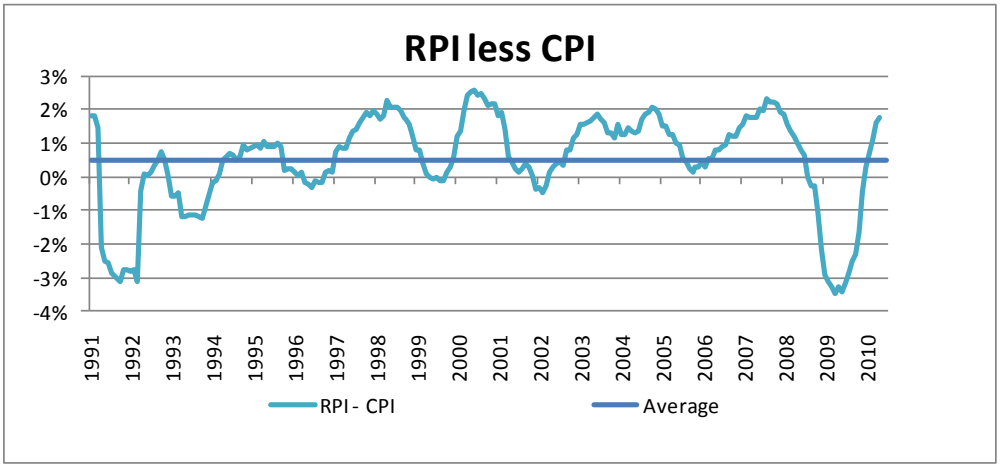
The Retail Price Index has long been the established measure of inflation in the UK. It measures the change in prices of a number of things including housing costs such as mortgage interest payments.

However in the 1990's the Government introduced the Consumer Price Index which is based on the prices of a range of consumer goods – similar to the RPI but it specifically excludes housing costs. The CPI is now the favoured measure the Government uses for measuring inflation in the economy.

The 2010 Emergency Budget delivered by George Osborne announced that in future, the pension increase orders will be linked to the CPI rather than RPI. This was expected to save some pennies implying that the Government expects CPI to be below RPI.

The following chart show how the 2 have compared since 1990.





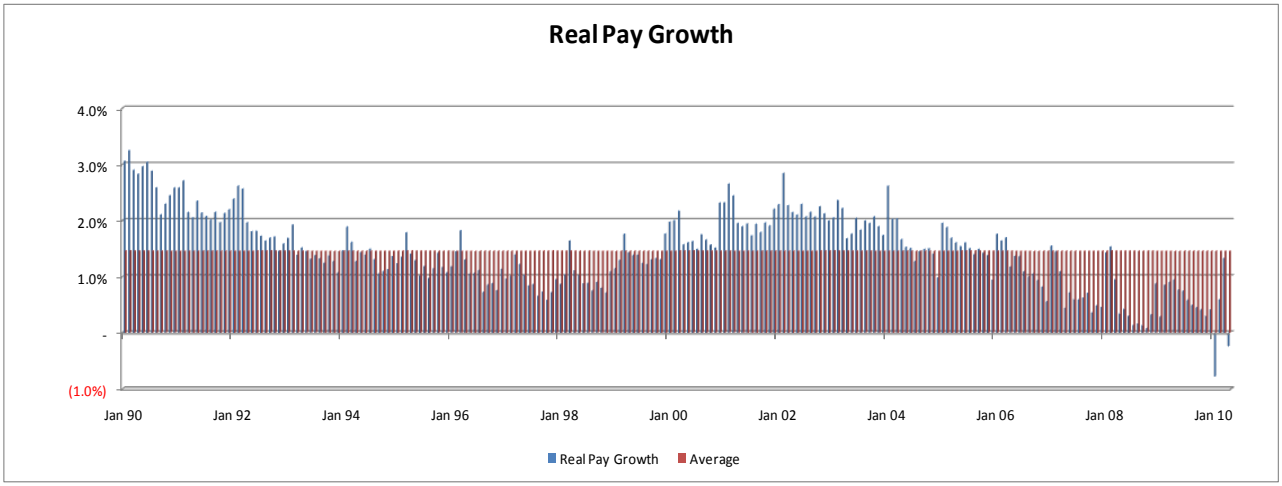
As we see RPI has indeed generally been higher the CPI and the average "gap" over the last 20 years has been around 0.5% per annum.

Thus, if this past trend continues then we would expect future pension increases to be 0.5% less than previously projected.

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.



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. The long term average is 1.5% more than RPI although there is evidence of a declining trend.

At this valuation we have assumed that future long term salary growth will be 1.25% more than RPI.

Investment Returns

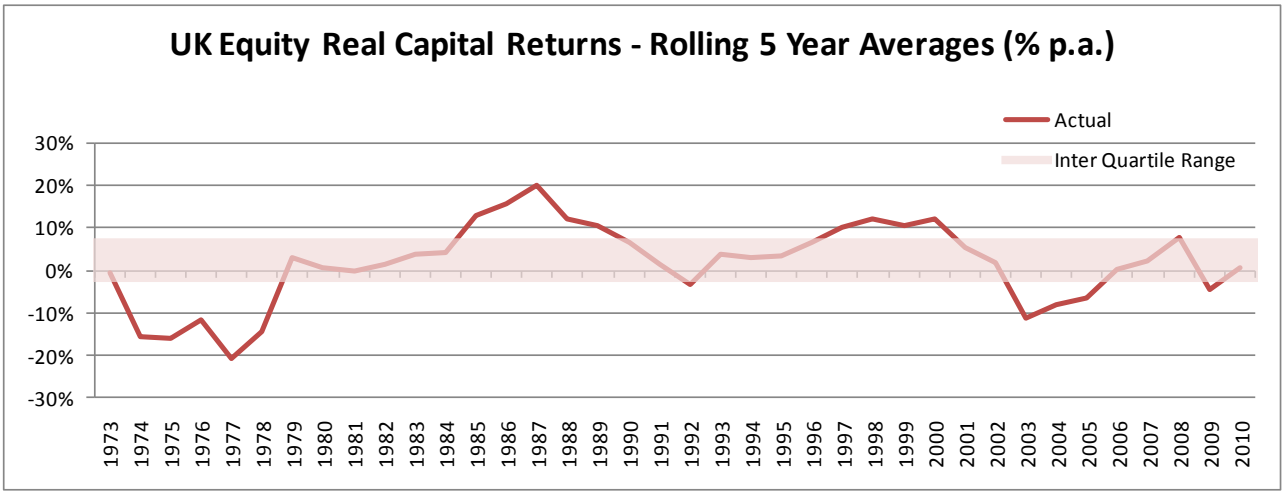
In a market-related valuation it is necessary to assess future average levels of return in current market conditions.

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.

We have assumed that 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 share values.

The next chart shows the long term capital return from UK equities in real terms over the last 35 years or so together with the "inter quartile range" – the range of observations that account for 50% of all observations around the median.

As we see the actual return 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.



For the purposes of the valuation therefore we have assumed that real capital returns will be 0.8% per annum.

The derivation of the equity return is therefore as follows:-

Smoothed Equity Returns	March 2010 % p.a.	March 2007 % p.a.
Net equity yield	3.3%	2.8%
Inflation	3.5%	3.3%
plus assumed real capital return	0.8%	1.0%
Equity Return	7.5%	7.1%

It would also be possible to derive the expected future return from other asset classes such as property and alternative asset classes. Intuitively we might expect that returns from asset classes other than equities and gilts might be expected to return somewhere between gilts and equities – what we usually see from corporate bonds.

Accordingly we have assumed that the return from other alternative asset classes is 1% p.a. in excess of the expected return from corporate bonds

We then derive the discount rate as the weighted average of future expected returns from the various asset classes based on the actual investment strategy.

We then include a risk adjustment to the discount rate to reflect the amount of equity risk being taken relative to gilts. For a Fund with 75% or less exposure to equity type investments the risk adjustment is nil. For a Fund with 100% in equity type investments the reduction in discount rate is 50% of the extra return expected from a Fund invested 100% in equity type investments compared to one invested 75% in equity type investments.

Finally to accommodate any extreme market conditions at the valuation date the resulting real discount rate is constrained to 4%.

In summary therefore we have adopted the following assumptions.

Financial Assumptions	March 2010		March 2007	
	% p.a.	Real % p.a.	% p.a.	Real % p.a.
Investment Return				
Equities/alternatives	7.5%	4.0%		
Gilts	4.5%	1.0%		
Bonds & Property	6.6%	3.1%		
Discount Rate	6.8%	3.3%	6.6%	3.3%
Risk Adjusted Discount Rate	6.8%	3.3%	6.6%	3.3%
Pay Increases	4.7%	1.3%	4.8%	1.5%
Price Inflation	3.5%		3.3%	
Pension Increases	3.0%	(0.5%)	3.3%	

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.

Sample rates are shown in the following tables: -

	Incidence per 1000 active members per annum								Salary Scales			
	Males				Females							
	Death	Ill Health		Wdls	Death	Ill Health		Wdls	Males	Femal	Males	Femal
Age		FT	PT			FT	PT		FT	FT	PT	PT
20	0.5	0.0	0.0	400.0	0.2	0.1	0.1	400.0	100.0	100.0	100.0	100.0
25	0.4	0.1	0.1	360.0	0.2	0.1	0.1	360.0	122.8	100.0	114.2	100.0
30	0.3	0.1	0.1	264.0	0.3	0.2	0.2	264.0	145.5	100.0	125.8	100.0
35	0.5	0.2	0.2	184.0	0.5	0.4	0.4	184.0	166.3	100.0	133.6	100.0
40	0.9	0.4	0.4	108.0	0.6	0.6	0.6	108.0	183.1	100.0	136.6	100.0
45	1.3	0.7	0.7	48.0	0.8	0.9	0.9	48.0	194.4	100.0	136.6	100.0
50	2.5	1.2	1.2	-	1.4	1.6	1.6	-	198.8	100.0	136.6	100.0
55	4.3	2.6	2.6	-	2.2	3.2	3.2	-	198.8	100.0	136.6	100.0
60	6.9	5.5	5.5	-	3.1	6.4	6.4	-	198.8	100.0	136.6	100.0
64	11.1	9.9	9.9	-	4.0	8.6	8.6	-	198.8	100.0	136.6	100.0

Other assumptions		
Age Retirements	It is assumed that active members will retire at one year after age 60 or when they would first satisfy the rule of 85 if later, no later than 65.	
Mortality	All members	S1PA Normal tables allowing for long cohort projection, with a minimum 2.25% p.a. improvement for pensioners and 1% p.a. for non-pensioners.
	Ill Health Retirement	75% of the table above, rated up by 6 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 at retirement, 50% of members will opt to increase their lump sums to the maximum allowed.	
Ill health tiers	It is assumed that 50% of ill health retirements will be eligible for benefits based on full prospective service and 50% will qualify for a service enhancement of 25% of prospective service.	

Appendix 4. Individual Employer Data as at 31 March 2010

		Active Members			Pensioners			Deferred Pensioners		
Employer	Code	Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£	£		£	£		£	£
Berkshire County Council	1	-	-	-	3,498	13,709,311	3,919	3,077	3,143,270	1,022
Bracknell Forest Council	2	2,388	43,519,321	18,224	898	4,098,164	4,564	2,228	2,402,888	1,078
RBWM	3	2,952	51,531,029	17,456	1,012	4,813,706	4,757	2,676	3,178,912	1,188
West Berkshire Council	4	3,267	50,982,550	15,605	854	3,708,289	4,342	2,384	2,351,569	986
Reading Borough Council	5	3,148	64,780,013	20,578	1,643	7,466,365	4,544	2,599	3,572,518	1,375
Slough Borough Council	6	2,039	41,715,031	20,459	1,036	5,094,072	4,917	2,084	2,968,358	1,424
Wokingham Borough Council	7	1,566	33,175,163	21,185	864	3,753,557	4,344	1,914	2,322,001	1,213
Commission For The New Towns	8	-	-	-	47	231,978	4,936	3	4,527	1,509
Bracknell Town Council	9	20	441,042	22,052	18	76,325	4,240	16	14,163	885
Earley Town Council	10	18	321,700	17,872	11	62,794	5,709	5	2,794	559
Thatcham Town Council	11	8	135,729	16,966	6	24,567	4,095	8	3,532	442
Wokingham Town Council	12	13	251,709	19,362	18	59,493	3,305	12	8,433	703
Britwell Parish Council	14	-	-	-	4	2,520	630	1	311	311
Cookham Parish Council	15	-	-	-	1	1,432	1,432	-	-	-
Sunningdale Parish Council	18	2	43,228	21,614	1	306	306	-	-	-
Sunninghill and Ascot Parish Council	19	1	5,965	5,965	3	7,560	2,520	2	972	486
Tilehurst Parish Council	20	5	77,175	15,435	1	11,734	11,734	1	12,417	12,417
Woodley Town Council	21	26	475,918	18,305	15	79,904	5,327	28	24,934	891
Berkshire County Blind Society	23	3	45,731	15,244	5	13,019	2,604	1	380	380
Thames Valley Valuation Tribunal Group	25	-	-	-	7	42,935	6,134	5	18,620	3,724
Age Concern Berkshire	26	5	79,116	15,823	6	16,003	2,667	5	4,587	917
Easthampstead/Wok. Joint Comm	27	-	-	-	1	2,255	2,255	1	797	797
Elizabeth Fry Hostel	28	4	145,060	36,265	3	20,180	6,727	11	9,612	874
Manor Lodge	29	-	-	-	2	14,035	7,017	-	-	-
Mary Hare Grammar School	30	87	1,735,635	19,950	32	126,798	3,962	66	65,327	990
Oxford Diocesan for Deaf	32	-	-	-	3	10,434	3,478	2	1,260	630

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£	£		£	£		£	£
St Crispins Sport Centre	34	-	-	-	-	-	-	2	4,390	2,195
School of St Helen & St Katharine	35	35	679,529	19,415	16	45,810	2,863	9	7,766	863
Slough Community Trust	36	-	-	-	2	5,222	2,611	-	-	-
Slough Council For Voluntary Service	37	10	217,233	21,723	8	28,497	3,562	5	3,231	646
AOSEC	38	6	121,298	20,216	8	54,157	6,770	8	9,141	1,143
South Hill Park Trust	39	6	159,313	26,552	9	28,868	3,208	13	23,839	1,834
Reading Voluntary Action	40	13	233,720	17,978	3	17,423	5,808	7	17,320	2,474
Westminster College	41	-	-	-	43	163,772	3,809	26	26,146	1,006
Winkfield Parish Council	42	8	134,332	16,791	5	12,374	2,475	5	6,358	1,272
Wargrave Parish Council	43	-	-	-	-	-	-	1	1,000	1,000
Reading Transport Ltd	44	44	1,244,450	28,283	177	998,533	5,641	44	181,648	4,128
Thames Valley University Slough	46	80	2,651,998	33,150	155	639,530	4,126	153	282,426	1,846
Sovereign Housing Association	48	17	620,586	36,505	58	527,646	9,097	12	70,765	5,897
Binfield Parish Council	49	3	26,375	8,792	-	-	-	1	4,304	4,304
Age Concern Bracknell	50	-	-	-	1	2,130	2,130	-	-	-
Cox Green Parish Council	51	2	37,954	18,977	-	-	-	1	357	357
Swallowfield Parish Council	52	2	26,845	13,422	1	3,071	3,071	-	-	-
Newbury College	53	106	1,683,416	15,881	49	84,004	1,714	164	95,813	584
Thames Valley University Reading	54	171	3,616,119	21,147	130	334,346	2,572	256	282,712	1,104
Bracknell & Wokingham College	55	174	2,761,755	15,872	78	131,779	1,689	141	80,020	568
Berks College of Art & Design	56	-	-	-	9	29,752	3,306	2	1,241	621
East Berkshire College	57	147	3,412,079	23,211	108	310,672	2,877	261	264,025	1,012
Berkshire College Of Agriculture	58	101	1,843,448	18,252	41	77,686	1,895	176	150,364	854
CfBT	59	6	188,945	31,491	43	220,419	5,126	69	148,170	2,147
Cippenham Middle School	60	13	176,300	13,562	-	-	-	4	7,173	1,793
Holy Family School	61	7	140,039	20,006	3	5,350	1,783	4	3,204	801
Priory School	62	30	300,127	10,004	2	8,694	4,347	12	9,774	814
St Bartholomews School	63	19	284,215	14,959	15	33,808	2,254	18	12,808	712
Turnpike School	64	-	-	-	3	4,721	1,574	2	2,369	1,184

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£	£		£	£		£	£
Denefield School	65	48	625,205	13,025	14	40,292	2,878	57	21,660	380
The Blessed Hugh Farringdon School	66	32	369,725	11,554	9	9,430	1,048	17	12,165	716
Reading School	67	24	371,011	15,459	8	23,282	2,910	18	23,730	1,318
Reading Girls School	68	28	454,459	16,231	5	14,625	2,925	16	9,969	623
Desborough School	69	7	147,517	21,074	6	16,999	2,833	10	10,791	1,079
Herschel Grammar School	70	37	501,777	13,562	6	23,821	3,970	22	26,582	1,208
Langley Grammar School	71	29	488,352	16,840	4	14,397	3,599	13	7,493	576
Slough Grammar School	72	19	428,060	22,529	6	9,696	1,616	15	3,861	257
All Saints CE Primary School	73	4	31,704	7,926	5	13,719	2,744	5	3,455	691
Castleview School	74	29	260,453	8,981	2	2,075	1,037	17	6,475	381
The Downs School	75	7	127,273	18,182	3	4,575	1,525	10	8,104	810
Prospect School	76	39	656,131	16,824	12	21,094	1,758	32	45,420	1,419
The Westgate School	77	36	527,809	14,661	5	10,458	2,092	28	9,939	355
Berks & Bucks Enterprise Agency	78	-	-	-	6	20,705	3,451	1	449	449
Maidenhead and District Housing Association	79	75	2,345,634	31,275	48	315,029	6,563	85	158,308	1,862
Windsor Housing	80	11	301,862	27,442	31	160,471	5,176	21	104,147	4,959
East Berkshire MIND	81	1	13,666	13,666	-	-	-	53	47,909	904
Berks Disability Information Network	82	-	-	-	1	1,630	1,630	-	-	-
Dimensions UK Ltd	83	13	262,392	20,184	8	23,487	2,936	21	56,994	2,714
Turnstone Support	84	4	112,269	28,067	4	14,683	3,671	6	23,198	3,866
Kendrick School	86	36	389,378	10,816	8	22,927	2,866	25	6,532	261
Ryvers School	87	37	352,492	9,527	4	7,363	1,841	24	12,246	510
Newbury Town Council	88	10	224,404	22,440	5	12,358	2,472	4	4,512	1,128
Berkshire Probation Service	89	-	-	-	25	101,368	4,055	23	68,493	2,978
Berkshire Fire & Rescue Service	90	147	3,955,017	26,905	39	195,480	5,012	62	113,144	1,825
Lynch Hill School	91	23	274,817	11,949	1	1,612	1,612	5	7,043	1,409
Lifetime Training Solutions	92	-	-	-	2	1,476	738	2	5,076	2,538
Slough Community Transport & Shopmobility	93	1	30,710	30,710	-	-	-	-	-	-
Day Centre at William Street	94	-	-	-	-	-	-	2	3,858	1,929

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£	£		£	£		£	£
Berkshire Maestros	95	21	392,909	18,710	4	9,359	2,340	9	24,244	2,694
Shinfield Parish Council	96	2	37,339	18,670	-	-	-	1	90	90
Barkham Parish Council	97	1	7,063	7,063	-	-	-	-	-	-
Woodley Age Concern	98	6	144,608	24,101	-	-	-	4	1,250	312
Shinfield Park Day Nursery	99	-	-	-	-	-	-	1	1,269	1,269
Corn Exchange Trust	100	5	98,591	19,718	-	-	-	14	20,364	1,455
Johnson Controls	101	-	-	-	-	-	-	1	984	984
Fernhill Care	102	-	-	-	2	5,136	2,568	-	-	-
Slough Community & Leisure Ltd	103	44	977,644	22,219	2	2,786	1,393	85	77,572	913
Housing Solutions Ltd	104	27	725,620	26,875	2	19,096	9,548	13	21,776	1,675
PACT	105	64	1,143,704	17,870	6	4,905	817	48	43,758	912
Thames Valley Probation Trust	106	598	14,499,217	24,246	168	943,013	5,613	456	553,238	1,213
Interserve (Facilities Services Slough) Ltd	107	47	961,365	20,455	23	126,834	5,515	79	221,804	2,808
Connexions Berkshire	108	151	3,373,986	22,344	11	55,534	5,049	92	94,218	1,024
Amey BPO Services	109	-	-	-	30	113,308	3,777	71	156,597	2,206
Slough Enterprise Ltd	110	32	698,238	21,820	7	26,632	3,805	9	26,047	2,894
Enterprise plc	111	-	-	-	1	9,241	9,241	7	23,080	3,297
Vinci Park	112	2	54,119	27,059	1	4,277	4,277	-	-	-
Northgate Information Solutions	113	4	144,555	36,139	1	7,032	7,032	3	27,615	9,205
Holroyd Howe Ltd	114	1	12,625	12,625	-	-	-	1	1,230	1,230
MITIE PFI Ltd	115	1	20,461	20,461	4	24,801	6,200	-	-	-
Apetito Ltd	116	-	-	-	2	1,483	741	1	1,808	1,808
Finchampstead Parish Council	117	2	17,139	8,570	-	-	-	-	-	-
Bray Parish Council	118	-	-	-	-	-	-	1	4,647	4,647
Pippins School - Slough	119	16	138,418	8,651	3	5,560	1,853	2	1,231	616
Stratfield Mortimer Parish Council	120	1	22,239	22,239	-	-	-	-	-	-
SECEB	121	2	108,451	54,225	-	-	-	2	1,392	696
Wexham Court Parish Council	122	2	11,982	5,991	-	-	-	-	-	-
SE Berks EBP	123	-	-	-	-	-	-	4	2,690	672

Employer	Code	Active Members			Pensioners			Deferred Pensioners		
		Number	Actual Pay	Average	Number	Annual Pensions	Average	Number	Annual Pensions	Average
			£	£		£	£		£	£
People 1st Slough	124	64	1,974,105	30,845	8	48,501	6,063	23	38,170	1,660
Crowthorne Parish Council	125	4	52,714	13,178	-	-	-	-	-	-
John Madejski Academy	126	42	801,283	19,078	-	-	-	22	8,542	388
White Waltham Parish Council	127	1	22,688	22,688	-	-	-	1	90	90
Greenwich Leisure Ltd	128	21	202,876	9,661	1	1,009	1,009	18	42,468	2,359
Winnersh Parish Council	129	1	19,276	19,276	-	-	-	-	-	-
National Car Parks Ltd	130	-	-	-	3	7,480	2,493	1	1,961	1,961
Learning Plus UK	131	9	257,834	28,648	-	-	-	-	-	-
Bracknell Forest Homes	132	169	4,841,765	28,649	12	94,351	7,863	18	48,919	2,718
Wolseley UK Ltd	133	2	37,599	18,799	-	-	-	-	-	-
Social Enterprise Berkshire	134	1	37,544	37,544	-	-	-	5	9,245	1,849
Langley Academy	135	45	805,984	17,911	1	1,216	1,216	4	863	216
Hungerford Town Council	136	1	12,060	12,060	-	-	-	-	-	-
Sandhurst Parish Council	137	2	69,904	34,952	-	-	-	-	-	-
Berkshire Fire & Rescue (Training) Ltd	138	1	22,593	22,593	-	-	-	1	204	204
Fitzpatrick Contractors Ltd	139	4	76,030	19,008	-	-	-	-	-	-
Care UK Ltd	140	15	263,643	17,576	-	-	-	-	-	-
Connexions Thames Valley	141	24	832,015	34,667	-	-	-	1	967	967
Computacenter	142	6	166,107	27,685	-	-	-	-	-	-
Recharge 1	913	-	-	-	3	2,760	920	-	-	-
Recharge 2	963	-	-	-	1	3,920	3,920	-	-	-
Wokingham BC (Schools)	70000	1,311	13,766,868	10,501	5	21,931	4,386	63	24,281	385
Total		**20,001**	**371,126,465**	**18,555**	**11,524**	**49,839,221**	**4,325**	**20,180**	**24,092,713**	**1,194**

Appendix 5. Rates and Adjustments Certificate

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

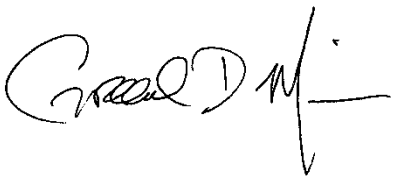
Dear Andrew

On your instruction, we have made an actuarial valuation of the Royal County of Berkshire Pension Fund ("the Fund") as at 31 March 2010.

In accordance with Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 we have made an assessment of the contributions which should be paid to the Fund by the employing authorities as from 1 April 2011 in order to maintain the solvency of the Fund.

The required contribution rates are set out in the following Contribution Schedule.

Yours faithfully



Graeme D Muir FFA **Alison Hamilton FFA**

Contribution Schedule

The Common Rate of Contribution payable by each employing authority under Regulation 36 for the period 1 April 2011 to 31 March 2014 is 16.5% of pensionable payroll.

Individual Adjustments payable by each employing authority under Regulation 36 for the period 1 April 2011 to 31 March 2014 resulting in Minimum Total Contribution Rates are as set out below: -

			Minimum Level of Contributions					
Code	Employer	2010 Funding Pool	2011/12 % Pay	2011/12 £	2012/13 % Pay	2012/13 £	2013/14 % Pay	2013/14 £
2	**Bracknell Forest Council**	**Bracknell Forest Council**	13.0%	1,240,000	13.0%	1,430,000	13.0%	1,626,000
49	Binfield Parish Council	Bracknell Forest Council	15.8%		16.0%		16.3%	
9	Bracknell Town Council	Bracknell Forest Council	15.8%		16.0%		16.3%	
125	Crowthorne Parish Council	Bracknell Forest Council	15.8%		16.0%		16.3%	
137	Sandhurst Parish Council	Bracknell Forest Council	15.8%		16.0%		16.3%	
39	South Hill Park Trust	Bracknell Forest Council	15.8%		16.0%		16.3%	
42	Winkfield Parish Council	Bracknell Forest Council	15.8%		16.0%		16.3%	
3	**RBWM**	**RBWM**	13.0%	1,120,000	13.0%	1,400,000	13.0%	1,699,000
51	Cox Green Parish Council	RBWM	15.1%		15.5%		15.9%	
69	Desborough School	RBWM	15.1%		15.5%		15.9%	
143	Hurley Parish Council	RBWM	15.1%		15.5%		15.9%	
18	Sunningdale Parish Council	RBWM	15.1%		15.5%		15.9%	
19	Sunninghill & Ascot Parish Council	RBWM	15.1%		15.5%		15.9%	
127	White Waltham Parish Council	RBWM	15.1%		15.5%		15.9%	
5	**Reading Borough Council**	**Reading Borough Council**	12.6%	1,660,000	12.6%	1,980,000	12.6%	2,325,000
76	Prospect School	Reading Borough Council	15.0%		15.4%		15.7%	
68	Reading Girls School	Reading Borough Council	15.0%		15.4%		15.7%	
66	The Blessed Hugh Farringdon School	Reading Borough Council	15.0%		15.4%		15.7%	
6	**Slough Borough Council**	**Slough Borough Council**	12.6%	1,310,000	12.6%	1,510,000	12.6%	1,736,000
74	Castleview School	Slough Borough Council	15.6%		15.9%		16.2%	
60	Cippenham Middle School	Slough Borough Council	15.6%		15.9%		16.2%	
70	Herschel Grammar School	Slough Borough Council	15.6%		15.9%		16.2%	
61	Holy Family School	Slough Borough Council	15.6%		15.9%		16.2%	

Code	Employer	2010 Funding Pool	Minimum Level of Contributions					
			2011/12 % Pay	2011/12 £	2012/13 % Pay	2012/13 £	2013/14 % Pay	2013/14 £
71	Langley Grammar School	Slough Borough Council	15.6%		15.9%		16.2%	
91	Lynch Hill School	Slough Borough Council	15.6%		15.9%		16.2%	
119	Pippins School - Slough	Slough Borough Council	15.6%		15.9%		16.2%	
62	Priory School	Slough Borough Council	15.6%		15.9%		16.2%	
87	Ryvers School	Slough Borough Council	15.6%		15.9%		16.2%	
77	The Westgate School	Slough Borough Council	15.6%		15.9%		16.2%	
122	Wexham Court Parish Council	Slough Borough Council	15.6%		15.9%		16.2%	
4	**West Berkshire Council**	**West Berkshire**	13.0%	1,250,000	13.0%	1,410,000	13.0%	1,582,000
65	Denefield School	West Berkshire	15.4%		15.6%		15.7%	
136	Hungerford Town Council	West Berkshire	15.4%		15.6%		15.7%	
88	Newbury Town Council	West Berkshire	15.4%		15.6%		15.7%	
63	St Bartholomews School	West Berkshire	15.4%		15.6%		15.7%	
120	Stratfield Mortimer Parish Council	West Berkshire	15.4%		15.6%		15.7%	
11	Thatcham Town Council	West Berkshire	15.4%		15.6%		15.7%	
75	The Downs School	West Berkshire	15.4%		15.6%		15.7%	
20	Tilehurst Parish Council	West Berkshire	15.4%		15.6%		15.7%	
7	**Wokingham Borough Council**	**Wokingham**	13.0%	867,000	13.0%	990,000	13.0%	1,123,000
73	All Saints CE (aided) Primary School	Wokingham	15.5%		15.8%		16.0%	
97	Barkham Parish Council	Wokingham	15.5%		15.8%		16.0%	
10	Earley Town Council	Wokingham	15.5%		15.8%		16.0%	
117	Finchampstead Parish Council	Wokingham	15.5%		15.8%		16.0%	
96	Shinfield Parish Council	Wokingham	15.5%		15.8%		16.0%	
52	Swallowfield Parish Council	Wokingham	15.5%		15.8%		16.0%	
129	Winnersh Parish Council	Wokingham	15.5%		15.8%		16.0%	
70,000	Wokingham Borough Council (Schools)	Wokingham	15.5%		15.8%		16.0%	
12	Wokingham Town Council	Wokingham	15.5%		15.8%		16.0%	
21	Woodley Town Council	Wokingham	15.5%		15.8%		16.0%	
90	Berkshire Fire & Rescue Service	Berkshire Fire & Rescue Service	13.4%	148,000	13.4%	155,000	13.4%	162,300

Code	Employer	2010 Funding Pool	Minimum Level of Contributions					
			2011/12 % Pay	2011/12 £	2012/13 % Pay	2012/13 £	2013/14 % Pay	2013/14 £
106	Thames Valley Probation Trust	Thames Valley Probation Board	12.3%	256,000	12.3%	268,000	12.3%	280,300
	Colleges							
58	Berkshire College Of Agriculture	Colleges	15.7%		16.1%		16.6%	
55	Bracknell & Wokingham College	Colleges	15.7%		16.1%		16.6%	
57	East Berkshire College	Colleges	15.7%		16.1%		16.6%	
53	Newbury College	Colleges	15.7%		16.1%		16.6%	
54	Thames Valley University Reading	Colleges	15.7%		16.1%		16.6%	
46	Thames Valley University Slough	Colleges	15.7%		16.1%		16.6%	
	Admitted Bodies							
26	Age Concern Berkshire	Admitted Bodies	15.9%		16.2%		16.5%	
38	AOSEC	Admitted Bodies	15.9%		16.2%		16.5%	
23	Berkshire County Blind Society	Admitted Bodies	15.9%		16.2%		16.5%	
95	Berkshire Maestros	Admitted Bodies	15.9%		16.2%		16.5%	
81	East Berkshire Mind	Admitted Bodies	15.9%		16.2%		16.5%	
28	Elizabeth Fry Hostel	Admitted Bodies	15.9%		16.2%		16.5%	
131	Learning Plus UK	Admitted Bodies	14.1%		14.8%		15.4%	
30	Mary Hare Grammar School	Admitted Bodies	15.9%		16.2%		16.5%	
105	PACT	Admitted Bodies	15.9%		16.2%		16.5%	
40	Reading Voluntary Action	Admitted Bodies	15.9%		16.2%		16.5%	
35	School Of St Helen & St Katharine	Admitted Bodies	15.9%		16.2%		16.5%	
121	SECEB	Admitted Bodies	15.9%		16.2%		16.5%	
93	Slough Community Transport & Shopmobility	Admitted Bodies	15.9%		16.2%		16.5%	
37	Slough Council For Voluntary Service	Admitted Bodies	15.9%		16.2%		16.5%	
134	Social Enterprise Berkshire	Admitted Bodies	15.9%		16.2%		16.5%	
98	Woodley Age Concern	Admitted Bodies	15.9%		16.2%		16.5%	
	Housing Associations							
132	Bracknell Forest Homes	Housing Associations	17.2%		17.4%		17.6%	

Code	Employer	2010 Funding Pool	Minimum Level of Contributions					
			2011/12 % Pay	2011/12 £	2012/13 % Pay	2012/13 £	2013/14 % Pay	2013/14 £
83	Dimensions UK Ltd	Housing Associations	17.5%		17.6%		17.6%	
104	Housing Solutions Ltd	Housing Associations	16.3%		16.9%		17.6%	
79	Maidenhead and District Housing Association	Housing Associations	17.5%		17.6%		17.6%	
84	Turnstone Support	Housing Associations	17.5%		17.6%		17.6%	
80	Windsor Housing	Housing Associations	17.5%		17.6%		17.6%	
	CfBT/Connexions							
59	CfBT	CfBT/Connexions	15.5%		15.5%		15.5%	
108	Connexions Berkshire	CfBT/Connexions	14.5%		15.0%		15.5%	
141	Connexions Thames Valley	CfBT/Connexions	14.5%		15.0%		15.5%	
	Transferee Admission Bodies							
140	Care UK Ltd	Care UK	21.0%		21.0%		21.0%	
139	Fitzpatrick	Fitzpatrick	24.4%		24.4%		24.4%	
128	Greenwich Leisure Ltd	Greenwich Leisure Ltd	16.0%		16.0%		16.0%	
114	Holroyd Howe Ltd	MITIE	31.0%		31.0%		31.0%	
107	Interserve (Facilities Services Slough) Ltd	Interserve (Facilities Services Slough) Ltd	14.0%		14.0%		14.0%	
115	MITIE PFI Ltd	MITIE	31.0%		31.0%		31.0%	
113	Northgate Information Solutions Ltd	Northgate Information Solutions Ltd	14.5%		14.5%		14.5%	
142	Northgate Information Solutions Ltd	Computacenter	18.9%		18.9%		18.9%	
103	Slough Community & Leisure Ltd	Slough Community & Leisure Ltd	15.6%		15.6%		15.6%	
110	Slough Enterprise Ltd	Slough Enterprise Ltd	17.6%		17.6%		17.6%	
112	Vinci Park	APCOA	20.0%		20.0%		20.0%	
	Academies							
146	Churchend Primary Academy Trust	Churchend Primary Academy Trust	13.8%		13.8%		13.8%	
144	Highdown School & 6th Form Centre	Highdown School & 6th Form Centre	17.2%		17.2%		17.2%	
126	John Madejski Academy	John Madejski Academy	16.7%		16.7%		16.7%	
86	Kendrick School	Kendrick School	20.3%		20.3%		20.3%	
135	Langley Academy	Langley Academy	17.2%		17.2%		17.2%	
67	Reading School	Reading School	19.7%		19.7%		19.7%	

Code	Employer	2010 Funding Pool	Minimum Level of Contributions					
			2011/12 % Pay	2011/12 £	2012/13 % Pay	2012/13 £	2013/14 % Pay	2013/14 £
72	Slough Grammar School	Slough Grammar School	22.4%		22.4%		22.4%	
	Closed Employers							
100	Corn Exchange Trust	Corn Exchange Trust	14.5%		14.7%		14.8%	
44	Reading Transport Ltd	Reading Transport Ltd	19.7%	77,900	19.7%	147,400	19.7%	233,880
48	Sovereign Housing Association	Sovereign Housing Association	19.7%	134,000	19.7%	204,000	19.7%	281,000

Notes

1. 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.

2. 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.

Appendix 6. LGPS Benefits

<table>
<tr><th></th><th>LGPS 1997</th><th>LGPS 2008</th></tr>
<tr><td colspan="3">General Features</td></tr>
<tr><td>Type of Scheme</td><td colspan="2">Final salary</td></tr>
<tr><td>Relationship with S2P</td><td colspan="2">Contracted-out</td></tr>
<tr><td>Member Contributions</td><td>6%

5% for manual workers in scheme prior to 01/04/1998</td><td>Banded Contributions based on full time pay as at 1st April 2011

<table>
<tr><th>Range</th><th>Cont Rate</th></tr>
<tr><td>£0 - £12,900</td><td>5.50%</td></tr>
<tr><td>£12,901 - £15,100</td><td>5.80%</td></tr>
<tr><td>£15,101 - £19,400</td><td>5.90%</td></tr>
<tr><td>£19,401 - £32,400</td><td>6.50%</td></tr>
<tr><td>£32,401 - £43,300</td><td>6.80%</td></tr>
<tr><td>£43,301 - £81,100</td><td>7.20%</td></tr>
<tr><td>More than £81,100</td><td>7.50%</td></tr>
</table>
Bands to be increased annually with Pension Increase Orders.

Transitional protection for members currently paying 5% until 2011/2012.</td></tr>
<tr><td>Final Pay</td><td colspan="2">In general, best of the last 3 years pensionable pay</td></tr>
<tr><td>Pensionable Pay</td><td colspan="2">Normal salary plus any shift allowance, bonuses, contractual overtime, Maternity Pay, Paternity Pay, Adoption Pay and any other taxable benefit specified as being pensionable.</td></tr>
<tr><td colspan="3">Retirement Benefits</td></tr>
<tr><td>Normal Retiring Age</td><td colspan="2">Age 65</td></tr>
<tr><td>Early Retirement</td><td colspan="2">Age 55+ (existing members remains at age 50+ for retirements up to 31 March 2010. Employer consent required if below age 60.

Minimum 3 months membership or transfer in

Benefits reduced unless Rule of 85 applies (member of the scheme as at 30th September 2006) and is satisfied

Rule of 85 does not apply for service from 1 April 2008, subject to transitional protections.

Employer's discretion to waive any actuarial reduction. No reductions applied for redundancy retirements.</td></tr>
<tr><td>Transitional Protections</td><td colspan="2">If born before 1 April1960 and an existing member of the Scheme as at 30 September 2006 then 85 year rule stays for service up to 1 April 2016 with tapered protection to 1 April 2020.</td></tr>
</table>

<table>
<tr><th>General Features</th><th>LGPS 1997</th><th>LGPS 2008</th></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>Flexible Retirement</td><td colspan="2">Age 55+

(existing members remains at age 50+ for retirements up to 31/03/2010)

Minimum 3 months membership or transfer in

Reduce hours or move to a lower graded post

Draw pension and salary

Employers discretion to waive any actuarial reduction</td></tr>
<tr><td>Late Retirement</td><td colspan="2">Continue to day before eve of 75th birthday

Benefits accrue to date of retirement</td></tr>
<tr><td>Ill Health Retirement</td><td>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

<table><tr><th>Accrued Membership</th><th>Benefit Payable</th></tr><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><tr><td>5 but less than 10 yrs</td><td>Membership Doubled</td></tr><tr><td>10 yrs to 13 yrs 122 days</td><td>Membership Enhanced to 20 yrs</td></tr><tr><td>13 yrs 123 days or more</td><td>Membership Enhanced by 6 2/3 yrs</td></tr></table></td><td>Permanently unable to undertake own job or any comparable job with employer. Benefits are graded based on how likely you are to be capable of gainful employment after you leave.

First Tier - No reasonable prospect of alternative employment ever again then service enhanced by 100% of prospective service to age 65.

Second Tier - No prospect of obtaining gainful employment within a reasonable period of leaving local government employment, but likely to be able to obtain gainful employment before 65 then service enhanced by 25% of prospective service.

Third Tier - Reduced likelihood of obtaining gainful employment within 3 years of leaving, or before age 65 if earlier then no service enhancement. Payment of these benefits will be stopped after 3 years, or earlier if the member is in gainful employment or becomes capable of such employment, provided they are not age 65 by then.</td></tr>
<tr><td>Benefit Accrual</td><td>Pension = 1/80th

Lump Sum = 3/80th plus increased lump sum by commutation 12:1 up to a maximum of 25% of lifetime allowance

Spouse’s Pension = 1/160th</td><td>Pension = 1/60th

Lump Sum = By commutation 12:1 up to a maximum of 25% of lifetime allowance

Spouse’s Pension = 1/160th</td></tr>
<tr><td>Death and Survivor Benefits</td><td></td><td></td></tr>
<tr><td>Lump Sum Death Benefit</td><td>Active = 2 x Pensionable Pay

Deferred = Current value of deferred lump sum</td><td>Active = 3 x Pensionable Pay

Deferred = 5 x Current value of deferred annual</td></tr>
</table>

General Features	LGPS 1997	LGPS 2008
		pension
	Pensioner = 5 year guarantee less pension paid	Pensioner = 10 year guarantee less pension paid (for death before age 75)
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 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.	**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
Increasing Benefits		
AVCs	Maximum contributions – 50% of taxable earnings Options available: Open market annuity LGPS Top Up Pension Tax Free Lump Sum (100% of fund up to max of 25% of Lifetime Allowance)	

General Features	LGPS 1997	LGPS 2008
	LGPS Service Credit (if commenced AVCs prior to 13/11/2001)	
Added Years/Pension	Maximum purchase 6 2/3 years Payable from next birthday to age 65 (contracts taken out before 01/10/2006 may have an earlier date than age 65)	Maximum purchase £5,000 extra pension (in multiples of £250).
Leaving the Scheme		
Benefits on Leaving	**Less than 3 months membership and no transfer in** Refund of contributions CETV Defer decision **More than 3 months membership or transfer in** CETV Defer Benefits until NRA	