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Cheshire Pension Fund

Actuarial valuation as at 31 March 2019

Final valuation report

30 March 2020



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Valuation report

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1 Introduction

Background to the actuarial valuation

We have been commissioned by Cheshire West & Chester Council (“the Administering Authority”) to carry out an actuarial valuation of the Cheshire Pension Fund (“the Fund”) as at 31 March 2019 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (“the Regulations”).

The actuarial valuation is a risk management exercise with the purpose of reviewing the current funding plans and setting contribution rates for the Fund’s participating employers for the period from 1 April 2020 to 31 March 2023. This report summarises the outcomes of the valuation and the underlying advice provided to the Administering Authority throughout the valuation process.

This summary report is the culmination of other communications in relation to the valuation, in particular:

- Our [2019 valuation toolkit](#) which sets out the methodology used when reviewing funding plans;
- Our paper to the Fund’s Pensions Committee dated 8 March 2019 which discusses the valuation assumptions;
- Our Initial Results Report dated 3 September 2019 which outlines the whole fund results and inter-valuation experience; and
- The Funding Strategy Statement which details the approach taken to adequately fund the current and future benefits due to members.

Reliances and Limitations

This report has been prepared for the sole use of Cheshire West & Chester Council in its role as Administering Authority of the Fund to provide an actuarial valuation of the Fund as required under the Regulations. It has not been prepared for any other third party or for any other purpose. We make no representation or warranties to any third party as to the accuracy or completeness of this report. No reliance should be placed on this report by any third party and we accept no responsibility or liability to any third party in respect of it.

Hymans Robertson LLP is the owner of all intellectual property rights in this report. All such rights are reserved.

The totality of our advice complies with the Regulations as they relate to actuarial valuations.

The following Technical Actuarial Standards¹ are applicable in relation to this report and have been complied with where material:

- TAS 100 – Principles for technical actuarial work;
- TAS 300 – Pensions.

¹ Technical Actuarial Standards (TASs) are issued by the Financial Reporting Council (FRC) and set standards for certain items of actuarial work.



Use of this report by other parties

This report is addressed to the Administering Authority of the Fund only. We appreciate that other parties may also seek information about the 2019 valuation process and methodology. We would encourage such parties to refer to the following publicly available documents for further information:

- The Fund's Funding Strategy Statement;
- The Fund's Investment Strategy Statement;
- Published meeting papers and minutes for the quarterly meetings of the Fund's Pensions Committee.

Considering these papers alongside this valuation report will provide a more complete view of the Fund's funding strategy and decision-making process surrounding this. These documents are available on the Fund's website.

2 Valuation approach

Employer contribution rates

The purpose of the valuation is to review the current funding strategy and ensure the Fund has a contribution plan and investment strategy in place that will enable it to pay members' benefits as they fall due.

Valuations for open defined benefit multi-employer pension funds such as the Cheshire Pension Fund are complex. Firstly, the time horizons are very long; benefits earned in the LGPS today will be paid out over a period of the next 80 years or more, and new members will continue to join in the future. Secondly, as they depend on unknowns such as future inflation and life expectancy, the actual value of future benefit payments is uncertain. Finally, to keep contributions affordable, the Fund invests in return seeking assets which have higher levels of future volatility.

Given the above and that the future cannot be predicted with certainty, employer contribution rates can only ever be an estimate of the 'true' cost of benefits promised to members. However, the valuation approach adopted uses an understanding of the Fund, and the uncertainties and risks discussed above, to quantify the likelihood of the contribution plan and investment strategy for each employer being sufficient to fund future benefits.

This is achieved in practice by following the process outlined below.

- Step 1: The Fund sets a funding target (or funding basis) for each employer which defines the estimated amount of assets to be held to meet the future benefit payments.
- Step 2: The Fund sets the funding time horizon over which the funding target is to be achieved.
- Step 3: The Fund sets contributions that give a sufficiently high likelihood of meeting the funding target over the set time horizon.

These three steps are central to the "risk-based" approach to funding which is described in Guide 5 of our [2019 valuation toolkit](#).

The risk-based approach uses an Asset Liability Model (described in Guide 6 of the [2019 valuation toolkit](#)) to project each employer's future benefit payments, contributions and investment returns into the future under 5,000 possible economic scenarios. Future inflation (and therefore benefit payments) and investment returns for each asset class (and therefore asset values) are variables in the projections. Further details of these variables are provided in Appendix 2. The investment strategy underlying the projection of employer asset values is provided in Appendix 1.

By projecting the evolution of an employer's assets and benefit payments 5,000 times, a contribution rate can be set that results in a sufficient number of the future projections being successful i.e. meeting the funding target by the funding time horizon.

The risk-based approach to setting employer contributions allows the Fund and its employers to understand and quantify the level of risk inherent in funding plans, something that is not possible using a single set of assumptions alone.

Further detail on the approach to calculating contributions for individual employers, including the parameters used in the three steps for each type of employer, is set out in the Funding Strategy Statement dated 13 March 2020.

Funding position as at 31 March 2019

The valuation also offers an opportunity to measure the Fund's funding position as at 31 March 2019. Whilst this measurement has limited insight into understanding the long-term ability to be able to pay members' benefits, it is a useful summary statistic.

For the purposes of this valuation we have adopted a "mark to market" approach, meaning that the Fund's assets have been taken into account at their market value and the liabilities have been valued by reference to a single set of

assumptions based on market indicators at the valuation date. These assumptions are detailed in Appendix 2. As we have taken a market-related approach to the valuation of both the assets and the liabilities, we believe that they have been valued on a consistent basis.

Significant events

The figures in this report are based on our understanding of the benefit structure of the LGPS in England and Wales as at 31 March 2019. Details can be found at <http://www.lgpsregs.org/>.

McCloud ruling

The LGPS benefit structure is currently under review following the Government's loss of the right to appeal the McCloud and other similar court cases. At the time of writing, the format and scope of any benefit changes in light of the McCloud ruling is still unknown. In line with the [advice issued by the Scheme Advisory Board in May 2019](#), no allowance has been made for the impact of the McCloud ruling in our funding position calculations.

Details of the approach to setting contribution rates in light of the McCloud ruling are set out in Section 2.7 of the Funding Strategy Statement.

Indexation and equalisation of Guaranteed Minimum Pensions (GMP)

As a result of the Government's introduction of a single-tier state pension (STP) there is currently uncertainty around who funds certain elements of increases on GMPs for members reaching State Pension Age after 6 April 2016.

As part of the introduction of STP, the Government confirmed that public service pension schemes, including the LGPS, will be responsible for funding all increases on GMP as an 'interim solution'. In their [January 2018 consultation response](#), HM Treasury confirmed that the 'interim solution' will continue to remain in place up to 5 April 2021. Thereafter the Government's preferred approach is to convert GMP to scheme pension.

For the 2019 valuation, given the Government's preference for conversion to scheme benefits, we have assumed that all increases on GMPs for members reaching State Pension Age from 6 April 2016 will be paid for by LGPS employers. This has served to increase the value placed on the liabilities.

The Government have also stated that their preferred long-term solution of converting GMP to scheme pension will also meet the requirements of equalisation.

3 Valuation results

Employer contribution rates

The key objective of the Fund is to set employer contributions that are likely to be sufficient to meet both the cost of new benefits accruing and to address any funding surplus or deficit relative to the funding target over the agreed time horizon. A secondary objective is to maintain relatively stable employer contribution rates.

In order to meet the above objectives, the methodology set out in Section 2 has been used to set employer contributions from 1 April 2020.

Employer contributions are made up of two elements:

- a) the estimated cost of future benefits being built up each year, after deducting members' own contributions and including an allowance for the Fund's administration expenses. This is referred to as the "*Primary rate*", and is expressed as a percentage of members' pensionable pay; plus
- b) an adjustment for the difference between the Primary rate above, and the total contribution the employer needs to pay, referred to as the "*Secondary rate*". In broad terms, the Secondary rate is in respect of benefits already accrued at the valuation date. The Secondary rate may be expressed as a percentage of pay and/or a monetary amount in each year.

The Primary rate and Secondary rate for every contributing employer in the Fund is set out in the Rates and Adjustments Certificate in Appendix 3.

Primary and Secondary contributions have been certified for each employer which are appropriate for that employer's circumstances and which reflects that employer's experience. However, broadly speaking:

- Primary contribution rates have generally been subject to upward pressure as a result of a weaker outlook for future investment returns;
- Secondary contributions have decreased as the Fund's assets have performed strongly since 31 March 2016, reducing the level of contributions required in respect of benefits accrued to the valuation date.

The table below summarises the whole fund Primary and Secondary Contribution rates at this valuation. The Primary rate is the payroll weighted average of the underlying individual employer primary rates and the Secondary rate is the total of the underlying individual employer secondary rates, calculated in accordance with the Regulations and CIPFA guidance. The whole fund Primary and Secondary contributions calculated at the 2016 valuation of the Fund are shown for comparison.

	Last Valuation 31 March 2016		This Valuation 31 March 2019	
Primary Rate (% of pay)	19.2%		20.8%	
Secondary Rate (£)	2017/18	34,648,000	2020/21	23,310,000
	2018/19	38,941,000	2021/22	18,956,000
	2019/20	43,183,000	2022/23	14,333,000

The Primary rate includes an allowance of 0.6% of pensionable pay for the Fund's expenses (0.4% at the 2016 valuation).

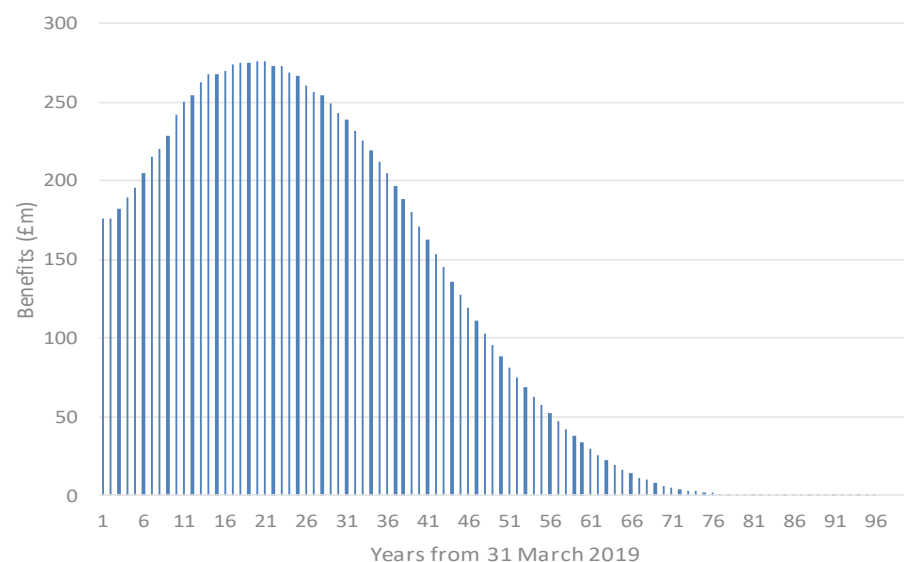
The average employee contribution rate is 6.3% of pensionable pay (6.2% at the 2016 valuation).

Funding position as at 31 March 2019

The funding position is a summary statistic often quoted to give an indication of the health of the fund. It is limited as it provides only a snapshot in time and is based on a single set of assumptions about the future. To measure the funding position at 31 March 2019, we compare the value of the Fund's assets on that date against the expected cost (including an allowance for future investment

returns) of all the future benefit payments accrued up to the valuation date (the liabilities).

The chart below a projection of these future benefit payments based on the membership data summarised in Appendix 1 and the demographic, salary and benefit increases assumptions summarised in Appendix 2.

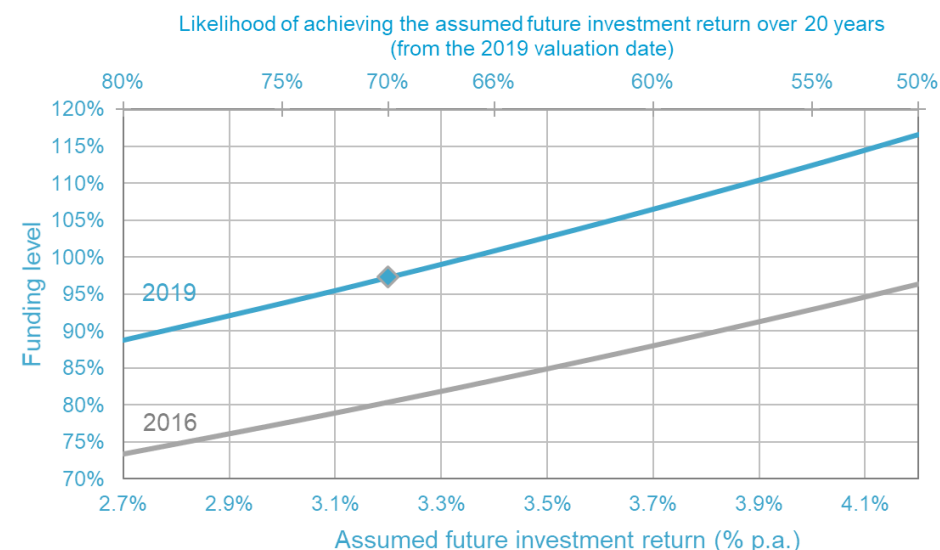


Using an assumption about the future investment return generated from the Fund's assets then allows a value to be placed on these payments in today's money. This value is known as the liability value. The higher the assumed investment return, the lower the liability value and therefore the higher the funding level.

The value placed on the liabilities is extremely sensitive to the investment return assumption. Based on the Fund's current benchmark investment strategy (detailed in Appendix 1) and the same model used in the contribution rate calculations, it is estimated that:

- There is a 50% likelihood of the Fund's investments achieving at least an annual return of 4.2% p.a. over the next 20 years;
- There is a 70% likelihood of the Fund's investments achieving at least an annual return of 3.2% p.a. over the next 20 years; and
- There is an 80% likelihood of the Fund's investments achieving at least an annual return of 2.7% p.a. over the next 20 years.

The following chart shows how the funding level varies with the future investment return assumption (blue line). For comparison, the funding level associated with the same choice of investment return assumption at the 2016 valuation is also shown (grey line).



From this chart, we can see that:

- Regardless of the investment return assumption used, there has been a genuine improvement in the funding position at 31 March 2019 compared

to the last valuation, reflecting an increase in the assets held today per pound of benefit to be paid out in future;

- The funding position would be 100% if future investment returns were around 3.4% p.a. (at 2016, the investment return would have needed to be 4.4% p.a.). The likelihood of the Fund's assets yielding at least this return is around 66%;
- If future investment returns were 4.2% p.a. then the Fund currently holds sufficient assets to meet 117% of the accrued liabilities. The likelihood of the Fund's assets yielding at least this return is 50%. A funding level of 117% can therefore be considered the "best estimate" funding position.

Reported funding position

The valuation outputs are more meaningful when stakeholders can understand the likelihood, and hence the level of prudence, attached to them. The above chart does this for the measurement of the funding position.

However, there is still a requirement to report a single funding position at 31 March 2019. This reported position must include a margin of prudence.

For the purpose of reporting a funding level and an associated funding surplus/deficit for the 2019 valuation, an investment return of 3.2% p.a. has

been used. It is estimated that the Fund's assets have a 70% likelihood of achieving this return.

The resulting funding position is as follows:

Valuation Date	31 March 2016	31 March 2019
Past Service Liabilities	(£m)	(£m)
Employees	1,663	2,057
Deferred Pensioners	772	1,112
Pensioners	2,185	2,570
Total Liabilities	4,620	5,739
Assets	4,153	5,583
Surplus / (Deficit)	(467)	(156)
Funding Level	90%	97%

There has been an improvement in the reported funding level since 31 March 2016 from 90% to 97% and an improvement in the funding deficit from £467m to £156m.

A breakdown of the key factors that have influenced the reported funding position from 31 March 2016 to 31 March 2019 is detailed overleaf.

Change in the surplus/deficit position	Assets (£m)	Liabilities (£m)	Surplus / (Deficit) (£m)
Last valuation at 31 March 2016	4,153	4,620	(467)
Cashflows			
Employer contributions paid in	444		444
Employee contributions paid in	108		108
Benefits paid out	(521)	(521)	0
Net transfers into / out of the Fund*	3		3
Other cashflows (e.g. Fund expenses)	(10)		(10)
Expected changes in membership			
Interest on benefits already accrued		549	(549)
Accrual of new benefits		512	(512)
Membership experience vs expectations			
Salary increases less than expected		(8)	8
Benefit increases less than expected		(1)	1
Early retirement strain (and contributions)	17	30	(13)
Ill health retirement gain		(20)	20
Early leavers greater than expected		(10)	10
Pensions ceasing greater than expected		(4)	4
Commutation less than expected		5	(5)
Impact of GMP equalisation		6	(6)
Other membership experience		17	(17)
Changes in market conditions			
Investment returns on the Fund's assets	1,388		1,388
Changes in future inflation expectations		147	(147)
Changes in actuarial assumptions			
Change in demographic assumptions (excl. longevity)		(11)	11
Change in longevity assumptions		(198)	198
Change in salary increase assumption		33	(33)
Change in discount rate		592	(592)
This valuation at 31 March 2019	5,583	5,739	(156)

* We have insufficient data to value the impact on the liabilities as a result of transfers in/out

Note that figures in the table above may not sum due to rounding.

Since the previous valuation, various events have taken place which affect the value placed on the liabilities, including:

- There is an interest cost of £549m. This is broadly three years of compound interest at 3.8% p.a. applied to the previous valuation liability value of £4,620m. The benefits that have been accrued to the valuation date are three years closer to payment at 31 March 2019 than they were at 31 March 2016, meaning there is less opportunity for future investment returns to help meet this cost. This serves to increase the value placed on the liabilities;
- The areas of membership experience that have had the greatest impact on the surplus/deficit position of the Fund are set out below, together with their impact on the liabilities:

	Expected	Actual	Difference	Impact on Liabilities
Pre-retirement experience				
Early leavers (no of lives)	8,813	12,278	3,465	Positive
Ill health retirements (no of lives)	269	168	(101)	Positive
Salary increases (p.a.)	3.1%	2.9%	(0.2%)	Positive
Post-retirement experience				
Benefit increases (p.a.)	2.1%	2.1%	(0.0%)	Broadly neutral
Pensions ceasing (£000)	10,481	10,821	340	Positive

- The changes to the longevity assumptions used for the valuation have resulted in a modest reduction in life expectancies. This has served to reduce the liabilities by £198m;
- The assumed rate of future CPI inflation has increased from 2.1% p.a. at 31 March 2016 to 2.3% p.a. at 31 March 2019. This has increased the value of the liabilities by £147m;
- The assumed rate of future investment returns has decreased from 3.8% p.a. to 3.2% p.a.. This has increased the value of the liabilities by £592m.

There has been a large increase in the value of the Fund's assets since the previous valuation because:

- The investment return on the Fund's assets for the period 31 March 2016 to 31 March 2019 was 33.3%. This has increased the value of the assets by £1,388m.

Projection of the funding position

The progression of the funding position will depend on various factors including future asset performance, economic conditions and membership movements. If the financial and demographic assumptions made at this valuation are borne out in practice, and there are no changes to the valuation assumptions, we project that the funding level at the 2022 valuation date will be approximately 97%. This allows for contributions to be paid as described in Appendix 3.

4 Sensitivity analysis

The results set out in this report are based on assumptions about the future. The actual cost of providing the benefits will depend on the actual experience of the Fund, which could be significantly better or worse than assumed. This section discusses the sensitivity of the results to some of the key assumptions.

Sensitivity of contribution rates to changes in assumptions

The approach to setting employer contribution rates mitigates the limitation of relying on one particular set of assumptions about the future by recognising the uncertainty around future investment returns and inflation. Therefore, there is no need to carry out additional analysis of the sensitivity of contribution rates to changes in financial assumptions.

The contribution rates are sensitive to changes in demographic assumptions. The results in this section in relation to the funding position can be broadly applied to the contribution rates.

Sensitivity of the funding position to changes in assumptions

The reported valuation funding position is based on one set of actuarial assumptions about the future of the Fund. If all of the assumptions made were exactly borne out in practice then the liability value presented in this report would represent the actual cost of providing benefits from the Fund as it stands at 31 March 2019.

Sensitivity of the funding position to future investment returns

The chart in Section 3 details how the funding position varies with the future assumed investment return.

Sensitivity of the funding position to future inflation

Pensions (both in payment and in deferment) in the LGPS increase annually in line with CPI inflation. Furthermore, benefits accrued in the CARE scheme are

revalued annually in line with CPI inflation. If future CPI inflation is higher than the assumed rate of 2.3% p.a. then the cost of the benefits will be higher than we have set out in Section 3.

The table quantifies the impact on the funding position of varying the benefit increases and CARE revaluation (CPI) assumption below.

CPI Assumption	Surplus/(Deficit)	Funding Level
% pa	(£m)	%
2.1%	(8)	100%
2.3%	(156)	97%
2.5%	(303)	95%

Sensitivity of the funding position to life expectancy

The main area of demographic risk is people living longer than expected. If long-term mortality rates fall at a rate of 1.5% p.a. (compared to the assumed 1.25% p.a.) then members will live slightly longer than we have assumed in this valuation. The impact on the funding position is detailed below.

Long term rate of improvement	Surplus/(Deficit)	Funding Level
% pa	(£m)	%
1.25%	(156)	97%
1.50%	(206)	96%

Other demographic risks to consider

There are other risk factors which would have an impact on the funding position. Examples of these include the level of ill health retirements and withdrawals from the scheme. These are probably unlikely to change in such a way that would rank them as amongst the highest risks facing the Fund and therefore there has been no further quantification of their risk.

Comment on sensitivity analysis

Note that the tables above show the effect of changes to each assumption in isolation. In reality, it is perfectly possible for the experience of the Fund to

deviate from more than one of the assumptions simultaneously and so the precise effect on the funding position is therefore more complex. Furthermore, the range of assumptions shown here is by no means exhaustive and should not be considered as the limits of how extreme experience could actually be.

Other risks to consider

Regulatory, Administration and Governance risks

As well as financial and demographic risks, the Fund also faces:

- Regulatory risks – central government legislation could significantly change the cost of the scheme in the future;
- Administration and governance risk – failures in administration processes could lead to incorrect data and inaccuracies in the actuarial calculations.

These risks are considered and monitored by the Fund as part of its ongoing risk management framework.

Resource and environment risks

The Fund is exposed to risks relating to future resource constraints and environmental changes. These risks may prove to be material.

Climate change is a complex issue for the Fund. Adverse future climate change outcomes will have an impact on future longevity, inflation, government and corporate bond yields and equity returns.

Whilst there has been no explicit increase in certified employer contribution related to climate change, these risks may be considered by the Administering Authority when assessing the output from contribution rate ('comPASS') modelling in future.

Risk management

Employers participating in the Fund are exposed to a number of risks. These include, but are not limited to:

- Investment risk;
- Market risks;
- Demographic risks;
- Regulatory risks;
- Administration and Governance risks;
- Resource and Environmental risks.

The Funding Strategy Statement has further details about these risks and what actions the Fund takes to monitor, mitigate and manage each one.

Post valuation events

There has recently been significant volatility in the financial markets as a result of the economic uncertainty associated with the COVID-19 pandemic. At the time of writing, we estimate that the whole fund investment return since 31 March 2019 is in the region of -5% to -10%. As an open scheme, with a strong covenant, the LGPS as a whole is able to take a long-term outlook when considering the general funding implications of such external events. For employers who have a very short time horizon, recent market falls may be more immediately impactful, and the Administering Authority is taking steps to engage individually with these employers about the deteriorated funding position.

At the time of writing, it is very uncertainty how this will affect the long-term economy and investment returns. Therefore, no allowance has been made for this ongoing volatility in the 2019 valuation results or contribution rates detailed in the Rates & Adjustments Certificate. This situation will be monitored closely to understand what impact it may have on the Fund and participating employers.

5 Final comments

The Fund's valuation operates within a broader framework, and this document should therefore be considered alongside the following:

- the Funding Strategy Statement, which in particular highlights how different types of employer in different circumstances have their contributions calculated;
- the Investment Strategy Statement, which sets out the investment strategy for the Fund;
- the general governance of the Fund, such as meetings of the Pensions Committee and Local Pension Board, decisions delegated to officers, the Fund's business plan, etc;
- the Fund's risk register;
- the information the Fund holds about the participating employers.

Intervaluation employer events

New employers joining the Fund

Any new employers or admission bodies joining the Fund should be referred to the Fund Actuary to assess the required level of contribution. Depending on the number of transferring members the ceding employer's rate may also need to be reviewed.

Cessations and bulk transfers

Any employer who ceases to participate in the Fund should be referred to us in accordance with Regulation 64 of the Regulations.

Any bulk movement of scheme members:

- involving 10 or more scheme members being transferred from or to another LGPS fund; or
- involving 2 or more scheme members being transferred from or to a non-LGPS pension arrangement;

should be referred to us to consider the impact on the Fund in line with Regulations 98 and 103 of the Regulations.

Valuation frequency

Under the provisions of the LGPS regulations, the next formal valuation of the Fund is due to be carried out as at 31 March 2022 where contribution rates payable from 1 April 2023 will be set.



Gemma Sefton



Peter MacRae

Fellows of the Institute and Faculty of Actuaries

For and on behalf of Hymans Robertson LLP

30 March 2020

An aerial photograph of a lake with a road and a line of trees. The lake is dark and reflects the sky. A road with a white car is visible, bordered by a dense line of green trees. The image is partially obscured by diagonal teal and green bars.

Appendices

Appendix 1 – Data

Membership data as at 31 March 2019

A summary of the membership data provided by the Administering Authority for the purposes of the valuation at 31 March 2019 is shown below. The corresponding membership data from the previous valuation is also shown for reference.

Whole Fund Membership Data	Last Valuation 31 March 2016	This Valuation 31 March 2019
Employee members		
Number	34,734	33,070
Total Actual Pay (£000)	522,318	589,506
Total Accrued Pension (£000) (80ths)	-*	29,244
Total Accrued Pension (£000) (60ths)	-*	29,577
Total Accrued Pension (£000) (CARE)	16,862	46,928
Average Age (liability weighted)	50.2	50.6
Deferred pensioners		
Number	27,473	37,515
Total Accrued Pension (£000)	41,545	54,625
Average Age (liability weighted)	50.8	50.5
Pensioners		
Number	25,741	28,816
Total pensions in payment (£000)	133,604	151,766
Average Age (liability weighted)	67.6	68.3
Average duration of liabilities	18.3	18.8

*Data available on request

Benchmark investment strategy

The following investment strategies have been used to set employer contribution rates from 1 April 2020:

% allocation	Strategy A	Strategy B / C
Overseas equities	30%	20%
Infrastructure	5%	5%
Private equity	5%	5%
Total growth assets	40%	30%
Index-linked gilts	20%	30%
Total protection assets	20%	30%
Multi asset credit	20%	20%
Hedge funds	5%	5%
Alternatives	5%	5%
Property	10%	10%
Total income generating assets	40%	40%
Grand total	100%	100%

Investment Strategy B has been used to set the future investment return assumption when measuring the past service funding position at 31 March 2019.

Other data used in this valuation

We have also relied upon asset and accounting data from the Fund's published 2016/17, 2017/18 and 2018/19 Annual Report and Accounts. Employer level cashflow data was provided by the Administering Authority and reconciled against the information shown in these documents.

Comment on data quality

The results of the valuation are dependent on the quality of the data provided to us by the Administering Authority for the specific purpose of this valuation. We have carried out validations on the membership data provided to ensure it is fit for the purpose of the valuation. Further details can be found in our report issued to the Administering Authority entitled "Data report for 2019 valuation", dated 2 September 2019. We believe the membership data is fit for the purposes of this valuation.

Appendix 2 – Assumptions

Financial assumptions used to set employer contribution rates

Projection of assets and benefit payments

The approach to setting employer contribution rates does not rely on a single set of assumptions but involves the projection of an employer's future benefit payments, contributions and investment returns under 5,000 future economic scenarios. In this modelling, inflation (and therefore benefit payments) and investment returns for each asset class (and employer asset values) are variables and take different values in each projection.

The model underlying these projections is Hymans Robertson's proprietary economic model, the Economic Scenario Service (ESS). The ESS is a complex model to reflect the interactions and correlations between different asset classes and wider economic variables. The table overleaf shows the calibration of the model as at 31 March 2019.

Funding target

At the end of an employer's funding time horizon, an assessment is made – for each of the 5,000 projections – of how the assets held compare to the value of assets required to meet the future benefit payments (the funding target). To value the cost of future benefits, assumptions are made about the following financial factors:

- Benefit increases and CARE revaluation;
- Salary growth;
- Investment returns (the “discount rate”).

Each of the 5,000 projections represents a different prevailing economic environment at the end of the funding time horizon and so a single, fixed value for each assumption is not appropriate for every projection. Therefore, instead

of using a fixed value, each assumption is set with reference to an economic indicator. The economic indicators used are:

Assumption	Economic Indicator
Benefit increases	Future CPI inflation expectations
CARE revaluation	Future CPI inflation expectations
Salary increases	As above plus 0.7% p.a.
Future investment returns	Prevailing risk free rate of return plus margin

The Fund has three funding bases which will apply to different employers depending on their type. Each funding basis uses a different margin in the future investment return assumption.

Funding Basis	Margin above risk-free rate
Ongoing participation	1.6%
Contractor exit	Same as used to allocate assets on joining the Fund
Gilts exit	0%

Financial assumptions used to assess the funding position

Salary and Benefit Increases

Financial Assumptions (p.a.)	31 March 2016	31 March 2019
Benefit increases and CARE revaluation (CPI)	2.1%	2.3%
Salary increases	2.4% (CPI + 0.3%)	3.0% (CPI + 0.7%)

Investment Return

The reported funding position is based on an assumed future investment return of 3.2% p.a.. The derivation of this assumption is set out in Section 3. The equivalent assumption at the 2016 valuation was 3.8% p.a.. This was derived in a different way, please see the 2016 valuation report for further details.

ESS calibration at 31 March 2019

All returns are shown net of fees and are the annualised total returns over 5, 10 and 20 years, except for the yields which refer to simulated yields at that time horizon.

		Annualised total returns												Inflation	17 year real yield	17 year yield
		Index Linked Gilts (medium)	Index Linked Gilts (long)	Private Equity	Property	Infrastructure Debt	Emerging Market Debt	Cash (1yr maturity)	Infrastructure Equity	Global Equity	Multi Asset Credit (sub inv grade)	Absolute Return Bonds (inv grade)	Corporate bonds (medium)			
5 years	16th %ile	-2.3%	-3.1%	-7.3%	-3.5%	-2.7%	-3.1%	-0.2%	-4.9%	-3.8%	1.1%	1.3%	-2.7%	1.9%	-2.5%	0.8%
	50th %ile	0.5%	0.3%	4.8%	2.4%	1.4%	2.2%	0.7%	4.2%	4.1%	4.1%	2.6%	0.8%	3.3%	-1.7%	2.1%
	84th %ile	3.3%	4.0%	18.8%	8.8%	5.5%	7.9%	1.8%	13.8%	12.3%	6.5%	3.7%	4.0%	4.9%	-0.8%	3.6%
10 years	16th %ile	-1.8%	-2.8%	-3.4%	-1.5%	-0.9%	-1.2%	-0.1%	-1.8%	-1.1%	1.9%	1.4%	-0.9%	1.9%	-2.0%	1.2%
	50th %ile	0.0%	-0.6%	5.5%	3.1%	1.4%	2.8%	1.2%	4.7%	4.7%	4.1%	2.8%	0.8%	3.3%	-0.8%	2.8%
	84th %ile	1.9%	1.7%	15.5%	7.8%	3.8%	6.9%	2.8%	11.8%	10.6%	5.9%	4.3%	2.5%	4.9%	0.4%	4.8%
20 years	16th %ile	-1.1%	-2.1%	0.3%	0.6%	0.8%	1.0%	0.8%	1.1%	1.5%	3.4%	2.4%	0.7%	2.0%	-0.7%	2.2%
	50th %ile	0.3%	-0.6%	6.8%	4.3%	2.5%	4.0%	2.5%	6.0%	5.8%	5.1%	4.0%	1.9%	3.2%	0.8%	4.0%
	84th %ile	2.0%	1.0%	13.6%	8.1%	4.2%	7.3%	4.4%	11.1%	10.3%	7.0%	5.8%	3.0%	4.7%	2.2%	6.3%
	Volatility (Disp) (1 yr)	7%	9%	28%	14%	12%	12%	0%	20%	16%	8%	3%	11%	1%		

Demographic assumptions

The same demographic assumptions are used in setting contribution rates and assessing the current funding position.

Longevity

As the fund is a member of Club Vita, the baseline longevity assumptions are a bespoke set of Vita Curves that are tailored to fit the membership profile of the Fund. These curves are based on the data the Fund has provided us with for the purposes of this valuation.

We have also allowed for future improvements in mortality based on the CMI 2018 model with an allowance for smoothing of recent mortality experience and a long-term rate of improvement of 1.25% p.a. for both women and men.

Longevity Assumptions	31 March 2016	31 March 2019
Baseline Longevity	Club Vita	Club Vita
Future Improvements	CMI2013, Peaked, 1.25% p.a. long term	CMI2018, Smoothed, 1.25% p.a. long term

Full details are available on request.

The longevity assumptions result in the following typical future life expectancies from age 65 (figures for 2016 shown for comparison):

Assumed Life Expectancy	31 March 2016	31 March 2019
Male		
Pensioners	22.3 years	21.2 years
Non-pensioners	23.9 years	21.9 years
Female		
Pensioners	24.5 years	23.6 years
Non-pensioners	26.5 years	25.0 years

Non-pensioners are assumed to be aged 45 at the valuation date

Other demographic assumptions

We are in the unique position of having a very large local authority data set from which to derive our other demographic assumptions. We have analysed the trends and patterns that are present in the membership of local authority funds and tailored our demographic assumptions to reflect LGPS experience. The resulting demographic assumptions are as follows:

Demographic Assumptions	
Retirements in normal health	We have adopted the retirement age pattern assumption as used for the purpose of the 2016 LGPS cost cap valuation. Further details are available on request.
Death in Service	See sample rates below
Retirements in ill health	See sample rates below
Withdrawals	See sample rates below
Promotional salary increases	See sample increases below
Family details	A varying proportion of members are assumed to have a dependant at retirement or on earlier death. For example, at age 60 this is assumed to be 90% for males and 85% for females. The dependant of a male member is assumed to be 3 years younger than him and the dependant of a female member is assumed to be 3 years older than her.
Commutation	50% of future retirements elect to exchange pension for additional tax free cash up to HMRC limits for service to 1 April 2008 (equivalent 75% for service from 1 April 2008).
50:50 option	0% of members (uniformly distributed across the age, service and salary range) will choose the 50:50 option.

Sample rates for demographic assumptions

Males

Age	Salary Scale	Death Before Retirement FT & PT	Incidence per 1000 active members per annum		III Health Tier 1		III Health Tier 2	
			Withdrawals		FT	PT	FT	PT
20	105	0.21	252.69	439.47	0.00	0.00	0.00	0.00
25	117	0.21	166.91	290.28	0.00	0.00	0.00	0.00
30	131	0.26	118.43	205.93	0.00	0.00	0.00	0.00
35	144	0.30	92.53	160.88	0.10	0.07	0.02	0.01
40	150	0.51	74.50	129.48	0.16	0.12	0.03	0.02
45	157	0.85	69.98	121.60	0.35	0.27	0.07	0.05
50	162	1.36	57.68	100.12	0.90	0.68	0.23	0.17
55	162	2.13	45.42	78.88	3.54	2.65	0.51	0.38
60	162	3.83	40.49	70.28	6.23	4.67	0.44	0.33
65	162	6.38	0.00	0.00	11.83	8.87	0.00	0.00

Females

Age	Salary Scale	Death Before Retirement FT & PT	Incidence per 1000 active members per annum		III Health Tier 1		III Health Tier 2	
			Withdrawals		FT	PT	FT	PT
20	105	0.12	227.37	252.63	0.00	0.00	0.00	0.00
25	117	0.12	152.99	169.97	0.10	0.07	0.02	0.01
30	131	0.18	128.25	142.46	0.13	0.10	0.03	0.02
35	144	0.30	110.69	122.91	0.26	0.19	0.05	0.04
40	150	0.48	92.12	102.26	0.39	0.29	0.08	0.06
45	157	0.77	85.97	95.41	0.52	0.39	0.10	0.08
50	162	1.13	72.48	80.35	0.97	0.73	0.24	0.18
55	162	1.49	54.08	60.02	3.59	2.69	0.52	0.39
60	162	1.90	43.58	48.31	5.71	4.28	0.54	0.40
65	162	2.44	0.00	0.00	10.26	7.69	0.00	0.00

Prudence in assumptions

We are required to include a degree of prudence within the valuation. This has been achieved in both the setting of contributions and assessment of funding position.

Contribution rates

Employer funding plans have been set such that the likelihood the employer's funding target is met by the end of the funding time horizon is more than 50%. The actual likelihood varies by employer. Further detail in is the Funding Strategy Statement.

Funding position

The Fund's investments have a 70% likelihood of returning at least the assumed return.

All other assumptions represent our "best estimate" of future experience.

The assumptions used in this valuation have been agreed with the Administering Authority and are set out in the Fund's Funding Strategy Statement dated 13 March 2020.

Appendix 3 – Rates and Adjustments certificate

In accordance with regulation 62(4) of the Regulations we have made an assessment of the contributions that should be paid into the Fund by participating employers for the period 1 April 2020 to 31 March 2023 in order to maintain the solvency of the Fund.

The method and assumptions used to calculate the contributions set out in the Rates and Adjustments certificate are detailed in the Funding Strategy Statement dated 13 March 2020 and in Appendix 2 of our report on the actuarial valuation dated 30 March 2020. These assumptions underpin our estimate of the number of members who will become entitled to a payment of pensions under the provisions of the LGPS and the amount of liabilities arising in respect of such members.

The table below summarises the whole fund Primary and Secondary Contribution rates for the period 1 April 2020 to 31 March 2023 (ignoring prepayments). The Primary rate is the payroll weighted average of the underlying individual employer primary rates and the Secondary rate is the total of the underlying individual employer secondary rates, calculated in accordance with the Regulations and CIPFA guidance.

This Valuation 31 March 2019		
Primary Rate (% of pay)	20.8%	
Secondary Rate (£)	2020/21	23,310,000
	2021/22	18,956,000
	2022/23	14,333,000

The required minimum contribution rates for each employer in the Fund are set out below.

		Primary rate April 2020 - March 2023 (% of pay)	Secondary Rate						Total Contribution Rate					
			2020/2021		2021/2022		2022/2023		2020/2021		2021/2022		2022/2023	
Employer / Pool code	Employer/Pool name		Secondary Rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	% of pay	(£)	% of pay	(£)	% of pay	(£)
Cheshire West and Chester Council Pool														
101	Cheshire West & Chester Council	19.9%	£4,703,000		£3,499,000		£2,218,000	19.9%	plus £4,703,000	19.9%	plus £3,499,000	19.9%	plus £2,218,000	
270	Westminster Drug Project	20.4%						20.4%		20.4%		20.4%		
284	Starcare	20.4%						20.4%		20.4%		20.4%		
816	Edsential	20.4%						20.4%		20.4%		20.4%		
848	Avenue Services (NW) Limited	23.0%						23.0%		23.0%		23.0%		
Cheshire East Council Pool														
102	Cheshire East Council	18.6%	£13,863,000		£12,099,000		£10,216,000	18.6%	plus £13,863,000	18.6%	plus £12,099,000	18.6%	plus £10,216,000	
747	Ansa Environmental Services	18.8%						18.8%		18.8%		18.8%		
748	Orbitas Bereavement Services	18.6%						18.6%		18.6%		18.6%		
769	Transport Service Solutions Ltd	18.0%						18.0%		18.0%		18.0%		
953	Ringway Jacobs	20.1%						20.1%		20.1%		20.1%		
Halton Borough Council pool														
480	Halton Borough Council	19.8%	£3,287,000*					19.8%	plus £3,287,000*	19.8%		19.8%		
Warrington Borough Council Pool														
680	Warrington Borough Council	19.7%	£5,652,000*					19.7%	plus £5,652,000*	19.7%		19.7%		
581	Warrington Borough Transport	27.5%						27.5%		27.5%		27.5%		
Cheshire Fire Pool														
161	Cheshire Fire Authority	19.1%	£554,000*					19.1%	plus £554,000*	19.1%		19.1%		
Police & Crime Commissioner Pool														
172	Police & Crime Commissioner	19.8%						19.8%		19.8%		19.8%		
Care Quality Commission Pool														
47	Quality Care Commission	42.7%	£110,000		£110,000		£110,000	42.7%	plus £110,000	42.7%	plus £110,000	42.7%	plus £110,000	
Riverside College Pool														
897	Riverside College	24.5%						24.5%		24.5%		24.5%		
The Cheshire College Pool														
861	The Cheshire College	24.9%						24.9%		24.9%		24.9%		
Warrington and Vale Royal College Pool														
875	Warrington & Vale Royal College	22.7%						22.7%		22.7%		22.7%		
Sanctuary Housing Association Pool														
780	Sanctuary Housing Association	34.0%	£20,000		£20,000		£20,000	34.0%	plus £20,000	34.0%	plus £20,000	34.0%	plus £20,000	
Torus62 Pool														
285	Torus 62	32.5%						32.5%		32.5%		32.5%		
Guinness Partnership Pool														
847	Guinness Partnership	29.0%						29.0%		29.0%		29.0%		

* Secondary contributions for the period 1 April 2020 to 31 March 2023 are being paid as a single lump sum due in April 2020.

		Primary rate April 2020 - March 2023 (% of pay)	Secondary Rate						Total Contribution Rate					
			2020/2021		2021/2022		2022/2023		2020/2021		2021/2022		2022/2023	
Employer / Pool code	Employer/Pool name		Secondary Rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	% of pay (£)	% of pay (£)	% of pay (£)			
Parish Councils Pool														
4	Alderley Edge Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
7	Northwich Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
8	Winsford Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
11	Nantwich Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
18	Haslington Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
20	Knutsford Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
25	Wistaton Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
29	Penketh Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
33	Middlewich Joint Cemetery	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
37	Christleton Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
38	Tarvin Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
42	Bollington Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
44	Middlewich Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
48	Poynton Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
80	Disley Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
82	Willaston Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
83	Wybunbury Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
84	Winwick Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
86	Prestbury Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
87	Nether Alderley Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
88	Birchwood Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
89	Grappenhall & Thelwall Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
90	Odd Rode Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
92	Congleton Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
93	Frodsham Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
95	Sandbach Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
737	Crewe Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
745	Appleton Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
746	Stockton Heath Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
810	Macclesfield Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
819	Delamere and Oakmere Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
828	Hartford Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
864	Kingsmead Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
912	Poulton with Fearnhead Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
919	Neston Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
956	Wilmslow Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
964	Alsager Town Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
974	Handforth Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
977	Holmes Chapel Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
979	Lymm Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
6	Audlem Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
40	Hatherton & Walgherton Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
53	Stapeley & District Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				
54	Stoke & Hurleston Parish Council	19.0%	3.6%	3.6%	3.6%	3.6%		22.6%	22.6%	22.6%				

		Primary rate April 2020 - March 2023 (% of pay)	Secondary Rate						Total Contribution Rate					
Employer / Pool code	Employer/Pool name		2020/2021		2021/2022		2022/2023		2020/2021		2021/2022		2022/2023	
			Secondary Rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	% of pay (£)	% of pay (£)	% of pay (£)	% of pay (£)		
Academies														
230	New Horizons School	20.1%							20.1%		20.1%		20.1%	
247	Brookfields School	19.3%							19.3%		19.3%		19.3%	
535	Sandbach School	19.4%							19.4%		19.4%		19.4%	
710	The Catholic High School Chester	20.7%	1.2%		1.2%		1.2%		21.9%		21.9%		21.9%	
712	Rudheath Community Primary School	20.4%	0.2%		0.2%		0.2%		20.6%		20.6%		20.6%	
713	Birchwood High School	20.2%	2.3%		2.3%		2.3%		22.5%		22.5%		22.5%	
715	Worth Primary School	19.9%	1.6%		1.6%		1.6%		21.5%		21.5%		21.5%	
716	St Thomas More Catholic High School	18.1%	3.9%		3.9%		3.9%		22.0%		22.0%		22.0%	
717	Stapeley Broad Lane	19.0%	2.2%		2.2%		2.2%		21.2%		21.2%		21.2%	
727	Cloughwood School	19.1%	0.1%		0.1%		0.1%		19.2%		19.2%		19.2%	
732	Over Hall Community School	19.6%	0.9%		0.9%		0.9%		20.5%		20.5%		20.5%	
741	The Quinta Primary School	19.6%	1.4%		1.4%		1.4%		21.0%		21.0%		21.0%	
743	The Cavendish High Academy	19.3%	0.3%		0.3%		0.3%		19.6%		19.6%		19.6%	
744	Wistaston Academy	17.9%	0.1%		0.1%		0.1%		18.0%		18.0%		18.0%	
749	The Hermitage Trust	19.7%	3.8%		3.8%		3.8%		23.5%		23.5%		23.5%	
750	Tytherington School	19.2%	4.2%		4.2%		4.2%		23.4%		23.4%		23.4%	
751	Pear Tree School	19.6%	3.8%		3.8%		3.8%		23.4%		23.4%		23.4%	
758	Marlfields Primary Academy	19.6%	1.2%		1.2%		1.2%		20.8%		20.8%		20.8%	
759	St Bernards Rc Primary School	19.6%	2.0%		2.0%		2.0%		21.6%		21.6%		21.6%	
762	Smallwood CofE Primary Academy	19.5%	1.5%		1.5%		1.5%		21.0%		21.0%		21.0%	
765	Mossley CofE Primary School	20.0%	2.3%		2.3%		2.3%		22.3%		22.3%		22.3%	
766	Ormiston Chadwick	19.8%							19.8%		19.8%		19.8%	
790	Ivy Bank Primary School	18.5%	2.2%		2.2%		2.2%		20.7%		20.7%		20.7%	
799	St Augustine's Catholic Primary School, a Voluntary Academy	19.9%	4.9%		4.9%		4.9%		24.8%		24.8%		24.8%	
804	Shavington Academy	19.1%	5.1%		5.1%		5.1%		24.2%		24.2%		24.2%	
806	Willaston Primary Academy	18.1%	2.7%		2.7%		2.7%		20.8%		20.8%		20.8%	
807	The Russett School	20.5%	2.1%		2.1%		2.1%		22.6%		22.6%		22.6%	
809	The Fermain Academy	18.2%							18.2%		18.2%		18.2%	
817	The Oaks Academy	18.8%	3.3%		3.3%		3.3%		22.1%		22.1%		22.1%	
818	University Technical College (UTC) Warrington	17.7%							17.7%		17.7%		17.7%	
824	Monks Coppenhall Academy	19.3%	3.4%		3.4%		3.4%		22.7%		22.7%		22.7%	
829	Crewe Engineering and Design UTC	20.3%							20.3%		20.3%		20.3%	
832	Highfield Community Primary School	19.9%	5.7%		5.7%		5.7%		25.6%		25.6%		25.6%	
835	Gorsey Bank Primary School	20.3%	10.0%		10.0%		10.0%		30.3%		30.3%		30.3%	
925	Brine Leas High School	18.9%							18.9%		18.9%		18.9%	
926	Ormiston Bolingbroke Academy	19.3%							19.3%		19.3%		19.3%	
928	Sandbach High School & Sixth Form	18.8%							18.8%		18.8%		18.8%	
934	Bishops Blue Coat COE High School	20.4%	1.0%		1.0%		1.0%		21.4%		21.4%		21.4%	
937	Mottram St Andrew Primary Academy	19.5%							19.5%		19.5%		19.5%	
946	Macclesfield Academy	19.2%	9.6%		9.6%		9.6%		28.8%		28.8%		28.8%	
947	Lacey Green Primary	18.1%	0.5%		0.5%		0.5%		18.6%		18.6%		18.6%	
948	Holmes Chapel Comprehensive School	19.0%							19.0%		19.0%		19.0%	
965	Neston High School	20.5%	1.8%		1.8%		1.8%		22.3%		22.3%		22.3%	

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			Secondary Rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	% of pay	(£)	% of pay	(£)	% of pay	(£)
967	Sandymoor School	20.0%	0.1%		0.1%		0.1%		20.1%		20.1%		20.1%	
968	Tarporley HS & Sixth Form College	20.7%	2.7%		2.7%		2.7%		23.4%		23.4%		23.4%	
971	Lymm High School	19.7%	1.0%		1.0%		1.0%		20.7%		20.7%		20.7%	
976	Kings Leadership Academy Warrington	18.0%	1.0%		1.0%		1.0%		19.0%		19.0%		19.0%	
Alsager Multi Academy Trust														
240	Weston Village Primary School	19.3%	2.6%		2.6%		2.6%		21.9%		21.9%		21.9%	
730	Alsager School	19.3%	2.6%		2.6%		2.6%		21.9%		21.9%		21.9%	
Chancery Multi Academy Trust														
238	Excalibur Primary School	19.6%	2.2%		2.2%		2.2%		21.8%		21.8%		21.8%	
239	Pikemere School	20.1%	2.2%		2.2%		2.2%		22.3%		22.3%		22.3%	
805	The Berkeley Academy	18.7%	1.2%		1.2%		1.2%		19.9%		19.9%		19.9%	
Cheshire Academies Trust														
775	Boughton Heath Academy	21.0%	2.8%		2.8%		2.8%		23.8%		23.8%		23.8%	
776	Mill View Academy	20.7%	0.8%		0.8%		0.8%		21.5%		21.5%		21.5%	
973	Kelsall Primary School	20.3%	2.1%		2.1%		2.1%		22.4%		22.4%		22.4%	
Chester Diocesan Academy Trust														
236	Brereton CoE Primary	18.7%	1.3%		1.3%		1.3%		20.0%		20.0%		20.0%	
276	Astbury St Mary's CoE Primary School	18.7%	1.3%		1.3%		1.3%		20.0%		20.0%		20.0%	
865	Wybunbury Delves	18.7%	1.3%		1.3%		1.3%		20.0%		20.0%		20.0%	
Concordia														
242	Parklands Community Primary School	19.6%	0.5%		0.5%		0.5%		20.1%		20.1%		20.1%	
244	Wolverham Primary and Nursery School	19.6%	0.5%		0.5%		0.5%		20.1%		20.1%		20.1%	
245	Childer Thornton Primary School	19.6%	0.5%		0.5%		0.5%		20.1%		20.1%		20.1%	
Congleton Multi-Academy Trust														
761	Black Firs Primary School	18.6%	0.3%		0.3%		0.3%		18.9%		18.9%		18.9%	
935	Congleton High School	18.9%							18.9%		18.9%		18.9%	
Frank Field Education Trust														
283	Handforth Grange Community Primary and Nursery School	18.7%	2.9%		2.9%		2.9%		21.6%		21.6%		21.6%	
918	University Cof E Academy	20.3%							20.3%		20.3%		20.3%	
Knutsford Multi Academy Trust														
257	Egerton Primary School	20.0%	5.4%		5.4%		5.4%		25.4%		25.4%		25.4%	
731	Sir William Stanier	20.0%	5.4%		5.4%		5.4%		25.4%		25.4%		25.4%	
961	Knutsford Academy	20.0%	5.4%		5.4%		5.4%		25.4%		25.4%		25.4%	
Liverpool Diocesan Schools Trust														
253	Glazebury CoE Primary School	19.5%	0.4%		0.4%		0.4%		19.9%		19.9%		19.9%	
254	Hollins Green St Helen's CoE Primary School	20.8%							20.8%		20.8%		20.8%	
North West Academies Trust Limited														
723	St Martins Academy Chester	17.9%							17.9%		17.9%		17.9%	
726	Grosvenor Park CofE Academy	20.3%							20.3%		20.3%		20.3%	
742	Weaverham Primary Academy	21.7%							21.7%		21.7%		21.7%	
752	The Oak View Primary School	20.4%	1.3%		1.3%		1.3%		21.7%		21.7%		21.7%	
936	Delamere Academy	21.5%							21.5%		21.5%		21.5%	
958	Rudheath Senior Academy	20.6%	12.5%		12.5%		12.5%		33.1%		33.1%		33.1%	

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Omega Multi Academy Trust														
225	Burtonwood Community Primary School	20.6%	1.2%				1.2%		21.8%		20.6%		21.8%	
226	Chapelford Village Primary School	20.6%	1.2%		1.2%		1.2%		21.8%		21.8%		21.8%	
227	Park Road Community Primary School	20.6%	1.2%		1.2%		1.2%		21.8%		21.8%		21.8%	
228	Westbrook Old Hall Primary	20.6%	1.2%		1.2%		1.2%		21.8%		21.8%		21.8%	
984	Great Sankey High School	20.6%	1.2%		1.2%		1.2%		21.8%		21.8%		21.8%	
Real Life Learning Academy Trust														
830	Acton CoE Primary Academy	18.3%							18.3%		18.3%		18.3%	
831	Calveley Primary Academy	19.3%	0.0%		0.0%		0.0%		19.3%		19.3%		19.3%	
Rural Church Schools Academy Trust														
852	Bunbury Aldersey CofE Primary School	17.9%	1.1%		1.1%		1.1%		19.0%		19.0%		19.0%	
856	St Oswald's Worleston CofE Primary School	17.9%	1.1%		1.1%		1.1%		19.0%		19.0%		19.0%	
857	Warrington CofE Primary School	17.9%	1.1%		1.1%		1.1%		19.0%		19.0%		19.0%	
Samara Multi Academy Trust														
233	Upton Heath CoE Primary School	20.6%	0.5%		0.5%		0.5%		21.1%		21.1%		21.1%	
234	Little Sutton Church of England Primary School	21.1%							21.1%		21.1%		21.1%	
235	Clutton CoE Primary School	21.5%	1.6%		1.6%		1.6%		23.1%		23.1%		23.1%	
The Adelaide Academy Trust														
738	Adelaide School	17.7%	1.4%		1.4%		1.4%		19.1%		19.1%		19.1%	
833	St John's Wood Community School	18.1%	2.5%		2.5%		2.5%		20.6%		20.6%		20.6%	
The Aspire Educational Trust														
728	Holmes Chapel Primary School	19.7%	1.6%		1.6%		1.6%		21.3%		21.3%		21.3%	
733	Ash Grove Primary & Nursery School	19.0%	1.9%		1.9%		1.9%		20.9%		20.9%		20.9%	
739	Parkroyal Community School	19.0%	2.4%		2.4%		2.4%		21.4%		21.4%		21.4%	
783	Sandbach Primary Academy	19.2%	2.0%		2.0%		2.0%		21.2%		21.2%		21.2%	
784	Peover Superior Endowed Primary School	19.0%	3.3%		3.3%		3.3%		22.3%		22.3%		22.3%	
840	The Wilmslow Academy	18.7%	6.2%		6.2%		6.2%		24.9%		24.9%		24.9%	
842	Underwood West Academy	19.4%	7.2%		7.2%		7.2%		26.6%		26.6%		26.6%	
853	Victoria Road Primary School	19.8%	0.7%		0.7%		0.7%		20.5%		20.5%		20.5%	
879	Puss Bank School and Nursery	18.2%							18.2%		18.2%		18.2%	
The Challenge Academy Trust														
241	Penketh South Community Primary School	19.9%							19.9%		19.9%		19.9%	
504	Priestley Sixth Form College	20.0%							20.0%		20.0%		20.0%	
714	Penketh High School	20.5%	2.8%		2.8%		2.8%		23.3%		23.3%		23.3%	
768	Bridgewater High School	20.7%	3.0%		3.0%		3.0%		23.7%		23.7%		23.7%	
855	Great Sankey Primary	20.6%	0.2%		0.2%		0.2%		20.8%		20.8%		20.8%	
858	Sir Thomas Boteler High	20.4%	1.2%		1.2%		1.2%		21.6%		21.6%		21.6%	
983	University Academy Warrington	19.9%							19.9%		19.9%		19.9%	
990	Beamont Collegiate Academy	19.9%	0.3%		0.3%		0.3%		20.2%		20.2%		20.2%	

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The Fallibroome Trust														
729	Whirley Primary School	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
763	Nether Alderley Primary School	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
764	Broken Cross Primary Academy & Nursery	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
814	Upton Priory School	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
825	Marlborough Primary School	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
843	Adlington Primary School	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
869	Gawsworth Primary School	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
924	The Fallibroome Academy	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
927	The Winsford Academy	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
970	Eaton Bank School	19.5%	2.2%	2.2%		2.2%		21.7%		21.7%		21.7%		
The Heath Family (North West)														
754	Bridgewater Park Primary School	19.7%						19.7%		19.7%		19.7%		
841	Daresbury Primary School	20.9%						20.9%		20.9%		20.9%		
943	The Heath Academy	19.7%						19.7%		19.7%		19.7%		
944	Palacefields Academy	20.3%						20.3%		20.3%		20.3%		
The Holy Family Of Nazareth Catholic Academy Trust														
781	St Paul's Catholic Primary School	20.6%	1.5%	1.5%		1.5%		22.1%		22.1%		22.1%		
782	St Alban's Catholic Primary School	19.5%	7.1%	7.1%		7.1%		26.6%		26.6%		26.6%		
792	Saint Mary's Catholic Primary School, a Voluntary Academy	18.9%	3.2%	3.2%		3.2%		22.1%		22.1%		22.1%		
985	All Hallows Catholic College	18.8%	0.1%	0.1%		0.1%		18.9%		18.9%		18.9%		
The Learning For Life Partnership Mat														
724	Leighton Acadmey	18.5%	1.8%	1.8%		1.8%		20.3%		20.3%		20.3%		
770	Wistaston Church Lane	19.0%	0.8%	0.8%		0.8%		19.8%		19.8%		19.8%		
813	Shavington Primary School	19.8%	0.5%	0.5%		0.5%		20.3%		20.3%		20.3%		
823	Wheelock Primary School	18.5%	1.8%	1.8%		1.8%		20.3%		20.3%		20.3%		
The Learning Trust														
854	Queen's Park High School	20.4%	0.5%	0.5%		0.5%		20.9%		20.9%		20.9%		
932	Christleton High School	20.4%	0.5%	0.5%		0.5%		20.9%		20.9%		20.9%		
The Sir John Brunner Foundation														
514	Sir John Deane's College	19.6%						19.6%		19.6%		19.6%		
972	County High School, Leftwich	20.7%	0.3%	0.3%		0.3%		21.0%		21.0%		21.0%		
The St Bart'S Multi-Academy Trust														
734	Cranberry Academy	19.0%						19.0%		19.0%		19.0%		
735	St Michaels Community Academy	19.0%						19.0%		19.0%		19.0%		
779	Hungerford Primary Academy	19.0%						19.0%		19.0%		19.0%		
811	Nantwich Primary Academy	19.0%						19.0%		19.0%		19.0%		
859	Offley Primary Academy	19.0%						19.0%		19.0%		19.0%		
The True Learning Partnership														
251	Lostock Hall Primary School	20.4%	1.5%	1.5%		1.5%		21.9%		21.9%		21.9%		
255	Poynton High School	19.1%	1.8%	1.8%		1.8%		20.9%		20.9%		20.9%		
Wade Deacon Trust														
229	The Grange School	19.5%						19.5%		19.5%		19.5%		
711	Wade Deacon High School	19.5%						19.5%		19.5%		19.5%		
778	Widnes Academy	19.5%						19.5%		19.5%		19.5%		

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Warrington Primary Academy Trust														
248	Alderman Bolton Community Primary School	20.0%							20.0%		20.0%		20.0%	
844	Bruche Community Primary School	20.4%	0.8%		0.8%		0.8%		21.2%		21.2%		21.2%	
845	Evelyn Street Community Primary School	19.3%	1.9%		1.9%		1.9%		21.2%		21.2%		21.2%	
846	Penketh Community Primary School	20.6%	1.7%		1.7%		1.7%		22.3%		22.3%		22.3%	
871	Beamont Community Primary School	19.9%							19.9%		19.9%		19.9%	
Weaver Trust Limited														
275	Grange Community Nursery and Primary School	19.8%	0.3%		0.3%		0.3%		20.1%		20.1%		20.1%	
860	Barnton Primary	19.8%	0.3%		0.3%		0.3%		20.1%		20.1%		20.1%	
Individual employers														
9	Canal & River Trust	97.2%	(97.2%)		(97.2%)		(97.2%)		0.0%		0.0%		0.0%	
12	Cheshire Community Action	53.2%		£21,000		£21,000		£21,000	53.2%	plus £21,000	53.2%	plus £21,000	53.2%	plus £21,000
15	Adoption Matters Northwest	23.4%							23.4%		23.4%		23.4%	
19	Warrington Voluntary Action	18.2%		£8,471		£8,471		£8,471	18.2%	plus £8,471	18.2%	plus £8,471	18.2%	plus £8,471
32	David Lewis Centre	36.2%		£752,000		£752,000		£752,000	36.2%	plus £752,000	36.2%	plus £752,000	36.2%	plus £752,000
36	Warrington Housing Association	25.1%							25.1%		25.1%		25.1%	
43	Cheshire Sports Trust	24.1%							24.1%		24.1%		24.1%	
51	Norton Priory Museum Trust	22.9%							22.9%		22.9%		22.9%	
65	Kings School	45.4%							45.4%		45.4%		45.4%	
68	University of Chester	24.7%							24.7%		24.7%		24.7%	
71	Silk Museum	0.0%		£16,000		£16,000		£16,000	0.0%	plus £16,000	0.0%	plus £16,000	0.0%	plus £16,000
81	Deafness Support Network	44.2%		£108,000		£108,000		£108,000	44.2%	plus £108,000	44.2%	plus £108,000	44.2%	plus £108,000
205	Belong Limited	39.8%		£525,000		£525,000		£525,000	39.8%	plus £525,000	39.8%	plus £525,000	39.8%	plus £525,000
221	Cheshire County Sports Club	44.8%							44.8%		44.8%		44.8%	
231	Caterlink (Witton)	34.9%	(34.9%)		(34.9%)		(34.9%)		0.0%		0.0%		0.0%	
232	Caterlink (Sandbach)	36.1%							36.1%		36.1%		36.1%	
237	Caterlink (Ruskin)	34.9%							34.9%		34.9%		34.9%	
243	Aspens Services Ltd - Upton by Chester	36.6%		£5,000					36.6%	plus £5,000	36.6%		36.6%	
250	Chartwell - Elworth	37.7%		£25,000		£25,000			37.7%	plus £25,000	37.7%	plus £25,000	37.7%	
274	Vene	33.4%	(1.9%)		(1.9%)		(1.9%)		31.5%		31.5%		31.5%	
286	Torus 62 (ComMutual)	32.9%							32.9%		32.9%		32.9%	
326	Plus Dane (Cheshire) Housing Association	34.8%		£183,000		£183,000		£183,000	34.8%	plus £183,000	34.8%	plus £183,000	34.8%	plus £183,000
437	Cheshire West Recycling Ltd	20.4%							20.4%		20.4%		20.4%	
510	Macclesfield College	24.5%							24.5%		24.5%		24.5%	
513	Reaseheath College	24.8%							24.8%		24.8%		24.8%	
575	Weaver Vale Housing Trust	33.5%		£312,000		£312,000		£312,000	33.5%	plus £312,000	33.5%	plus £312,000	33.5%	plus £312,000
719	SPIE	19.9%							19.9%		19.9%		19.9%	
740	Vivo Care Services Limited	23.1%							23.1%		23.1%		23.1%	
753	Tarmac Trading Ltd	32.5%							32.5%		32.5%		32.5%	
756	Everybody Sport & Recreation	21.1%	(2.8%)		(1.1%)		0.5%		18.3%		20.0%		21.6%	
757	Mersey Gateway Crossing Board	29.0%							29.0%		29.0%		29.0%	
772	Catering Academy UAW	32.6%	(32.6%)		(32.6%)		(32.6%)		0.0%		0.0%		0.0%	
773	Catering Academy UCEA	31.7%	(31.7%)		(31.7%)		(31.7%)		0.0%		0.0%		0.0%	
777	Catalyst Choices	34.8%	(34.8%)		(34.8%)		(34.8%)		0.0%		0.0%		0.0%	
791	Torus 62 (LMH)	33.8%	(33.8%)		(33.8%)		(33.8%)		0.0%		0.0%		0.0%	
797	Bulloughs - Lymm	32.2%	(32.2%)		(32.2%)		(32.2%)		0.0%		0.0%		0.0%	

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			Secondary Rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	Secondary rate (%)	Secondary rate (£)	% of pay	(£)	% of pay	(£)	% of pay	(£)
798	Qwest	33.4%	(8.8%)		(8.8%)		(8.8%)		24.6%		24.6%		24.6%	
812	Riverside Truck Rentals	33.7%	(33.7%)		(33.7%)		(33.7%)		0.0%		0.0%		0.0%	
815	Your Housing	33.9%	(33.9%)		(33.9%)		(33.9%)		0.0%		0.0%		0.0%	
826	Churchill Contract Services	35.6%							35.6%		35.6%		35.6%	
834	Bridgewater High School Trading Ltd	26.0%							26.0%		26.0%		26.0%	
836	People Asset Management Ltd (PAM East)	31.5%	(6.5%)		(6.5%)		(6.5%)		25.0%		25.0%		25.0%	
837	People Asset Management Ltd (PAM West)	32.8%	(32.8%)		(32.8%)		(32.8%)		0.0%		0.0%		0.0%	
850	West Cheshire Facilities Management (Gemcliff)	31.3%	31.3%		31.3%		31.3%		62.6%		62.6%		62.6%	
851	Midshire Catering Services Ltd	33.5%							33.5%		33.5%		33.5%	
862	Engie Services Ltd	33.9%							33.9%		33.9%		33.9%	
863	Keys Care Limited	20.7%							20.7%		20.7%		20.7%	
866	ForHousing	30.9%	7.4%		7.4%		7.4%		38.3%		38.3%		38.3%	
874	Enviroserve	26.0%							26.0%		26.0%		26.0%	
876	Cheshire and Wirral Partnership NHS Trust	33.4%	(13.2%)		(13.2%)		(13.2%)		20.2%		20.2%		20.2%	
877	A M Services	35.2%		£4,000					35.2%	plus £4,000	35.2%		35.2%	
884	ISS	36.0%	(36.0%)		(36.0%)		(36.0%)		0.0%		0.0%		0.0%	
890	Halton Housing Trust	22.7%							22.7%		22.7%		22.7%	
891	Cheshire Peaks & Plains Housing Trust	32.3%		£117,000		£117,000		£117,000	32.3%	plus £117,000	32.3%	plus £117,000	32.3%	plus £117,000
906	School Food Company	38.1%	(38.1%)		(38.1%)		(38.1%)		0.0%		0.0%		0.0%	
913	N W Fire Control Ltd	20.6%							20.6%		20.6%		20.6%	
933	Innovate Ltd Tytherington	37.6%	(37.6%)		(37.6%)		(37.6%)		0.0%		0.0%		0.0%	
941	Hall Cleaning Services	33.8%		£3,478					33.8%	plus £3,478	33.8%		33.8%	
942	Brio Leisure	22.3%							22.3%		22.3%		22.3%	
949	Compass (Chartwell Ltd)	32.9%	(25.9%)		(25.9%)		(25.9%)		7.0%		7.0%		7.0%	
950	Aspens Services	37.1%		£24,945					37.1%	plus £24,945	37.1%		37.1%	
954	RM Estates Ltd	19.1%							19.1%		19.1%		19.1%	
962	Livewire	33.2%	(33.2%)		(33.2%)		(33.2%)		0.0%		0.0%		0.0%	
963	Warrington Cultural Trust	21.6%	(21.6%)		(21.6%)		(21.6%)		0.0%		0.0%		0.0%	
975	Dataspire	30.8%	(30.8%)		(30.8%)		(30.8%)		0.0%		0.0%		0.0%	
978	Ringway Infrastructure Services	34.4%	(34.4%)		(34.4%)		(34.4%)		0.0%		0.0%		0.0%	
986	HQ Theatres	37.9%	(37.9%)		(37.9%)		(37.9%)		0.0%		0.0%		0.0%	
988	Bulloughs - Collegiate	34.7%	(34.7%)		(34.7%)		(34.7%)		0.0%		0.0%		0.0%	
Employers with no actives														
30	Vision Support	0.0%		£29,000		£29,000		£29,000	0.0%	plus £29,000	0.0%	plus £29,000	0.0%	plus £29,000
60	Youth Federation	0.0%		£7,000		£7,000		£7,000	0.0%	plus £7,000	0.0%	plus £7,000	0.0%	plus £7,000
91	Warrington Community Living	0.0%		£132,500		£132,500		£132,500	0.0%	plus £132,500	0.0%	plus £132,500	0.0%	plus £132,500
885	Cheshire & Warrington Enterprise Commission	0.0%		£23,000		£23,000		£23,000	0.0%	plus £23,000	0.0%	plus £23,000	0.0%	plus £23,000

Further comments

- The rates above will be revised for any employer listed above who ceases to participate in the Fund prior to 31 March 2023 (including any who cease prior to 31 March 2020).
- Contributions expressed as a percentage of payroll should be paid into the Cheshire Pension Fund ("the Fund") at a frequency in accordance with the requirements of the Regulations.
- Further sums should be paid to the Fund to meet the costs of any early retirements and/or augmentations using methods and factors issued by us from time to time or as otherwise agreed.
- Payments may be required to be made to the Fund by employers to meet the capital costs of any ill-health retirements that exceed those allowed for within our assumptions. If an employer has ill health liability insurance in place with a suitable insurer and provides satisfactory evidence to the Administering Authority, then their certified contribution rate may be reduced by the value of their insurance premium, for the period the insurance is in place.
- 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 the Fund Actuary.
- The monetary contributions set out in the certificate above can be repaid in advance with appropriate adjustments for interest as and when agreed with the Administering Authority. Under these circumstances a revised Rates and Adjustments certificate may be issued reflecting any advance payments.
- There has been significant volatility in the financial markets during February and March 2020 as a result of the COVID-19 pandemic. This volatility may affect funding balance sheets for those employers planning to exit the Fund during the period covered by this Rates and Adjustments Certificate. In order to effectively manage employer exits from the Fund, the Administering Authority may exercise its right to revisit contribution rates for employers that are expected to cease participation in the Fund before 31 March 2023 in accordance with Regulation 64. An employer will be contacted by the Administering Authority in this instance.

Signature:



Name: Gemma Sefton

Peter MacRae

Qualification: Fellows of the Institute and Faculty of Actuaries

Firm: Hymans Robertson LLP, 20 Waterloo Street, Glasgow, G2 6DB

Date: 30 March 2020

Appendix 4 – Section 13 dashboard

Item	
Past service funding position - local funding basis	
Funding level (assets/liabilities)	97%
Funding level (change since last valuation)	7% increase
Asset value used at the valuation	£5,582,830,000
Value of liabilities	£5,738,818,000
Surplus (deficit)	(£155,988,000)
Discount rate(s)	3.2% p.a.
Assumed pension increases (CPI)	2.3% p.a.
Method of derivation of discount rate, plus any changes since previous valuation	There is a 70% likelihood that the Fund's investments will return at least 3.2% over the next 20 years based on a stochastic asset projection. The assumption at the 2016 valuation was 1.6% above the yield available on long-dated fixed interest gilts.
Assumed life expectancies at age 65:	
Average life expectancy for current pensioners - men currently age 65	21.2 years
Average life expectancy for current pensioners - women currently age 65	23.6 years
Average life expectancy for future pensioners - men currently age 45	21.9 years
Average life expectancy for future pensioners - women currently age 45	25.0 years
Past service funding position - SAB basis (for comparison purposes only)	
Market value of assets	£5,582,830,000
Value of liabilities	£4,468,588,000
Funding level on SAB basis (assets/liabilities)	125%
Funding level on SAB basis (change since last valuation)	15% increase
Contribution rates payable	
Primary contribution rate	20.8%
Secondary contribution rate (cash amounts in each year in line with CIPFA guidance):	
Secondary contribution rate 2020/21	£23,310,000
Secondary contribution rate 2021/22	£18,956,000
Secondary contribution rate 2022/23	£14,333,000
Giving total expected contributions:	
Total expected contributions 2020/21 (based on assumed payroll of £624.8m)	£153,270,000
Total expected contributions 2020/21 (based on assumed payroll of £643.8m)	£152,863,000
Total expected contributions 2020/21 (based on assumed payroll of £663.3m)	£152,308,000
Average employee contribution rate (% of pay)	6.3% of pay
Employee contribution rate (based on assumed payroll of £624.8m)	£39,564,000
Additional information	
Percentage of liabilities relating to employers with deficit recovery periods of longer than 20 years	0%
Percentage of total liabilities that are in respect of Tier 3 employers	14%