A photograph of a rowing team in a long boat on a body of water at sunset. The sun is low on the horizon, creating a bright orange glow and reflecting on the water. The rowers are silhouetted against the bright light.

Report on the 31 March 2019 actuarial valuation Hampshire Pension Fund

Prepared for: Hampshire County Council as Administering Authority of the
Hampshire Pension Fund

Prepared by: Aon

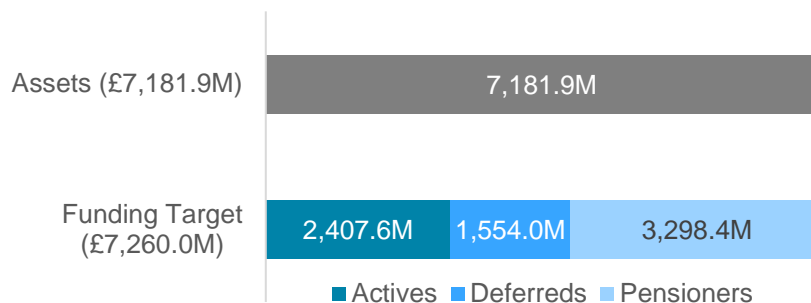
Date: 31 March 2020

2019

At a glance

Past Service Position

There was a shortfall of £78.1M relative to the liabilities. The funding level was 98.9%.



Employer Contributions

% of Pensionable Pay	2019 valuation	2016 valuation
Primary rate	17.8	17.1
Secondary rate	1.0*	7.5
Total rate	18.8	24.6
Recovery period	16 years from 1 April 2020	19 years from 1 April 2017

*including 0.9% of pay for McCloud/cost cap

The contributions payable by each employer or group of employers may differ because they allow for each employer's or group's membership profile, funding target and funding level, recovery period and other parameters appropriate to their circumstances.

Shorthand

Funding level: the value of assets held by the Fund divided by the liabilities.

Funding target (liabilities): the level of assets determined by the Administering Authority as being appropriate to meet member benefits, assuming the Fund continues indefinitely.

Primary rate: the employer share of the cost of benefits being earned in future, expressed as a percentage of pensionable pay. The figure quoted is a weighted average of all employers' primary rates.

Pensionable pay: as defined in the Regulations in relation to post-2014 membership.

Recovery period: the period over which any surplus or shortfall is eliminated.

Secondary Rate: the adjustment to the primary rate, expressed as a % of pensionable pay, which reflects the specific circumstances of the Fund as a whole, this includes the potential impact of the legislative uncertainties outlined in Further Information section c.

Shortfall (deficit) or Surplus: the difference between the value of assets and the aggregate funding target (value of the liabilities) for the Fund as a whole, where the value of assets is less/higher than the funding target. Individual employers may have a surplus or shortfall, and the total of these will equal to the shortfall or surplus for the Fund as a whole.

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Introduction

This actuarial valuation report is required by Regulation 62 of the Regulations. It summarises the results of the funding valuation of the Fund at as 31 March 2019, including the Rates and Adjustments Certificate which sets out the contributions payable by employers from 1 April 2020 to 31 March 2023.

Next steps

This report concludes the formal valuation process and draws together other pieces of work and advice. As required by Regulation 66 this report must be published and made available to the Secretary of State, current and prospective employers who contribute, or may become liable to make payments to the Fund.



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The report concentrates on the Fund's financial position at the valuation date. As time moves on, the Fund's finances will fluctuate. If you are reading this report sometime after the valuation date, the Fund's financial position could have changed significantly.

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Shorthand

Fund: Hampshire Pension Fund

Administering Authority: Hampshire County Council, in its role as the Administering Authority of the Fund

Employers: Hampshire County Council, and other employers with employees participating in the Fund

Regulations: The Local Government Pension Scheme Regulations 2013 (and other Regulations as referenced in the Glossary)

Additional information

Section a in the Further Information Section appended to this report sets out the legal framework within which the valuation has been completed.

The benefits valued are set out in the Regulations.

Throughout this report, assets and liabilities in respect of defined contribution additional voluntary contributions (or AVCs) have been excluded.

The funding targets, recovery periods and other parameters which apply to individual employers or groups of employers are set out in other advice papers.

Update since the previous valuation

Key results from the previous valuation as at 31 March 2016:

The Fund's assets were £5,213.4M and the past service liabilities were £6,452.9M, corresponding to a shortfall of £1,239.5M and a funding level of 81%.

The aggregate employer future service (primary) contribution rate was 17.1% of Pensionable Pay and total theoretical secondary contributions were £73.6M p.a. increasing at 3.5% p.a. for 19 years from 1 April 2017.

Employer contributions from 1 April 2017 were agreed to broadly restore the funding level to 100% over a period of up to 19 years as follows:

Year from 1 April	% of Pensionable Pay	Plus aggregate contribution amounts (£M)
2017	14.2	75.7
2018	15.2	81.5
2019	16.2	87.2

For employers in surplus or where contributions were being stepped up (or down) the % of pay rate may have been lower (higher) than the primary contribution rate. Similarly, the aggregate contribution amounts may have been higher or lower than the sum of theoretical employer secondary contributions where contribution changes were being stepped or otherwise smoothed in line with the Funding Strategy Statement (FSS). The recovery period shown is the maximum permitted. Individual employers may have had a period less than this in line with the FSS.

In addition, employers paid contributions to meet additional strains arising on early retirement or due to increases in benefits. Members also paid contributions as required by the Regulations.

Financial development

The table below compares the key financial assumptions made at the previous valuation with what actually happened and the corresponding assumptions for the 2019 valuation.

	2016 assumption	2016-2019 experience	2019 assumption
Investment returns	4.4% p.a.	11.0% p.a. ⁽²⁾	4.3% p.a.
CPI increases	2.0% p.a.	2.1% p.a. ⁽³⁾	2.1% p.a.
Pay growth	3.5% p.a. ⁽¹⁾	2.8% p.a.	3.1% p.a. ⁽¹⁾

(1) plus a promotional pay scale

(2) implied annual investment returns for each interim year were as follows: 21.53% from 31 March 2016 to 31 March 2017, 4.06% from 31 March 2017 to 31 March 2018 and 8.07% from 31 March 2018 to 31 March 2019.

(3) average figure, actual increases were 1.0%, 3.0% and 2.4%

Notable changes since the previous valuation

Changes affecting funding are briefly described below:

- **Benefits / membership**

Responsibility for paying full CPI pension increases on GMPs was passed to the Fund for members reaching State Pension Age (SPA) between 6 April 2016 and 5 April 2021.

The Government was denied leave to appeal the McCloud/Sargeant judgement. This was followed by the Ministerial Statement on 15 July 2019, which is expected to lead to an extension of the final salary underpin in the LGPS.

Changes in the discount rate and longevity assumptions on which many of the Scheme-wide actuarial factors, including early and late retirement factors, are based.

- **Uncertainties over GMPs and benefit improvements**

There are a number of uncertainties over the future benefit structure of the LGPS, including GMP equalisation and indexation after 5 April 2021, the cost management process, and the remedy that may be agreed in relation to the McCloud/Sargeant case. Further explanation of these uncertainties is set out in Section c of the Further Information Section.

Shorthand

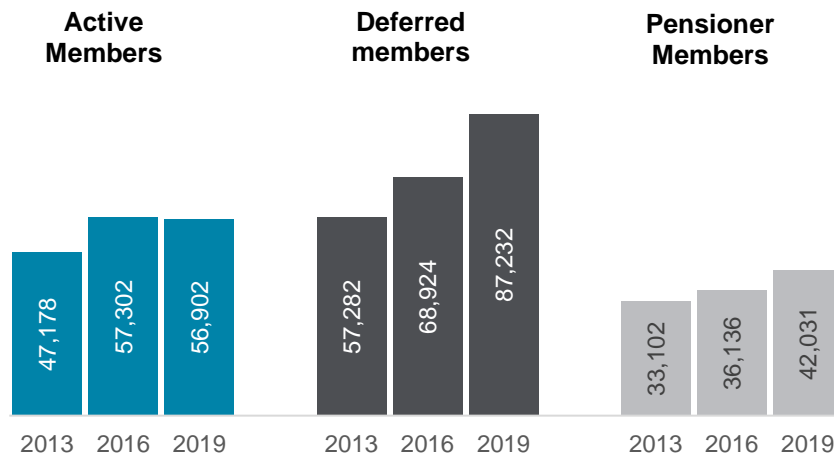
GMP: Guaranteed Minimum Pensions. These accrued to members between 1978 and 1997 due to the LGPS being contracted-out of the State Earnings Related Pension Scheme.

McCloud/Sargeant: Court cases involving the Judges' and Firefighters' Pension Schemes respectively which found that transitional protections granted to members within 10 years of pension age as part of the reforms to those schemes in 2015 constituted illegal age discrimination.

Cost management: The process of checking the cost of public sector schemes against a base cost, and making changes if the current assessed cost of the scheme is higher or lower than this base cost.

Membership data and benefits

Membership numbers are shown graphically below. Further details can be found in Section b of the Further Information appendix.

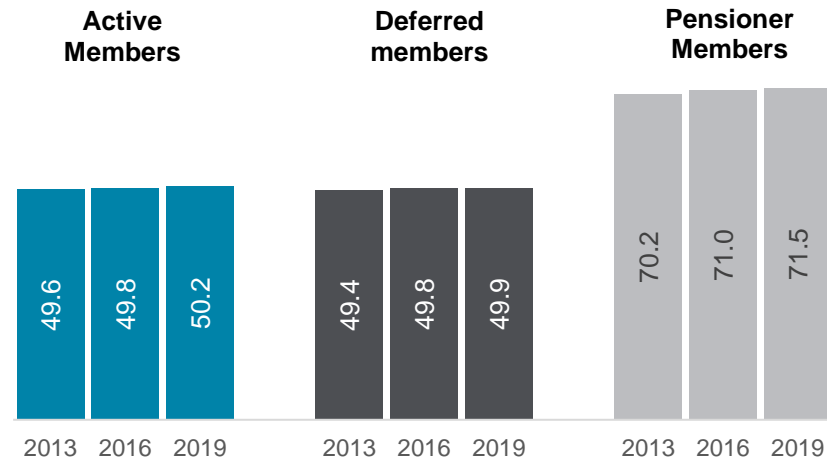


The deferred membership numbers include members who had yet to decide whether to take a refund of contributions.

We have carried out some general checks to satisfy ourselves that the information used for this valuation is broadly consistent compared with that used for the previous valuation and (where relevant) that shown in the Fund's Annual Report and Accounts.

However, the valuation results rely on the accuracy of the information supplied.

The value of liabilities is influenced by the average age of the members. The chart below shows average ages weighted by pension amounts.



Members' benefits are set out in the Regulations. Different benefits (and retirement ages) apply to membership before 1 April 2008, between 1 April 2008 and 31 March 2014, and after 31 March 2014.

Our valuation calculations make no allowance for:

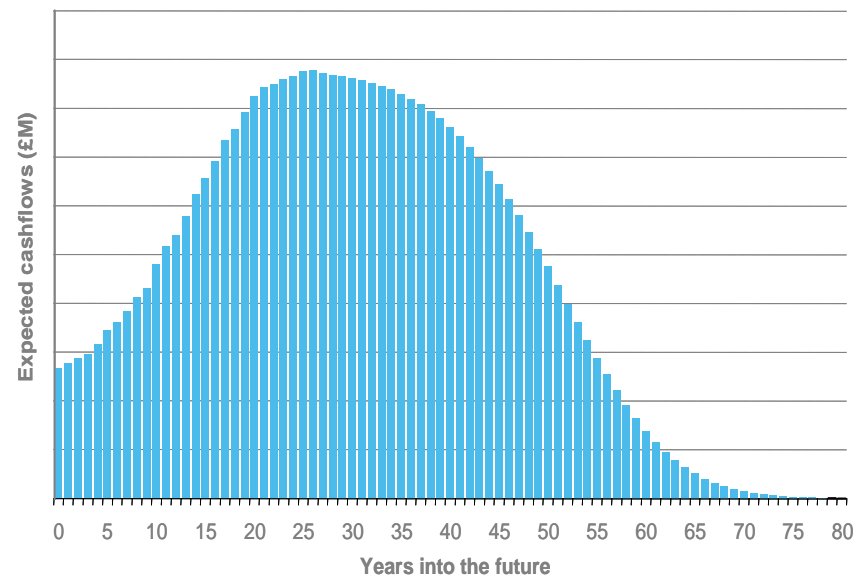
- indexation/equalisation of GMPs beyond the arrangements already in place
- any discretionary benefits
- any future changes to State Pension Age beyond those already announced

Funding objectives

The Administering Authority's funding objective is to hold assets at least equal in value to the funding target (past service liabilities).

To calculate the past service liabilities and the cost to the employers of future benefit accrual, the benefits paid out by the Fund are estimated for each year into the future. The estimated benefit payments are then 'discounted back' to the valuation date using an agreed rate of interest known as the discount rate.

The chart below shows the cashflow pattern for a typical LGPS fund (based on past service benefits). Most cashflows are linked to future levels of salary growth and inflation.



The discount rate

The Funding Strategy Statement describes the approach used to set the funding target and hence the discount rates. The Administering Authority adopts different discount rates depending on employers' circumstances including the likelihood of exit and what would happen on exit.

Prudence in the valuation is achieved through the use of discount rates which have a materially better than evens chance of being achieved by the Fund's assets. Information on the level of prudence (or risk) in the funding strategy is contained in the Fund's Funding Strategy Statement.

At the 2019 valuation there are six funding targets:

- **the secure scheduled body funding target**, which assumes indefinite future investment in assets similar to the Fund's holdings at the valuation date (allowing for any known or planned changes to the long-term investment strategy as appropriate).
- **the ongoing orphan funding target**: for admission bodies whose liabilities would be orphan on exit, the discount rate has regard to the possibility that participation may cease and that the exit valuation would assume a low risk investment portfolio made up of long dated Government bonds (of appropriate nature and term) at cessation.
- **the intermediate funding target(s)**: for scheduled bodies without a government guarantee which are deemed to be of weaker covenant than the local authorities, a lower discount rate is adopted than for the local authorities. There are 3 intermediate funding targets depending on the assessed level of risk/strength of covenant.
- **the low risk funding target**: for "orphaned" liabilities that relate to employers which have already exited the fund.

Further information on the funding targets and explanation of scheduled bodies, orphan bodies and subsumption bodies are given in the Glossary.

Investment strategy

The Administering Authority's investment strategy is set out in its Investment Strategy Statement. In summary the current strategy is to invest 41% of the Fund's assets in growth assets, predominantly equities, to generate investment returns. The Administering Authority invests in property, private debt and multi asset credit to achieve diversification, with 22% invested in index linked gilts.

The assets as at the valuation date are described in Section d of the Further Information Section of this report.

Summary of assumptions

The table below summarises the key assumptions agreed with the Administering Authority at this and the previous valuation. The assumptions are used to calculate the past service liabilities, cost of future benefit accrual and contributions for the recovery plan. Further details of all of the assumptions are set out in Section e of the Further Information Section of this report.

Assumptions	Previous valuation (% p.a.)	This valuation (% p.a.)
In-service discount rate		
<i>Secure scheduled body funding target</i>	4.50%	4.40%
<i>Intermediate funding target (low risk employers)</i>	4.30%	3.90%
<i>Intermediate funding target (medium risk employers)</i>	4.30%	3.75%
<i>Intermediate funding target (higher risk employers)</i>	4.10%	3.55%
<i>Ongoing orphan funding target</i>	4.10%	3.55%
<i>Average in-service discount rate</i>	4.47%	4.32%
Left-service discount rate		
<i>Secure scheduled body funding target</i>	4.50%	4.40%
<i>Intermediate funding target (low risk employers)</i>	4.30%	3.90%
<i>Intermediate funding target (medium risk employers)</i>	4.30%	3.75%
<i>Intermediate funding target (higher risk employers)</i>	4.10%	3.55%
<i>Ongoing orphan funding target</i>	2.50%	1.60%
<i>Average left-service discount rate</i>	4.38%	4.21%
Rate of revaluation of pension accounts and pension increases (on pension in excess of GMPs)	2.0% p.a.	2.1% p.a.
Pensionable Pay Increases	3.5% p.a.	3.1% p.a.

Assumptions	Previous valuation	This valuation
Post-retirement mortality assumption – base table (for retirements in normal health)	S2P Light tables with scaling factors of 100% for males and 80% for females	S2N tables with scaling factors of 90% for males and 85% for females
Post-retirement mortality assumption – future improvements	CMI 2014 core projections with long-term improvement rate of 1.5% p.a. for men and women	CMI 2018 projections with $S_K=7.5$, $A=0.0$ and long-term improvement rate of 1.5% p.a. for men and women

The longevity assumptions have been updated to reflect recent research, and the Fund's pensioner mortality experience using Aon's Demographic Horizons™ longevity model. We show below the assumed life expectancies for current members resulting from these mortality assumptions.

Assumed life expectancy at age 65	Pensioner member currently aged 65		Active member currently aged 45	
	This valuation	Previous valuation	This valuation	Previous valuation
Men	22.9	24.1	24.6	26.3
Women	25.4	27.3	27.1	29.5

In our view these assumptions are appropriate for the purposes of the valuation and setting Employer contributions to the Fund.

Valuation method

As for the previous valuation, the past service liabilities have been calculated using the projected unit method. This method, with a one year control period, has also been used to calculate the cost of future benefits building up for most employers. The attained age method has been used for some employers who do not admit new employees to the Fund. The methods which apply to individual employers or groups of employers are set out in other advice papers.

Shared risks

Funding gains or losses arising from the following risks are pooled across all employers in the Fund:

Assumptions	Method
Cash sum on death in service	Shared in proportion to the payroll of active members
Dependants' pensions on death in service	Shared in proportion to the expected cost of dependants' pensions using the projected unit method
Ill health retirement	Shared in proportion to the expected cost of ill health retirements using the projected unit method (Tiers 1 & 2 only)

Past service results

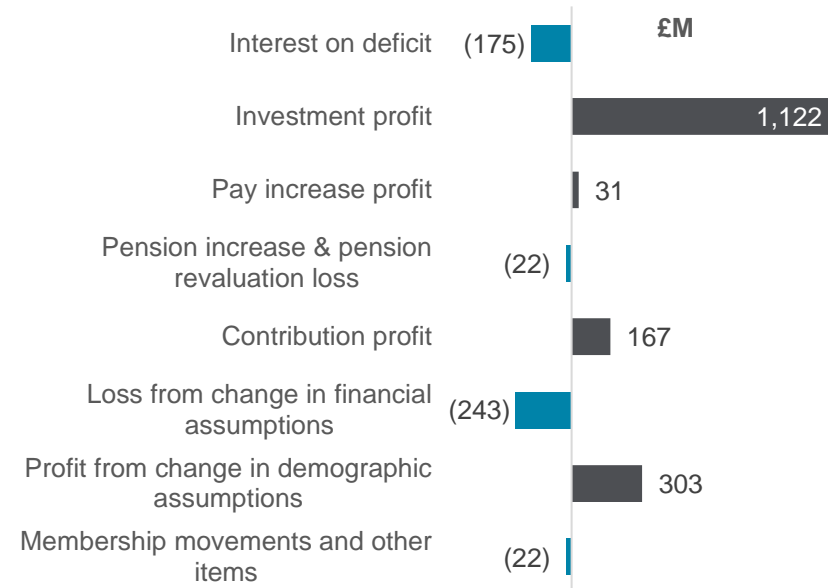
A comparison of the Fund's assets with the past service liabilities calculated using the assumptions described in the previous section is set out below.

	£M
Value of past service benefits for:	
Active members	2,407.6
Deferred members	1,554.0
Pensioner members	3,298.4
Value of liabilities	7,260.0
Value of assets	7,181.9
Past service surplus/(shortfall)	(78.1)
Funding Level	98.9%

The above results exclude any allowance for past service costs in respect of the McCloud judgement.

The Fund has moved from a past service shortfall of £1,239.5M at 31 March 2016 to a past service shortfall of £78.1M at 31 March 2019.

The chart below shows the key reasons for the £M change in funding position, (the grey bars to the right of the chart are source of profit to the Fund and the blue bars to the left are source of loss).



Addressing the shortfall / allowing for the surplus

We have agreed with the Administering Authority that for individual employers any shortfall will be removed by payment of additional contributions by the employers over a range of different recovery periods, not exceeding 16 years.

The same principles apply for those employers where a surplus exists, where a reduction to contributions will be applied over a maximum period of 16 years. However, the exception to this is for those employers of reduced covenant whose funding position is in deficit on the low risk funding target. For these employers the Administering Authority does not permit reduced contributions below the primary contribution rate.

Across the Fund as a whole, the secondary contributions required to remove the shortfall over a recovery period of 16 years from 1 April 2020 are £1.3M p.a. increasing at 3.1% pa, equivalent to approximately 0.1% p.a. of Pensionable Pay assuming the membership remains broadly stable and pay increases and other experience follow our assumptions.

In practice, different recovery periods apply to individual employers or groups of employers in the Fund. Contributions payable by each employer or group are set out in the Rates and Adjustments Certificate and reflect each employer's or group's recovery period and funding position.

Secondary contributions allow for interest on the employer's surplus or shortfall between 31 March 2019 and 1 April 2020 as well as the difference between contributions payable and the cost of benefit accrual over 2019/20.

For some employers, contribution increases/reductions will be phased in over a number of years (or 'steps') as permitted by the Funding Strategy Statement in order to deliver greater stability of contributions.

Shorthand

Pensionable pay: as defined in the Regulations in relation to post-2014 membership.

Recovery period: the period over which any surplus or shortfall is eliminated.

Secondary contribution: the adjustment to the primary rate, expressed as a % of pensionable pay or as a £ amount, which reflects the specific circumstances of the Fund as a whole, this includes the potential impact of the legislative uncertainties outlined in Further Information section c.

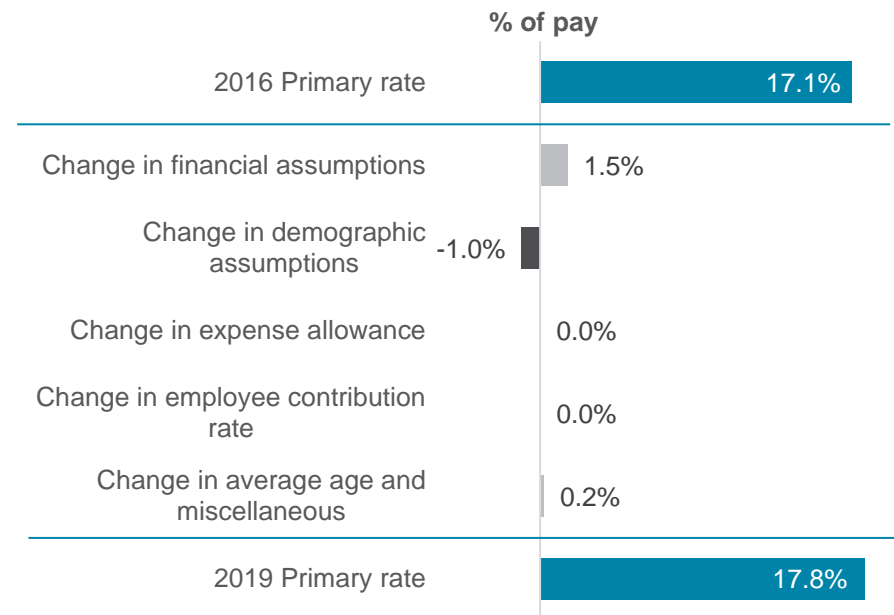
Future service results

The table below shows the aggregate cost to employers at the valuation date of benefits members will earn in future (the aggregate primary contribution rate) based on the funding assumptions. Contributions at the aggregate primary rate would be appropriate if the Fund had no surplus or shortfall.

	% Pensionable pay
Value of benefits building up (before McCloud/Cost Management)	23.9
Expected cost of death in service cash sum	0.1
Allowance for administration expenses	0.3
Less member contributions	(6.5)
2019 cost to employers (primary contribution rate)	17.8

The primary contribution rate has increased from 17.1% of Pensionable Pay to 17.8% of Pensionable Pay.

The chart below shows the key reasons for the change in the primary contribution rate. The light grey bars to the right are sources of increase in the primary rate and the dark grey bars to the left are sources of reduction.



In addition, we have calculated an employer cost of 0.9% of pay for McCloud/Cost Management – see Section c of the Further Information Section

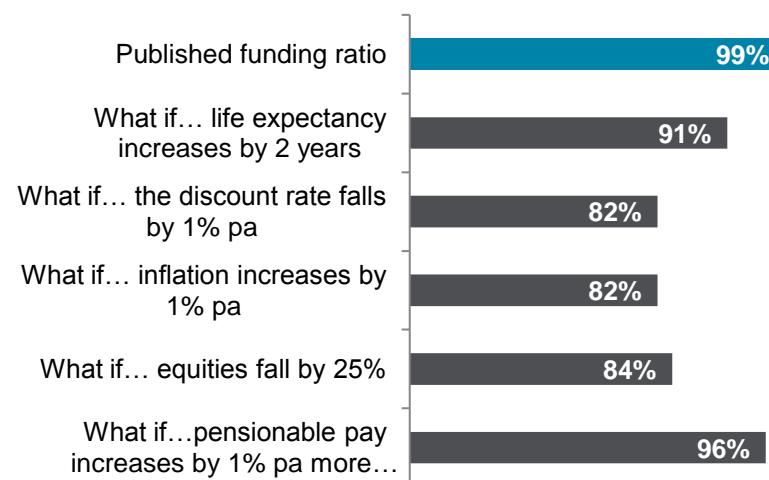
Risks and uncertainties

Key risks which could affect the Fund's future cashflows and funding position, include:

- Funding risk – that the value placed on the past service liabilities is set too low and contributions paid into the Fund prove insufficient to meet the payments as they fall due.
- Employer risk – that an employer is no longer able to meet its liabilities in the Fund, e.g. due to insolvency
- Investment risks – that investment returns are lower than allowed for in the valuation, and also that the assets are volatile and move out of line with the liabilities, so the funding position is not stable.
- Longevity risk – that Fund members live for longer than expected and pensions are therefore paid for longer resulting in a higher cost for the Fund.
- Inflation risk – that inflation is higher than expected, resulting in higher pension increases (and payments to pensioners) than allowed for in the valuation.
- Options for members (or other parties) – the risk that members exercise options resulting in unanticipated extra costs. For example, members could exchange less of their pension for a cash lump sum than allowed for in the valuation.
- Legislative/Regulatory risk – that changes to general and LGPS specific regulations, taxation, national changes to pension requirements, or employment law result in an increased cost of administration, investment or funding for benefits. We have made explicit allowance for known uncertainties as set out in Section c of the Further Information Section.
- Covid-19 related risks – the current outbreak of the novel Coronavirus Covid-19 may impact adversely on the investments, on the ability of the Fund to realise future investment returns and on the Fund employers' covenant. (We have commented further on the impact of recent adverse market movements within the "Final comments" section of this report.)

- Other risks – issues relating to climate change and other environmental risks as well as long-term uncertainty around geopolitical, societal and technological shifts may also impact on the funding, investments and Fund employers' covenant.

The chart below shows the approximate impact of a number of one-off step changes on the Fund's funding position (all other elements of the valuation basis being unchanged):



These are not intended to be "worst case scenarios" and could occur in combination rather than in isolation. Conversely, in practice, some of these changes may be partially offset by other changes, e.g., a reduction in the expected investment return or inflation might lead to a compensating change in asset values, or a change in asset values might lead to a compensating change in expected investment returns.

The Funding Strategy Statement sets out the key actions taken by the Administering Authority to mitigate the above risks.

Employer contribution rates

Contributions are set for employers, or groups of employers that take into account a number of factors including:

- Regulation 62 – which requires the Fund Actuary to have regard to
 - The existing and prospective liabilities
 - The desirability of maintaining as nearly a constant a primary contribution rate as possible
 - The Administering Authority's Funding Strategy Statement, and
 - The requirement to secure the solvency of the Fund and the long-term cost efficiency of the Scheme, so far as relating to the Fund.
- The results of the valuation.
- Discussions between the Fund Actuary, the Administering Authority and employers, including the Administering Authority's view of the affordability of contributions, where relevant.
- The employer's (or group's) membership profile and funding level and, where relevant, assumptions and recovery periods specific to the employer's circumstances.

We have agreed with the Administering Authority that increases in contribution rates for some employers can be phased in as set out in the Funding Strategy Statement.

For certain employers which are in surplus, it has been agreed with the Administering Authority that the employer may use the surplus to support the payment of contributions to the Fund at a rate below the primary (future service) contribution rate.

Projections

We estimate that, by the next valuation, these contributions together with those paid over 2019/2020, will have increased the funding level to about 100%, assuming the experience of the Fund between the two valuation dates is in line with the assumptions, and the assumptions underlying the funding targets remain unchanged.

The aggregate Employer contributions certified for the 3 years from 1 April 2020 are as follows:

Year from 1 April	% of pensionable pay	Plus total contribution amount (£M)
2020	18.6	7.2
2021	18.6	7.5
2022	18.6	7.8

- The % of Pensionable Pay contributions shown in the above table are an average (weighted by Pensionable Pay) of the amounts certified for individual employers in each year.
- The annual contribution amounts are the aggregate of the additional contribution amounts certified for individual employers in each year.
- Payments to meet additional costs arising from early retirements and other increases in benefits are payable in addition.
- At the end of the period shown above, the annual contribution amounts for each employer or group are anticipated to increase by approximately 3.1% p.a. until the end of the relevant recovery period. Thereafter, aggregate contributions are anticipated to be in line with the future service contribution rate of that employer, subject to review at future actuarial valuations.

Prepayments

Subject to advance agreement by the Administering Authority, certain employers may be able to elect to pre-pay the certified contributions for a discount, in accordance with the terms set out in the notes to the Rates and Adjustments Certificate.

Pre-payment options for the period covered by the Rates and Adjustments Certificate are not available to employers in the Admission Body Group, the Academy Pool or the Town and Parish Council Pool.

Final comments

Developments since the valuation date

- Market movements

We estimate that over the period between the valuation date and the date of signature of this report, the Fund's assets are likely to have fallen materially in value, with almost all of this decline occurring within the last month due to the emerging Covid-19 crisis. It is not yet clear to what extent there may be a compensating fall in liabilities through changes to discount rates (net of assumed inflation) but our view is that discount rate increases are unlikely to fully offset the effect of asset falls for employers subject to the secure scheduled body funding target, i.e. overall the funding level is likely to have reduced. Whilst gilt yields have experienced considerable volatility in recent weeks, it is likely that the reduction in funding level will have been more significant for employers subject to a funding target where the discount rate is linked to gilt yields (i.e. the ongoing orphan funding target, the low risk funding target and the intermediate funding targets). Overall, we believe that market movements since the valuation date will have led to a reduction in the funding level of the Fund as a whole and the impact on employers' future service (primary) contribution rate will vary between employers depending, among other things, on which funding target the employer is subject to.

The above means that if we were carrying out the valuation based on current conditions rather than as at 31 March 2019 (and assuming an unchanged level of risk in the funding strategy) it is likely that we would be recommending higher employer contributions. However, bearing in mind the overall level of prudence in the funding strategy, the long-term nature of the Fund and the fact that a high percentage of the liabilities are backed by employers with tax-raising powers (or by employers in the academy sector where there is a Department for Education (DfE) guarantee), we have agreed with the Administering Authority that certifying contributions based on market conditions at the valuation date, as has been the practice at previous valuations, remains appropriate.

As contributions for many employers formerly in the Scheduled Body Group have been reduced compared to 2019/20 levels, we have further agreed with the Administering Authority that, should market conditions deteriorate further from those observed at the date of signing of this report, contributions from 1 April 2021 and/or 1 April 2022 may be reviewed and, if deemed appropriate, may be increased above the rate shown in the Rates and Adjustments Certificate in order to avoid a higher increase being needed from 1 April 2023.

The key results from this valuation are:

The Fund's assets were £7,181.9M and the past service liabilities £7,260.0M, corresponding to a shortfall of £78.1M and a funding level of 98.9%.

The primary contribution rate for the Fund as a whole is 17.8% of Pensionable Pay.

If the shortfall is removed over 16 years from 1 April 2020, the aggregate total employer contributions needed would be equivalent to 17.9%* of Pensionable Pay until 31 March 2036, reverting to 17.8% of Pensionable Pay thereafter. An addition of 0.9% of Pensionable Pay is also being included in the certified contribution rates to reflect the legislative uncertainties outlined in Further Information section c.

** if the membership remains broadly stable and pay increases and other experience are in line with our assumptions.*

In addition, as market conditions continue to evolve, consideration may be given to revisiting contributions for employers that the Administering Authority believes are likely to become an exiting employer under Regulation 64(4) in advance of the next valuation.

- Retail Price Index (RPI) consultation

On 11 March the Government published its consultation document concerning RPI reform. A change in RPI seems most likely, which will reduce RPI increases in future and may mean RPI linked assets fall in value. The Fund has a significant allocation to index linked gilts which will be directly affected by this change. Uncertainty remains as to whether the date of the change will be 2025, 2030, or somewhere in between, and on whether compensation will be provided to index-linked gilt holders such as the Administering Authority. In light of this, the fact that there will be another valuation before any change is implemented and given the secure nature of the Fund and the majority of its employers, no allowance has been made in the valuation for the potential effect of RPI reform.

- Employers joining or exiting since the valuation date

Contributions for employers joining since 31 March 2019 will be advised separately.

A revised Rates and Adjustments Certificate will have been prepared as necessary for employers exiting the Fund since 31 March 2019 where this has been requested by the Administering Authority. Where a revised Rates and Adjustments Certificate has not yet been produced for such employers, the employer has been included in the Rates and Adjustments Certificate amended to this report but with zero contributions in anticipation of the revised certificate being issued.

Monitoring the Fund

In the light of the volatility inherent in situations where investments do not match liabilities, the Administering Authority monitors the financial position on a regular basis. It will also consider monitoring the position of individual employers, particularly those subject to the ongoing orphan funding target and those which may exit the Fund before 1 April 2023. Where appropriate and permitted by the Regulations, contributions for those employers may be amended before the next valuation due as at 31 March 2022.



Further information



Legal framework

It is a legal requirement to carry out a full valuation as at 31 March 2019

This report was commissioned by and is produced solely for the use of the Administering Authority.

It is produced in compliance with:

- Regulation 62 of the Local Government Pension Scheme Regulations 2013.
- The terms of the agreement between the Administering Authority and Aon Hewitt Limited, on the understanding that it is solely for the benefit of the addressee.

This report, and the work relating to it, complies with Technical Actuarial Standard 100: Principles for Technical Actuarial Work ('TAS 100') and Technical Actuarial Standard 300: Pensions ('TAS 300').

Unless prior written consent has been given by Aon Hewitt Limited, this report should not be disclosed to or discussed with anyone else unless they have a statutory right to see it.

We permit the Administering Authority to release copies of this report to the following parties only:

- Any employer which contributes to the Fund.
- The Ministry of Housing, Communities and Local Government.

We also permit the Ministry of Housing, Communities and Local Government to pass our report to the Government Actuary's Department in connection with their statutory duties. None of the above bodies has our permission to pass our report on to any other parties.

Notwithstanding such consent, Aon Hewitt Limited does not assume responsibility to anyone other than the addressee of this report.

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Membership data

The results in this report are based on membership data which is summarised below.

Active members		Number	Average age	Total pensionable pay (2014 scheme definition) (£000 p.a.)	Total pre 2014 pension (£000 p.a.)	Total pre 2014 accrued lump sum (£000)	Total post 2014 pension (£000 p.a.)
2016	Male	13,866	43.4	321,913	42,177	66,006	11,671
	Female	43,436	44.6	611,254	67,357	92,865	21,367
	Total	57,302	44.4	933,167	109,534	158,871	33,038
2019	Male	12,971	45.2	337,513	32,154	48,529	26,115
	Female	43,931	45.5	679,984	51,909	69,375	50,431
	Total	56,902	45.4	1,017,497	84,063	117,904	76,546

Notes: The average ages are unweighted.

Pensionable pay is over the year to the valuation date, and includes annualised pay for new entrants during the year.
Actual part-time pay is included for part-timers.

Post 2014 pension figures include the April 2019 (2016: April 2016) revaluation.



Deferred members		Number	Average age	Total pension (£000 p.a.)	Total pre 2014 accrued lump sum (£000)
2016	Male	15,877	45.0	27,015	58,320
	Female	53,047	47.0	48,733	96,900
	Total	68,924	46.5	75,748	155,220
2019	Male	20,167	44.0	32,714	56,258
	Female	67,065	47.2	65,930	99,568
	Total	87,232	46.5	98,644	155,826

Notes: The average ages are unweighted.

The deferred pension amounts shown above are at the valuation date and include the April 2019 (2016: April 2016) revaluation.

Included in the above, there were 14,407 (2016: 7,911) members who are yet to decide whether to take a refund of contributions .



Pensioner members		Number	Average age	Total pension (£000 p.a.)	Average pension (£ p.a.)
2016	Male	12,459	71.7	99,497	7,986
	Female	18,857	70.6	71,667	3,801
	Dependants	4,820	73.3	13,997	2,904
	Total	36,136	71.3	185,161	5,124
2019	Male	13,372	72.2	110,709	8,279
	Female	22,834	71.0	89,530	3,921
	Dependants	5,825	72.1	16,453	2,825
	Total	42,031	71.5	216,692	5,156

Notes: The pension amounts shown above include the increase awarded in April of the appropriate year.

Average ages are unweighted. The average age for dependants includes children.

The dependants' data includes 360 (2016: 274) members in receipt of a child's pension.

Section c below sets out the approach to dealing with current legislative uncertainties relating to members' benefits in this valuation.

All Hallows' School

The results in this report include the assets, liabilities, and data in respect of All Hallows' School. The employer is a Surrey maintained school which, for historic boundary reasons, has participated in the Hampshire Pension Fund. The Administering Authority is in the process of moving the School's membership, and associated assets and liabilities, into the Surrey Fund, which is its appropriate Administering Authority. Contribution rates for the School with effect from 1 April 2020 will be determined by the Surrey Fund.



Uncertainties

Allowance for McCloud, Cost Management and GMP equalisation/indexation

Background on McCloud/Sargeant

Following a review of public service pension schemes by the Independent Public Services Pensions Commission led by Lord Hutton (the [Hutton Report](#)) UK public service pension schemes were reformed with effect from 1 April 2015 (1 April 2014 for the LGPS in England and Wales), with the objective of reducing the overall cost to the taxpayer and putting schemes on a more sustainable footing.

Reforms common to all the main public service pension schemes included: later retirement ages (State Pension Age in most cases), benefits based on career average earnings (so no longer being linked to 'final pay' at retirement), and tiered member contribution rates. The reforms also included transitional protections for members within 10 years of their Normal Pension Age on 1 April 2012. Generally, this was implemented by allowing those members to retain membership of the 'pre-reformed' schemes, whilst all other members were moved into the new arrangements (for a number of the schemes this was subject to a "tapering" approach for members who were close to the 10-year cut-off).

In relation to the LGPS in England and Wales, all members joined the new 2014 Scheme for membership after 1 April 2014, but members within 10 years of normal retirement were given an underpin (or 'better of both') promise, so their benefits earned after 1 April 2014 would be at least as valuable in terms of amount and when they could be drawn, as if they had remained in the 2008 Scheme.

In December 2018 the Government lost a Court of Appeal case (the 'McCloud/Sargeant' judgement) which ruled that the transitional protection arrangements, put in place when the judges' and firefighters' pension schemes were reformed, amounted to illegal age discrimination. The Government was subsequently denied leave to appeal the Court of Appeal's decision on 27 June 2019.

While the judgement was not in relation to the LGPS, the Government announced in a Written Ministerial Statement on 15 July 2019 "... as 'transitional protection' was offered to members of all the main public service pension schemes, the Government believes that the difference in treatment will need to be remedied across all those schemes". The remedy is likely to differ by scheme depending on the transitional protections adopted.



In line with guidance issued by the Scheme Advisory Board (SAB) of the LGPS in England and Wales, we have discussed and agreed with the Administering Authority the allowance which should be made in this valuation for possible additional liabilities arising from the McCloud case.

It should be noted that since we provided our advice to the Administering Authority on the allowance to be made in this valuation, case management discussions have commenced for both the judges' and firefighters' schemes, as well as police via a similar case – the Aarons case which had previously been stayed behind the McCloud/Sargeant judgement. However, as at the date of this report, we do not have confirmed details of any benefit changes for the LGPS.

Cost management and McCloud/Sargeant

The design of the new public service schemes also included a cost control mechanism which was intended to protect employers from rising pension costs due to demographic and other factors. This mechanism includes both a floor and a cap on employer contributions and requires that if the cost, assessed by GAD in line with assumptions set by HM Treasury, is more than 2% of pay above the cap or below the floor, member contributions and/or benefits must be amended to bring the cost for employers back to level of the cap.

The LGPS in England and Wales has a separate, additional cost management process which considers total costs and may recommend action if the cost has changed. Most assumptions are the same as those adopted for the HM Treasury process but there are some differences. We believe that an informal arrangement is in place such that any changes agreed as part of the SAB cost management process could be allowed for in determining whether any action is required in relation to the HMT process.

The cost management process considered changes in the cost of the LGPS between those assessed based when the new benefit design was implemented and 31 March 2016, and as the floor was breached it was expected that improvements to benefits or member contributions would be implemented with effect from 1 April 2019, and taken into account in this valuation when setting employer contributions from 1 April 2020.

However, following the Court of Appeal judgement in the McCloud case, the cost management process was paused in January 2019. It is not yet clear what the effect on the liabilities will be, but we believe the outcome will be one or other of the following:

- The McCloud changes mean the cost management floor has no longer been breached (in which case the additional liabilities are simply those due under the McCloud remedy)



- After allowing for the McCloud changes the cost management floor has still been breached (in which case the additional liabilities will be a combination of those due under McCloud and those that would be agreed under the re-started cost management process)

The McCloud changes, and their effect on the cost management process, and hence on the benefits and cost of the LGPS, are currently uncertain. However, any change is likely to increase the benefits payable from the scheme, and therefore the cost of the scheme. We set out below the allowance made for potential increases in benefits at this valuation as set out in previous advice papers and summarised in the Funding Strategy Statement.

It should be noted that since our calculations were carried out, the Fire Brigades' Union announced in December 2019 that it was considering mounting a legal challenge to Government's decision to pause the cost management process and to press for any cost management changes to be in addition to any remedy for McCloud/Sargeant. The Public and Commercial Services Union made a similar announcement in February 2020 with the two unions jointly seeking a judicial review. Whilst this presents the possibility of additional costs falling on employers, given the uncertainty over whether a judicial review will be granted and whether it will be successful, we have not revisited the allowance made in this valuation for McCloud and cost management.

Allowance for McCloud/Cost Management

Our advice, given in October 2019, showed the results of our calculation of the proposed allowance for McCloud. This calculation was based on the scheduled body funding assumptions and the following additional assumptions:

- the final salary underpin is extended to all members who were active members as at 1 April 2014
- as for the existing underpin, the underpin applies only to members' benefits on retirement (i.e. not on withdrawal from service before retirement, and not to the benefits of spouses or dependants)
- the underpin continues to apply for service until at least 31 March 2023 (i.e. till the end of the period covered by the Rates and Adjustments Certificate) for affected members

The past service cost has been converted to a % of pay calculated across the Fund as a whole using the maximum recovery period of 16 years.

It should be noted that the calculated cost is particularly sensitive to the real salary increase assumption (and to a lesser extent the withdrawal assumption) which was previously advised on for funding purposes and not for the purpose of estimating the possible cost of the McCloud judgement.





In addition, we recommended that the minimum allowance made for McCloud and cost management should be an increase of 0.9% of pay in the employer contribution rate (the average increase to employer costs that had been expected to apply under the cost management process if no McCloud remedy had been required).

We allowed for the same adjustment to individual employer contributions as calculated for the Fund as a whole, expressed as a % of pay. The adjustment has been set to be 0.9%.

Since our advice was given and the calculations carried out, the case management discussions which have taken place have led to the suggestion that for the LGPS the changes may mean:

- the application of the new underpin is restricted to fewer members than we have allowed for, i.e. only those who joined pre 2012 but of any age
- the application of the new underpin is time limited and may not apply to all membership until the end of the period covered by the Rates and Adjustments Certificate in 31 March 2023 (although the exact time period is subject to considerable uncertainty)
- the underpin is extended to benefits on withdrawal and to dependants, including possibly transfers out, which goes beyond what has been allowed for in the valuation
- there is a need to ensure the revised underpin is checked for all retirements since 2014 to avoid "reverse discrimination", again going beyond what has been allowed for in the valuation

As this information became available after the majority of contributions had been advised to employers, and there is still no certainty in relation to any benefit changes for the LGPS, we have not sought to review the allowance made. In general, if the underpin applies to pre 2012 joiners rather than pre 2014 joiners then this would reduce the cost, but extending the underpin to benefits on withdrawal, spouses and transfers would increase the cost, and it is not clear what the net effect would be. We will advise the Administering Authority of the expected effect of any changes once there is greater clarity on the precise details of those changes, and on whether contributions for employers should be revisited before the next formal valuation as at 31 March 2022, assuming this can be done within the regulatory provisions.

GMP indexation and equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 5 April 1997. The rate at which GMP was accrued, and the date it is payable, is different for men and women, meaning there is an inequality for male and female members who have GMP. This was a consequence of the State Pension itself being unequal at the time.





Prior to 6 April 2016 the LGPS was not required to pay any pension increases on GMPs accrued before April 1988 and was only required to pay limited increases on GMPs accrued after 1988 (CPI inflation capped at 3% p.a.). In return, the Additional Pension (AP) element of the State Pension included top-up payments to pensioners to give inflation protection on the GMP element where this was not provided by the LGPS. However, reforms were made to the State Pension system in April 2016 which scrapped AP and therefore removed the facility for central government to fully index the combined pension through AP.

In March 2016 the government introduced an 'interim solution' for public service schemes to pay full inflationary increases on GMPs for those reaching State Pension Age (SPA) between 6 April 2016 and 5 December 2018 to ensure members continued to receive full inflationary increases on their combined public service scheme and State pensions. This was allowed for in the 2016 valuation of the Fund. In January 2018 the interim solution was extended to individuals reaching SPA on or before 5 April 2021. Further, the Government has indicated that it is committed to continuing to compensate all members of public service pension schemes reaching SPA after 5 April 2021.

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". We understand that the Government is exploring various options, including conversion of GMPs to Scheme benefits so there is still some uncertainty over how equalisation for GMPs will be achieved in the LGPS.

Allowance for GMP indexation

The results of this valuation allow for the extension of the interim solution to those reaching State Pension Age by 5 April 2021 as already required under legislation. However, they do not allow for the impact of potentially extending this interim solution indefinitely, providing full pension increases on GMPs for members reaching State Pension Age after 5 April 2021. Based on approximate calculations, at a whole of fund level, the impact of providing full pension increases on GMPs for those members reaching State Pension Age after 5 April 2021 is an increase in past service liabilities of between 0.1% and 0.2% across the Fund as a whole.

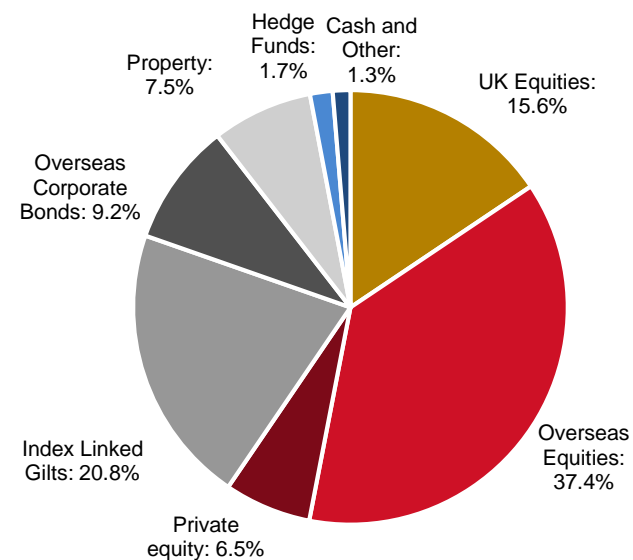


Assets

The audited accounts for the Fund for the year ended 31 March 2019 show the assets were £7,181.9M, excluding the value of any defined contribution AVC investments.

The chart shows how the balance of the assets of £7,181.9M is broadly invested.

For the purpose of modelling the required probability of funding success and hence deriving the discount rate to be adopted for the secure scheduled bodies as at 31 March 2019 we have allowed for the target investment strategy as summarised in our paper titled “Actuarial valuation at 31 March 2019 – Assumptions Advice” dated 28 June 2019.





Assumptions

Financial assumptions used to value the liabilities and assess contributions (% p.a.)

In-service discount rate

Secure scheduled body funding target	4.40
Intermediate funding target (low risk employers)	3.90
Intermediate funding target (medium risk employers)	3.75
Intermediate funding target (higher risk employers)	3.55
Ongoing orphan funding target	3.55
Low risk funding target	1.30

Left-service discount rate

Secure scheduled body funding target	4.40
Intermediate funding target (low risk employers)	3.90
Intermediate funding target (medium risk employers)	3.75
Intermediate funding target (higher risk employers)	3.55
Ongoing orphan funding target	1.60
Low risk funding target	1.30

Rate of Pensionable Pay increases (service up to 31 March 2014 only) (in addition to promotional increases)	3.10
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Rate of CPI price inflation	2.10
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Rate of revaluation of pension accounts	2.10
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Rate of pension increases

- on non GMPs and GMP for those reaching SPA between 1 April 2016 and 5 April 2021	2.10
- on post 88 GMPs	1.90

Administration expenses (% of pay)	0.30
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Demographic assumptions used to value the liabilities and assess the contribution rates

Pre-retirement base mortality	Males: 40% of Standard SAPS S2N tables Females: 20% of Standard SAPS S2N tables
Post-retirement base mortality	Actives, deferreds and pensioners retiring in normal health: Males: 90% of Standard SAPS S2N tables Females: 85% of Standard SAPS S2N tables Dependants of current pensioners: Males: 90% of Standard SAPS S2N tables Females: 90% of Standard SAPS S2N tables Contingents of current actives, deferreds and pensioners: Males: 90% of Standard SAPS S2N tables Females: 95% of Standard SAPS S2N tables Pensioners retiring in ill-health: Males: 105% of Standard SAPS S2I tables Females: 105% of Standard SAPS S2I tables
Improvements to mortality	An allowance for improvements between 2007 and 2019 and for future improvements in line with the CMI 2018 Mortality Projections Model with s_k of 7.5 and parameter A of 0.0 assuming a long-term annual rate of improvement in mortality rates of 1.5% p.a. for men and women.
Promotional salary increases	Allowance has been made for age-related promotional increases based on analysis of actual experience of the Fund (see sample rates below).
Withdrawals	Allowance has been made for withdrawals from service based on analysis of actual experience of the Fund (see sample rates below). On withdrawal, members are assumed to retain a deferred pension in the Fund.



Retirement age	Members were assumed to retire at the following ages:	
	Member group	Assumed age at retirement
	Active members with protected Rule of 85 age (joined LGPS before 1 October 2006 and attained age 60 before 1 April 2020) (Group 1 and 2 members)	Age 63
	Members who joined before 1 October 2006 and have a rule of 85 age of 60	Age 63
	Members who joined before 1 October 2006 and have a rule of 85 age of greater than 60, and members who joined before 1 April 2014 but after 1 October 2006	Age 65
	Members who joined after 31 March 2014	State Pension Age (or age 65 if higher)
	Any part of a member's pension payable from a later age than the assumed retirement age will be reduced.	
Retirement cash sum	Each member is assumed to surrender pension on retirement, such that the total cash received is 70% of the permitted maximum. This figure is based on analysis of actual levels of commutation of pension experienced by the Fund.	
Family details	Each man was assumed to be three years older than his wife/partner. 80% of non-pensioners were assumed to be married or have a spouse, civil partner or co-habitee ('partner') at retirement or earlier death. 80% of pensioners were assumed to be married or have a partner at age 65. No allowance for children's pensions.	



Retirement due to ill-health

Allowance has been made for retirements due to ill-health based on actual experience of the Fund (see below). Proportions assumed to fall into the different benefit tiers are:

Tier 1	80%
Tier 2	10%
Tier 3	10%

Take up of 50:50 scheme

All members are assumed to remain in the scheme they are in at the date of the valuation.

The table below illustrates the proposed allowance for withdrawals from service, ill-health retirement and promotional pay increases at sample ages.

Current age	Percentage promotional pay increase over year	Percentage leaving the Fund each year as a result of withdrawal from service	Percentage leaving the Fund each year as a result of ill-health retirement	
			Male	Female
20	3.7%	13.4%	0.00%	0.00%
25	3.1%	11.8%	0.00%	0.00%
30	2.9%	10.3%	0.03%	0.01%
35	1.6%	8.8%	0.04%	0.01%
40	1.5%	7.3%	0.07%	0.03%
45	0.8%	5.8%	0.09%	0.06%
50	0.1%	4.7%	0.16%	0.12%
55	0.0%	3.6%	0.30%	0.22%
60	0.0%	0.0%	0.60%	0.47%
65	0.0%	0.0%	0.92%	0.64%



Membership experience

As required by the Regulations, the demographic assumptions used in valuing the liabilities of the Fund are set out in Further Information section e, above. The demographic assumptions have been informed by an analysis of membership experience including experience since the last valuation of the Fund up to the effective date of our analysis, as well as recent research and other relevant factors.

For death after retirement the experience analysis was undertaken for the period 1 April 2013 to 31 March 2018. For withdrawal rates and ill health retirement rates our analysis was undertaken for the period 1 April 2014 to 31 March 2018.

The table below shows a comparison of expected membership movements measured by pension amount based on the assumptions adopted for the 2019 valuation with observed membership movements for death after retirement (in normal and ill health), withdrawal rates and rates of ill health retirement. The figures are based on our full experience analysis pro-rated for a 3 year period for ease of comparison.

Type of exit	Men (£000 of pension)	Women (£000 of pension)
Death after retirement in normal health (current pensioners)		
Actual	6,328	4,529
Expected	6,059	4,459
Death after retirement in ill health		
Actual	1,588	992
Expected	1,492	727
Withdrawals (including refunds)		
Actual	9,823	19,418
Expected	9,474	17,056
Ill-health retirements		
Actual	505	526
Expected	480	533





Dashboard

Following the review by the Government Actuary's Department of all LGPS valuations as at 31 March 2016 under section 13 of the Public Service Pensions Act 2013, a standard "dashboard" has been added to the report on the valuation to aid comparison between valuation reports for different LGPS funds.

Past service funding position – local funding basis

Funding level (assets/liabilities)	98.9%
Funding level (change since last valuation)	+18.1%
Asset value used at the valuation	£7,181.9m
Value of liabilities	£7,260.0m
Surplus (deficit)	(£78.1m)
Discount rate(s)	1.30% - 4.40% pa
Assumed pension increases (CPI)	2.10% pa
Method of derivation of discount rate, plus any changes since previous valuation	The Funding Strategy Statement describes the approach used to set the funding target and hence the discount rates. The Administering Authority adopts different discount rates depending on employers' circumstances including the likelihood of exit and what would happen to the liabilities on exit.
Assumed life expectancies at age 65:	
▪ Average life expectancy for current pensioners - men currently age 65	22.9 years
▪ Average life expectancy for current pensioners - women currently age 65	25.4 years
▪ Average life expectancy for future pensioners - men currently age 45	24.6 years
▪ Average life expectancy for future pensioners - women currently age 45	27.1 years



Past service funding position – SAB basis (for comparison purposes only)

Market value of assets	£7,181.9m
Value of liabilities	£6,930.3m
Funding level on SAB basis (assets/liabilities)	104%
Funding level on SAB basis (change since last valuation)	+13%

Contribution rates payable

Primary contribution rate	17.8% of pay
Secondary contribution rate (cash amounts in each year in line with CIPFA guidance):	
▪ Secondary contribution rate 2020/21	£15.146m
▪ Secondary contribution rate 2021/22	£15.820m
▪ Secondary contribution rate 2022/23	£16.517m
Giving total expected contributions:	
▪ Total expected contributions 2020/21 (£ figure based on assumed payroll of £1,060.4m)	£204.366m
▪ Total expected contributions 2021/22 (£ figure based on assumed payroll of £1,093.3m)	£210.906m
▪ Total expected contributions 2022/23 (£ figure based on assumed payroll of £1,127.2m)	£217.650m
Average employee contribution rate (% of pay)	6.5% of pay
Employee contribution rate (£ figure based on assumed payroll of £1,060.4m)	£69.0m

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	12%



Rates and Adjustments Certificate

Actuarial certificate given for the purposes of Regulation 62 of the Local Government Pension Scheme Regulations 2013.

In accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013 ('the 2013 Regulations'), we certify that contributions should be paid by employers at the following rates for the period 1 April 2020 to 31 March 2023.

- Primary contribution rates for individual employers as shown below. The primary rate for the whole Fund, calculated as a weighted average of the employers' individual rates, is 17.8% p.a. of Pensionable Pay, before any allowance for McCloud / cost management.
- Individual adjustments (i.e. secondary contribution rates) which, when added to or subtracted from the primary rate, produce the following minimum employer contribution rates.

Employer	Employer code(s)	Primary Contribution rate % Pensionable Pay	Secondary contribution (% Pay and £s) Year commencing 1 April			Total contributions (% Pay and £s) Year commencing 1 April		
			2020	2021	2022	2020	2021	2022
Hampshire County Council	See notes	17.5%	0.9%	0.9%	0.9%	18.4%	18.4%	18.4%
Southampton City Council Pool								
Southampton City Council	See notes	17.3%	0.9%	0.9%	0.9%	18.2%	18.2%	18.2%
Holy Family Catholic Primary School	937	17.3%	0.9%	0.9%	0.9%	18.2%	18.2%	18.2%
St George's Catholic College	669	17.3%	0.9%	0.9%	0.9%	18.2%	18.2%	18.2%
St Mary's Primary School	876	17.3%	0.9%	0.9%	0.9%	18.2%	18.2%	18.2%
Portsmouth City Council Pool								
Portsmouth City Council	See notes	17.4%	0.9%	0.9%	0.9%	18.3%	18.3%	18.3%
St Edmunds Catholic School	665	17.4%	0.9%	0.9%	0.9%	18.3%	18.3%	18.3%
St Paul's Catholic Primary School and Nursery	668	17.4%	0.9%	0.9%	0.9%	18.3%	18.3%	18.3%
Other Councils and Scheduled Bodies								
Basingstoke and Deane Borough Council	301, 346, 725, C0301	16.8%	0.9%	0.9%	0.9%	17.7%	17.7%	17.7%
East Hampshire District Council	311, C0311	16.8%	0.9%	0.9%	0.9%	17.7%	17.7%	17.7%
Eastleigh Borough Council	317, 330, C0317	16.7%	0.9%	0.9%	0.9%	17.6%	17.6%	17.6%
Fareham Borough Council	319, C0319	18.4%	0.9%	0.9%	0.9%	19.3%	19.3%	19.3%
Gosport Borough Council	321, C0321	18.6%	0.9%	0.9%	0.9%	19.5%	19.5%	19.5%
Hampshire Constabulary (LGPS)	700, 971	15.8%	0.9%	0.9%	0.9%	16.7%	16.7%	16.7%



Employer	Employer code(s)	Primary Contribution rate % Pensionable Pay	Secondary contribution (% Pay and £s) Year commencing 1 April			Total contributions (% Pay and £s) Year commencing 1 April		
			2020	2021	2022	2020	2021	2022
Hampshire Fire and Rescue (LGPS)	777	15.9%	0.9%	0.9%	0.9%	16.8%	16.8%	16.8%
Hart District Council	303, 714, 794, 862, 868	16.6%	0.9%	0.9%	0.9%	17.5%	17.5%	17.5%
Havant Borough Council	325, 723, C0325	16.4%	0.9%	0.9%	0.9%	17.3%	17.3%	17.3%
Langstone Harbour Board	71	20.8%	0.9%	0.9%	0.9%	21.7%	21.7%	21.7%
Lymington Harbour Commissioners	79	17.1%	0.9%	0.9%	0.9%	18.0%	18.0%	18.0%
New Forest District Council	313, C0313	17.5%	0.9%	0.9%	0.9%	18.4%	18.4%	18.4%
New Forest National Park Authority	774	16.6%	0.9%	0.9%	0.9%	17.5%	17.5%	17.5%
Portchester Crematorium Joint Committee	41	22.4%	0.9%	0.9%	0.9%	23.3%	23.3%	23.3%
Rushmoor Borough Council	305	17.3%	0.9%	0.9%	0.9%	18.2%	18.2%	18.2%
Southern IFCA	50	13.6%	0.9%	0.9%	0.9%	14.5%	14.5%	14.5%
Test Valley Borough Council	307, 615, 724, 1021	17.3%	0.9%	0.9%	0.9%	18.2%	18.2%	18.2%
Winchester City Council	309	17.1%	0.9%	0.9%	0.9%	18.0%	18.0%	18.0%
Higher and Further Education Employers (Scheduled Bodies)								
Barton Peveril Sixth Form College	633	19.8%	0.9% plus £29,000	0.9% plus £30,000	0.9% plus £31,000	20.7% plus £29,000	20.7% plus £30,000	20.7% plus £31,000
Basingstoke College of Technology	641, 905	21.7%	0.9% plus £77,500	0.9% plus £79,900	0.9% plus £82,400	22.6% plus £77,500	22.6% plus £79,900	22.6% plus £82,400
Brockenhurst College	653	24.1%	0.9% plus £84,000	0.9% plus £152,000	0.9% plus £220,000	25.0% plus £84,000	25.0% plus £152,000	25.0% plus £220,000
Eastleigh College	636	21.7%	0.9% plus £95,000	0.9% plus £127,000	0.9% plus £159,000	22.6% plus £95,000	22.6% plus £127,000	22.6% plus £159,000
Fareham College	646	20.9%	0.9% plus £75,000	0.9% plus £77,000	0.9% plus £79,000	21.8% plus £75,000	21.8% plus £77,000	21.8% plus £79,000
Farnborough College of Technology	642	22.2%	0.9% plus £170,000	0.9% plus £175,000	0.9% plus £180,000	23.1% plus £170,000	23.1% plus £175,000	23.1% plus £180,000
Havant and South Downs College	640, 643, 649	23.2%	0.9% plus £426,000	0.9% plus £439,000	0.9% plus £453,000	24.1% plus £426,000	24.1% plus £439,000	24.1% plus £453,000
Highbury College	647	22.4%	0.9% plus £193,000	0.9% plus £199,000	0.9% plus £206,000	23.3% plus £193,000	23.3% plus £199,000	23.3% plus £206,000
Itchen Sixth Form College	650	22.9%	0.9% plus £17,000	0.9% plus £35,000	0.9% plus £52,000	23.8% plus £17,000	23.8% plus £35,000	23.8% plus £52,000
Peter Symonds College	634	22.9%	0.9% plus £87,700	0.9% plus £90,400	0.9% plus £93,200	23.8% plus £87,700	23.8% plus £90,400	23.8% plus £93,200



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Portsmouth College	644, 912	20.7%	0.9% plus £23,000	0.9% plus £23,000	0.9% plus £24,000	21.6% plus £23,000	21.6% plus £23,000	21.6% plus £24,000
Portsmouth University	347, 648	19.2%	0.9% plus £1,474,400	0.9% plus £1,520,100	0.9% plus £1,567,200	20.1% plus £1,474,400	20.1% plus £1,520,100	20.1% plus £1,567,200
Southampton City College	654	23.1%	0.9% plus £204,000	0.9% plus £210,000	0.9% plus £217,000	24.0% plus £204,000	24.0% plus £210,000	24.0% plus £217,000
Southampton Solent University	348, 818, 918	20.6%	0.9% plus £881,000	0.9% plus £908,000	0.9% plus £936,000	21.5% plus £881,000	21.5% plus £908,000	21.5% plus £936,000
Sparsholt College	635, 637, 953, 992, 1108	20.9%	0.9% plus £200,000	0.9% plus £206,200	0.9% plus £212,600	21.8% plus £200,000	21.8% plus £206,200	21.8% plus £212,600
Higher and Further Education Employers (Admission Bodies)								
Bedaes School	98	38.7%	0.9% plus £56,000	0.9% plus £57,700	0.9% plus £59,500	39.6% plus £56,000	39.6% plus £57,700	39.6% plus £59,500
Churcher's College	331	22.2%	0.9% plus £19,000	0.9% plus £20,000	0.9% plus £20,000	23.1% plus £19,000	23.1% plus £20,000	23.1% plus £20,000
King Edward VI School	77	21.6%	0.7%	0.7%	0.7%	22.3%	22.3%	22.3%
Southampton University (New College)	719	41.0%	(41.0%)	(41.0%)	(41.0%)	0.0%	0.0%	0.0%
Southampton University (Winchester College Art)	705	37.5%	0.9% plus £18,600	0.9% plus £19,200	0.9% plus £19,800	38.4% plus £18,600	38.4% plus £19,200	38.4% plus £19,800
St Edward's School	56	24.9%	0.9% plus £22,000	0.9% plus £23,000	0.9% plus £23,000	25.8% plus £22,000	25.8% plus £23,000	25.8% plus £23,000
St John's College	72	24.5%	0.9% plus £13,400	0.9% plus £14,600	0.9% plus £15,800	25.4% plus £13,400	25.4% plus £14,600	25.4% plus £15,800
The University of Winchester	26	21.1%	0.9% plus £258,000	0.9% plus £266,000	0.9% plus £275,000	22.0% plus £258,000	22.0% plus £266,000	22.0% plus £275,000
Academy Pool								
Academies Enterprise Trust - New Forest Academy	616	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Academies Enterprise Trust - Winton Community Academy	909	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Amery Hill School Academy Trust	860	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
ARK Ayrton Primary Academy	958	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
ARK Charter Academy	791	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
ARK Dickens Primary Academy	993	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Bohunt Education Trust - Bohunt School	835	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%



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Bohunt Education Trust - Costello Academy	903	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Bohunt Education Trust - Priory School	981	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Bohunt Education Trust - The Petersfield School	838	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Borne Education Trust – Everest Academy	844	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Bransgore Church Of England Primary School	867	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Cams Hill School	866	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Catch 22 – Coppice Spring School	1004	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Catch 22 MAT - The Ashwood Academy	982	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Diocese of Chichester Academies Trust – St Columba	911	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Dove House School Academy Trust	859	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Edith Stein Catholic Academy Trust - Oaklands Catholic School and Sixth Form	843	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Eggar's School	881	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Engage Enrich excel Academies - The Cambridge Primary School	1093	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Fareham Academy	945	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Freemantle Church Of England Community Academy	824	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
GFM Education	879, 972	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
GLF – Frogmore Junior School	946	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Hamwic Education Trust	See notes	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Hook-With-Warsash Church Of England Academy	910	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Hounslow School	832	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Inspire Learning Partnership (Blackfield and Fawley School)	1009	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Inspire Learning Partnership (Formerly Hinkler Trust)	939, 951, 1095	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Kings Group Academies - College Park Infant School	1085	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%



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Kings Group Academies - Lyndhurst Junior School	670	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Kings Group Academies - Northern Parade Infant School	1087	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Kings Group Academies - Northern Parade Junior School	1088	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Lighthouse Learning Trust	645	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Ludlow Junior School	917	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Milford-On-Sea Church Of England Primary School Academy Trust	947	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
New Generation Schools Trust - Hope Free School	1023	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Newman Catholic Academy Trust - Springhill Catholic Primary School	839	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Noadswood School	829	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
North Hampshire Education Alliance	639	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Oasis Community Learning (Mayfield Lordshill and Sholing)	785	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Portwood Primary Academy Trust - Portwood Primary	908	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Portwood Primary Academy Trust - Tanners Brook Primary Academy	1027	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Priestlands School	826, 985	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Ringwood School	836	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Robert May's School	878	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Solent Academies Trust (Mary Rose Cliffdale and Redwood Park)	966	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Solent Special Education Trust - Great Oaks School	1083	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Solent Special Education Trust - Rosewood Free School	967	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
St Anne's Catholic School	906	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Testwood School	840	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Burgate School And Sixth Form	837	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Catholic Academy Trust In South Hampshire - St Anthony's	846	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Cowplain School	882	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%



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The De Curci Trust - Solent Infant School	1059	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The De Curci Trust - Solent Junior School	1062	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The De Curci Trust - Springfield School	1060	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Good Shepherd Trust - Farnborough Grange Nursery and Infants Community School	1075	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Good Shepherd Trust - The Holme Primary Academy	954	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Gryphon Trust - The Arnewood School	834	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Gryphon Trust - The Eaglewood School	1047	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Kemnal Academies Trust - Front Lawn Primary Academy	627	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Kemnal Academies Trust - Havant Academy	880	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Kemnal Academies Trust- Bridgemary Academy	907	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Kemnal Academies Trust- Miltoncross Academy	977	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Mother Teresa Catholic Academy Trust- St Joseph's Catholic Primary School	845	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Mountbatten School	821	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Perins MAT	828	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Priory Primary Academy Trust	833	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Prospect Trust - 6th Form College Farnborough	638	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Romsey School	830, 1006	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Salterns Academy Trust - Admiral Lord Nelson School	974	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Salterns Academy Trust - Trafalgar School	1010	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Thinking Schools Academy Trust - Isambard Brunel Junior School	961	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%



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The Thinking Schools Academy Trust - Meon Junior School	1071	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Thinking Schools Academy Trust - Moorings Way Infant	1070	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Thinking Schools Academy Trust - Newbridge Junior Academy	959	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
The Thinking Schools Academy Trust - The Portsmouth Academy	948	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Thinking Schools Academy Trust - Meon Infant School	1092	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Thinking Schools Academy Trust - Meredith Infant School	1110	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Thinking Schools Academy Trust - Penhale Infant School	1089	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Thornden School	822	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
United Learning Trust - Beacon View	920	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
United Learning Trust - King Richard School	1086	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
United Learning Trust - The Victory Primary	962	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Academy Trust - Arundel Court Primary	1061	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Academy Trust - Berewood Primary Academy	980	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Academy Trust - Bordon Junior School	1096	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Academy Trust - Court Lane Infant Academy	1045	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Academy Trust - Court Lane Junior Academy	1046	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Academy Trust - Flying Bull Primary Academy	973	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Academy Trust - Highbury Primary School	1067	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Academy Trust - Langstone Infant Academy	1073	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Academy Trust - Langstone Junior Academy	1072	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%



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University of Chichester Academy Trust - Mill Chase Academy	964	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
University of Chichester Trust - Stamshaw Junior School	960	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
UTC Portsmouth	1074	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Wildern Academy Trust	820	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Wyvern Academy	902	18.0%	0.9%	0.9%	0.9%	18.9%	18.9%	18.9%
Town and Parish Council Pool								
Totton and Eling Town Council	13	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Allbrook and North Boyatt Parish Council	1022	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Alton Town Council	89	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Badger Farm Parish Council	1104	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Baughurst Parish Council	783	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Beech Parish Council	762	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Bishops Waltham Parish Council	740	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Bishopstoke Parish Council	763	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Blackwater and Hawley Town Council	333	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Botley Parish Council	690	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Bramshott and Liphook Parish Council	718	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Brockenhurst Parish Council	773	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Church Crookham Parish Council	812	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Colden Common Parish Council	749	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Denmead Parish Council	709	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Durley Parish Council	779	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Elvetham Heath Parish Council	811	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Eversley Parish Council	877	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Fair Oak and Horton Heath Parish Council	721	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Fawley Parish Council	329	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Fleet Town Council	810	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Fordingbridge Town Council	924	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Four Marks Parish Council	766	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Hamble Le Rice Parish Council	706	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%



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			2020	2021	2022	2020	2021	2022
Headley Parish Council	761	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Hedge End Town Council	748	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Hordle Parish Council	772	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Horndean Parish Council	685	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Hound Parish Council	736	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Hyde Parish Council	989	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Hythe and Dibden Parish Council	338	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Kings Worthy Parish Council	760	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Kingsclere Parish Council	758	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Liss Parish Council	712	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Lymington and Pennington Town Council	334	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Marchwood Parish Council	612	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Milford-on-Sea Parish Council	710	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
New Alresford Town Council	693	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
New Milton Town Council	337	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Odiham Parish Council	702	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Old Basing and Lychpit Parish Council	611	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Oliver's Battery Parish Council	965	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Overton Parish Council	716	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Petersfield Town Council	328	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Ringwood Town Council	44	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Romsey Extra Parish Council	764	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Romsey Town Council	731	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Sherfield on Loddon Parish Council	786	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
South Wonston Parish Council	768	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Swanmore Parish Council	727	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Tadley Town Council	345	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Twyford Parish Council	730	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Upham Parish Council	788	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
West End Parish Council	689	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Whitchurch Town Council	722	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Whitehill Town Council	78	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Whiteley Town Council	778	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%



Employer	Employer code(s)	Primary Contribution rate % Pensionable Pay	Secondary contribution (% Pay and £s) Year commencing 1 April			Total contributions (% Pay and £s) Year commencing 1 April		
			2020	2021	2022	2020	2021	2022
Wickham Parish Council	752	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Wonston Parish Council	827	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Yateley Town Council	61	20.3%	(1.4%)	(0.1%)	1.1%	18.9%	20.2%	21.4%
Housing Associations (Admission Bodies)								
(First Wessex) Sentinel Housing Association	691	37.5%	0.9% plus £335,000	0.9% plus £346,000	0.9% plus £356,000	38.4% plus £335,000	38.4% plus £346,000	38.4% plus £356,000
Aster Communities (Formerly Testway Housing)	738	37.8%	0.9% plus £625,000	0.9% plus £644,000	0.9% plus £664,000	38.7% plus £625,000	38.7% plus £644,000	38.7% plus £664,000
Drum Housing Association Ltd	704	36.3%	0.9% plus £562,000	0.9% plus £580,000	0.9% plus £598,000	37.2% plus £562,000	37.2% plus £580,000	37.2% plus £598,000
First Wessex Housing Group Ltd	781	37.4%	0.9% plus £243,000	0.9% plus £251,000	0.9% plus £259,000	38.3% plus £243,000	38.3% plus £251,000	38.3% plus £259,000
Sovereign Housing Association	848	36.0%	0.9% plus £319,000	0.9% plus £329,000	0.9% plus £339,000	36.9% plus £319,000	36.9% plus £329,000	36.9% plus £339,000
Wessex Property Ltd	741	36.0%	0.9% plus £64,800	0.9% plus £66,800	0.9% plus £68,900	36.9% plus £64,800	36.9% plus £66,800	36.9% plus £68,900
Admission Body Group								
Age Concern Hampshire	342, 602	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Basingstoke and District Sports Trust Ltd	63	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Basingstoke Voluntary Action	86	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Communities First Wessex Ltd	90, 605, 675	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Community Action Hampshire	91	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Community First New Forest	88	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Horizon Leisure Trust	713	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Open Sight	607	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Options	610	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Portsmouth Abuse and Rape Counselling Service (PARCS)	737	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
QEII Silver Jubilee Activities Centre	341	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
SCA Community Care Services Ltd	624	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
SLM Community Leisure Ltd	770	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
SLM Fitness and Health Ltd	771	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
South East Employers	65	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Southampton Voluntary Services	99	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%



Employer	Employer code(s)	Primary Contribution rate % Pensionable Pay	Secondary contribution (% Pay and £s) Year commencing 1 April			Total contributions (% Pay and £s) Year commencing 1 April		
			2020	2021	2022	2020	2021	2022
Tourism South East	327	20.9%	0.9%	0.9%	0.9%	21.8%	21.8%	21.8%
Other employers (Admission and Resolution bodies)								
ABM Catering (Ringwood School)	1094	39.2%	0.9% plus £9,600	0.9% plus £400	0.9%	40.1% plus £9,600	40.1% plus £400	40.1%
ABM Catering (The Hurst Community School)	1031	20.8%	(5.1%)	(5.1%)	(5.1%)	15.7%	15.7%	15.7%
ABM Catering (Tupe from St Vincents)	864	23.9%	(23.9%)	0.9%	0.9%	0.0%	24.8%	24.8%
Active Nation (SCC)	815	20.2%	(20.2%)	(20.2%)	(20.2%)	0.0%	0.0%	0.0%
Aramark	1035	38.3%	0.9% plus £38,700	0.9% plus £39,900	0.9% plus £41,200	39.2% plus £38,700	39.2% plus £39,900	39.2% plus £41,200
Aramark (Havant and South Downs)	1080	39.1%	0.9% plus £32,800	0.9% plus £33,800	0.9% plus £13,000	40.0% plus £32,800	40.0% plus £33,800	40.0% plus £13,000
Aspens (South Farnborough Junior)	1107	17.3%	(17.3%)	(17.3%)	(17.3%)	0.0%	0.0%	0.0%
Aspens Services (Perins School)	1103	40.8%	0.9% plus £7,400	0.9%	0.9%	41.7% plus £7,400	41.7%	41.7%
Balfour Beatty (CCTV staff TUPE'd 2012)	915	18.1%	(18.1%)	(18.1%)	(18.1%)	0.0%	0.0%	0.0%
Balfour Beatty (Living Places 2018)	1091	20.7%	(10.4%)	(10.4%)	(10.4%)	10.3%	10.3%	10.3%
Balfour Beatty Living Places	817	20.7%	(20.7%)	(20.7%)	(20.7%)	0.0%	0.0%	0.0%
BH Live	1079	38.1%	0.6%	0.6%	0.6%	38.7%	38.7%	38.7%
Brayborne Facilities Services Ltd (Hounsdown)	1025	27.0%	(27.0%)	0.9%	0.9%	0.0%	27.9%	27.9%
Capita (Havant - Procurement)	1058	26.1%	(26.1%)	(26.1%)	(26.1%)	0.0%	0.0%	0.0%
Capita (Havant and East Hants)	1077	19.4%	(19.4%)	(19.4%)	(19.4%)	0.0%	0.0%	0.0%
Capita Hart (ex Hart DC)	790	20.9%	(20.9%)	(20.9%)	(20.9%)	0.0%	0.0%	0.0%
Capita Havant	795	24.9%	(24.9%)	(24.9%)	(24.9%)	0.0%	0.0%	0.0%
Care Quality Commission	757, 765, 798	38.7%	0.9% plus £485,000	0.9% plus £500,000	0.9% plus £516,000	39.6% plus £485,000	39.6% plus £500,000	39.6% plus £516,000
Catering Academy Ltd (Toynbee)	984	25.8%	(25.8%)	(25.8%)	(25.8%)	0.0%	0.0%	0.0%
Caterlink (EJT)	1038	39.9%	0.9%	0.9%	0.9%	40.8%	40.8%	40.8%
Chartwell's (Havant Academy TKAT)	1043	39.1%	0.9% plus £1,400	0.9%	0.9%	40.0% plus £1,400	40.0%	40.0%
Chartwells (Portswood Academy)	1057	38.5%	0.9% plus £10,500	0.9%	0.9%	39.4% plus £10,500	39.4%	39.4%
Chartwell's (Tanners Brook)	1056	38.6%	0.9% plus £4,500	0.9%	0.9%	39.5% plus £4,500	39.5%	39.5%



Employer	Employer code(s)	Primary Contribution rate % Pensionable Pay	Secondary contribution (% Pay and £s) Year commencing 1 April			Total contributions (% Pay and £s) Year commencing 1 April		
			2020	2021	2022	2020	2021	2022
Churchill Contract Services (Priory School)	1099	39.0%	0.9% plus £13,500	0.9%	0.9%	39.9% plus £13,500	39.9%	39.9%
City Catering Southampton	1007	23.5%	(11.1%)	(11.1%)	(11.1%)	12.4%	12.4%	12.4%
COLAS Ltd.	767	37.8%	(37.8%)	(37.8%)	(37.8%)	0.0%	0.0%	0.0%
Compass (JET)	1036	38.7%	0.9% plus £15,100	0.9%	0.9%	39.6% plus £15,100	39.6%	39.6%
Core Assets Children's Services (SENDIAS)	1109	20.7%	(20.7%)	(20.7%)	0.9%	0.0%	0.0%	21.6%
Edwards and Ward (Test Valley)	1040	23.1%	(23.1%)	(23.1%)	(23.1%)	0.0%	0.0%	0.0%
Edwards and Ward (The Clere)	1002	23.0%	(23.0%)	(23.0%)	(23.0%)	0.0%	0.0%	0.0%
Energise Me	1048	19.8%	(19.8%)	(19.8%)	(19.8%)	0.0%	0.0%	0.0%
Everyone Active (Hart DC)	1039	21.4%	(14.4%)	(14.4%)	(14.4%)	7.0%	7.0%	7.0%
Hampshire Cultural Trust (HCC)	995	17.5%	0.9%	0.9%	0.9%	18.4%	18.4%	18.4%
Hampshire Cultural Trust (WCC)	994	17.5%	0.9%	0.9%	0.9%	18.4%	18.4%	18.4%
Haywards (GFM Education)	1081	39.7%	0.9% plus £5,800	0.9%	0.9%	40.6% plus £5,800	40.6%	40.6%
Innovate Services	913	22.9%	(22.9%)	(22.9%)	(22.9%)	0.0%	0.0%	0.0%
Lockwood Community and Sports Association	950	22.6%	0.9% plus £500	0.9% plus £500	0.9% plus £500	23.5% plus £500	23.5% plus £500	23.5% plus £500
Medhurst Communications Ltd (Hounsdown)	1066	22.5%	(22.5%)	0.9%	0.9%	0.0%	23.4%	23.4%
Millbrook Industries (PCC)	956	27.2%	(27.2%)	(27.2%)	(27.2%)	0.0%	0.0%	0.0%
Mytime Active (Dibden Golf Course)	883	21.0%	(21.0%)	(21.0%)	(21.0%)	0.0%	0.0%	0.0%
Mytime Active (Southampton Golf Course)	816	37.9%	(37.9%)	(37.9%)	(37.9%)	0.0%	0.0%	0.0%
NMRN Operations	949	18.9%	(18.9%)	(18.9%)	(18.9%)	0.0%	0.0%	0.0%
Norse South East Ltd	1037	21.9%	(21.9%)	(21.9%)	(21.9%)	0.0%	0.0%	0.0%
Nviro Ltd (Milton Park Primary School)	1102	13.8%	0.9%	0.9%	0.9%	14.7%	14.7%	14.7%
Pabulum (Elvetham Heath Primary School)	1090	20.0%	(11.7%)	(11.7%)	0.9%	8.3%	8.3%	20.9%
Places for People Leisure	814	21.9%	(21.9%)	(21.9%)	(21.9%)	0.0%	0.0%	0.0%
Randstad	916	33.3%	0.9% plus £16,300	0.9%	0.9%	34.2% plus £16,300	34.2%	34.2%
Serco (Hart District Council)	1100	21.3%	(7.4%)	(7.4%)	(7.4%)	13.9%	13.9%	13.9%
Serco Limited	1069	25.0%	(0.5%)	(0.5%)	(0.5%)	24.5%	24.5%	24.5%



Employer	Employer code(s)	Primary Contribution rate % Pensionable Pay	Secondary contribution (% Pay and £s) Year commencing 1 April			Total contributions (% Pay and £s) Year commencing 1 April		
			2020	2021	2022	2020	2021	2022
Skanska Construction Ltd	1078	23.9%	0.9% plus £1,600	0.9% plus £1,700	0.9% plus £1,700	24.8% plus £1,600	24.8% plus £1,700	24.8% plus £1,700
SLM Everyone Active (The Hamble School)	1114	17.0%	(0.7%)	(0.7%)	(0.7%)	16.3%	16.3%	16.3%
Society of St James	1064	37.9%	(30.4%)	0.9%	0.9%	7.5%	38.8%	38.8%
Sodexo (Oasis)	865	38.9%	(20.5%)	(20.5%)	(20.5%)	18.4%	18.4%	18.4%
Southsea Skatepark Company	825	37.8%	(1.0%)	(1.0%)	(1.0%)	36.8%	36.8%	36.8%
SSE Contracting Ltd	797	23.6%	(17.0%)	(17.0%)	(17.0%)	6.6%	6.6%	6.6%
TOPS Day Nursery	1041	23.8%	(21.0%)	(21.0%)	(21.0%)	2.8%	2.8%	2.8%
Two Counties (Priestland's School)	1082	38.4%	0.9% plus £2,300	0.9%	0.9%	39.3% plus £2,300	39.3%	39.3%
Two Counties Cleaning Services Ltd (Lee on the Solent Junior School)	1098	17.2%	(3.1%)	(3.1%)	0.9%	14.1%	14.1%	18.1%
Wessex Education Shared Services	952	24.5%	(12.7%)	(12.7%)	(12.7%)	11.8%	11.8%	11.8%
Total		17.8%	0.8% plus £7,217,400	0.8% plus £7,465,200	0.8% plus £7,782,800	18.6% plus £7,217,400	18.6% plus £7,465,200	18.6% plus £7,782,800

Notes:

Prepayments

- Subject to advance agreement by the Administering Authority, certain employers* may elect to pre-pay the monetary amount of the secondary contribution rate for either:
 - (a) the relevant year on the first working day in April of that year in which case the certified amount on the Certificate shall be multiplied by 0.979, or
 - (b) all three years of the certificate on 1 April 2020, in which case the certified amounts shall be multiplied by the following factors: 0.979 (2020/21), 0.937 (2021/22), 0.898 (2022/23).
- Subject to advance agreement by the Administering Authority, certain employers* may elect to pre-pay the percentage of pay contribution rate for the relevant year on the first working day in April of that year, in which case the amount payable will be calculated as the certified rate multiplied by an assumed salary for the year which will be notified in advance by the Administering



Authority, multiplied by 0.979. A true-up calculation will be undertaken in April of the subsequent year to identify if an additional payment is required due to the actual Pensionable Pay over the relevant year having been higher than assumed.

- Subject to advance agreement by the Administering Authority, certain employers* may elect to pre-pay its percentage of pay contribution rate for all three years of the certificate on 1 April 2020 in which case the amount payable will be calculated as the certified rate less 0.3% of pay multiplied by an assumed salary for the relevant year which will be notified by the Administering Authority before 1 April 2020, multiplied by the following factors: 0.979 (2020/21), 0.937 (2021/22), 0.898 (2022/23). In addition, the employer will be required to pay a contribution towards the expenses of administering the Fund of 0.3% of Pensionable Pay each year. A true-up calculation will be undertaken in April 2021, April 2022 and April 2023 to identify if an additional payment is required due to actual Pensionable Pay over the previous year having been higher than assumed.

* All employers with the exception of those in the Academy Pool, Admission Body Group and the Town and Parish Council Pool are eligible to pre-pay amounts shown in the above certificate, subject to the advance agreement of the Administering Authority.

Review of contributions

Contributions for 2021/2022 and 2022/23 have been based on the valuation results as at 31 March 2019 which for the employers formerly part of the Scheduled Body Group was a funding level of 99%. The effect of measures being taken to limit the Covid-19 pandemic on economic activity and asset values subsequent to the valuation date may mean the Fund, and hence individual employers, have a more material deficit by the time of the next valuation due as at 31 March 2022. As a result, should market conditions deteriorate further from those observed at the date of signing of this Certificate, the employer contributions for 2021/22 and 2022/23 set out above may be subject to review and may be increased in order to avoid a higher increase being required from 1 April 2023.

Other notes

Hampshire County Council codes are: 1, 617, 618, 619, 621, 625, 626, 629, 630, 631, 632, 655, 659, 660, 661, 662, 663, 666, 667, 671, 672, 674, 686, 694, 703, 733, 789, 796, 823, 861, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 901, 938, 968, 994, 995, 1003, 1032, 1042, 1076, C0001, and NLGPS.

Southampton City Council codes are: 315, 681, 782, 787, 813, 819, 849, 850, 851, 853, 854, 855, 856, 857, 870, 871, 872, 873, 874, 875, 904, 921, 922, 923, 925, 926, 927, 928, 929, 930, 931, 932, 935, 936, 941, 942, 944, 955, 986, 1028, 1029, 1030, and C0315.

Portsmouth City Council codes are: 300, 323, 622, 751, C0323.



Hamwic Education codes are: 841, 914, 943, 987, 1008, 1034, 1063, and 1068.

The contributions shown above represent the minimum contributions to be paid by each employer. Employers may choose to pay additional contributions from time to time subject to the Administering Authority's agreement.

Where payments due from an employer are expressed as monetary amounts, the amounts payable by that employer may be adjusted to take account of any amounts payable, in respect of a surplus or shortfall to which those monetary payments relate, by new employers created after the valuation date which have been credited with proportions of the assets and liabilities of the relevant employer.

Additional contributions may be required in respect of any additional liabilities that arise under the provisions of Regulations 30, 31, 35 and 38 of the 2013 Regulations and employers will be notified of such contributions separately by the Administering Authority.

Additional contributions may be payable by any employers which have ceased to participate in the Fund and these will be certified separately. This includes:

- European Electronique (Alton College)
- Hampshire Association of Local Councils Ltd
- The Hampshire Playing Fields Association
- Rapid Cleaning (St Francis HCC)
- Two Counties Cleaning (Rucstall Primary School)
- YBC Cleaning Services (Hamble)
- YBC Cleaning Services (St Patrick's)

Contribution rates for Employers commencing participation in the Fund after 31 March 2019 will be advised separately.

Regulation 62(8) requires a statement to be made of the assumptions on which the certificate is given as regards the number of members, and the associated amount of liabilities arising, who will become entitled to payment of pensions under the LGPS regulations during the period covered by the certificate. These assumptions can be found in section e of the Further Information Section of our report on the 2019 valuation dated 31 March 2020. They include assumptions relating to the members who are expected to become entitled to payment of pensions via normal retirement and ill health retirement. In practice members will also become entitled to payment of pensions via early retirement for reasons of redundancy or efficiency reasons as well as on voluntary early retirement, for which no assumption has been made.



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31 March 2020

Joel Duckham FIA
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31 March 2020

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Glossary

Active member	A person who is employed by an employer participating in the Fund, and is paying (or is treated as paying) contributions to the Fund (includes certain members temporarily absent, e.g. due to family leave or sickness).
Admission body	An employer admitted to the Fund under an admission agreement.
Attained age method	This is one of the methods used by actuaries to calculate a contribution rate to the Fund. This method calculates the present value of the benefits expected to accrue to members over their expected remaining membership of the Fund expressed as a percentage of their expected future pensionable pay. It allows for projected future increases to pay or revaluation as appropriate through to retirement or date of leaving service. The method is based on the current membership and takes no account of the possibility of further members joining the Fund. If there are no new members, this method would be expected to result in a stable contribution rate, once surpluses or shortfalls are taken into account, and if all the other assumptions are borne out. However, if more members join the Fund to replace older leavers, the contribution rate can be expected to fall.
Consumer prices index (CPI)	This is the price inflation index that increases to pensions and deferred pensions paid by the Fund, and revaluation of pension accounts, are currently based on. It is published every month by the Office of National Statistics.
Deferred member	A former employee who has left active membership, but has not yet received any benefits from the Fund and is prospectively entitled to receive a deferred pension from his/her normal pension age.
Discount rate	Expected future investment returns calculated with reference to an assumed investment strategy and level of prudence. The discount rate is used to translate the estimated future benefit payments from the Fund into a single figure which represents the amount needed to be held today to provide them.
Fund actuary	The actuary to the Fund, who provides actuarial advice to the Administering Authority including carrying out the actuarial valuation contained in this report.



Funding level (or funding ratio)	This is the ratio of the value of assets to the funding target.
Funding objective	To hold sufficient and appropriate assets to cover the funding target.
Funding Strategy Statement	A document prepared by the Administering Authority in accordance with the Regulations which sets out the funding strategy adopted for the Fund. The Fund Actuary must have regard to this statement in preparing this actuarial valuation.
Funding target	An assessment of the present value of the benefits that will be paid from the Fund in the future, normally based on pensionable service prior to the valuation date. Under the current Funding Strategy Statement, the funding target is equal to the past service liabilities calculated using a prudent set of assumptions.
Future service contribution rate	The contribution rate (expressed as a percentage of Pensionable Pay) required to meet the cost of benefits which will accrue to members in future. This is also known as the primary contribution rate.
Guaranteed minimum pensions (GMPs)	Most schemes that were contracted out of the State Earnings Related Pension Scheme (SERPS) before April 1997 have to provide a pension for service before that date at least equal to the Guaranteed Minimum Pension (GMP). This is approximately equal to the SERPS pension that the member would have earned had the Fund not been contracted out. GMPs ceased to accrue on 6 April 1997 when the legislation changed.
Intermediate funding target	<p>For less secure scheduled bodies and any admission body with a subsumption commitment from such an employer, the discount rate is set with an additional allowance for prudence which varies according to an assessed level of risk so that the discount rate is set as follows:</p> <ul style="list-style-type: none"> ▪ The yield on long-dated fixed interest gilts at a duration appropriate for the Fund's liabilities (1.3% p.a. as at 31 March 2019), plus ▪ For higher risk employers, 2.25% p.a., plus ▪ For medium risk employers, 0.20% p.a., plus ▪ For low risk employers, a further 0.15% p.a. <p>The Administering Authority keeps the margin above gilt yields under review and this will generally be updated at each triennial valuation.</p>



Long-term cost efficiency

This is not defined in the Regulations, but further explanation can be found in the Cipfa guidance 'Preparing and Maintaining a Funding Strategy Statement', dated September 2016:

The notes to the Public Service Pensions Act 2013 state:

Long-term cost-efficiency implies that the rate must not be set at a level that gives rise to additional costs. For example, deferring costs to the future would be likely to result in those costs being greater overall than if they were provided for at the time.

The rate of employer contributions shall be deemed to have been set at an appropriate level to ensure long-term cost efficiency if the rate of employer contributions is sufficient to make provision for the cost of current benefit accrual, with an appropriate adjustment to that rate for any surplus or shortfall in the fund.

In assessing whether the above condition is met, the Government Actuary's Department (GAD) may have regard to the following considerations:

- the implied average shortfall recovery period
- the investment return required to achieve full funding over different periods, e.g. the recovery period
- if there is no shortfall, the extent to which contributions payable are likely to lead to a shortfall arising in the future

the extent to which the required investment return above is less than the administering authority's view of the expected future return being targeted by a fund's investment strategy, taking into account changes in maturity/strategy as appropriate

Low risk funding target

Funding target used for already orphaned liabilities in the Fund. The discount rate is based on the yield on long-dated fixed interest gilts at a duration appropriate for the Fund's liabilities.

(Ongoing) Orphan employer

This is an admission body whose participation in the Fund may cease at some future point in time, after which it is expected that the Administering Authority will have no access to future contributions from that employer for the employer's liabilities in the Fund once any liability on exit has been paid. On exit the employer's liabilities will become 'orphan liabilities' in the Fund.



Ongoing orphan funding target

For admission bodies whose liabilities are expected to be orphaned on exit, the Administering Authority will have regard to the potential for participation to cease (or for the body to have no contributing members), the potential timing of such exit, and any likely change in notional or actual investment strategy as regards the assets held in respect of the body's liabilities at the date of exit (i.e. whether the liabilities will become 'orphaned' or a guarantor exists to subsume the notional assets and liabilities). This is known as the ongoing orphan funding target.

Typically employers which will ultimately give rise to Orphan liabilities will have a discount rate which is based on the yield on long-dated fixed interest gilts at a duration appropriate for the Fund's liabilities plus an asset out-performance assumption (typically this addition will be different when applied to liabilities in relation to members still in service and to those who have left service). The addition for the left service discount rate reflects market expectations of the possible future increase in the gilt yield curve over the next five years.

The Administering Authority keeps its approach under review and the ongoing orphan funding target may apply to scheduled bodies which have restricted the flow of new entrants in future, if appropriate.

Orphan/orphaned liabilities

Liabilities in the Fund for which no currently contributing employer has responsibility.

Past service liabilities

This is the present value of the benefits to which members are entitled based on benefits accrued to the valuation date, assessed using the assumptions agreed for each employer between the Fund's Administering Authority and the Fund Actuary. It generally allows for projected future increases to pay or revaluation as appropriate through to retirement or date of leaving service.

Pensioner member

An individual who is receiving a pension from the Fund, including dependants of former active, deferred or pensioner members.

Present value

Actuarial valuations involve projections of pay, pensions and other benefits into the future. To express the value of the projected benefits in terms of a cash amount at the valuation date, the projected amounts are discounted back to the valuation date by a discount rate. This value is known as the present value. For example, if the discount rate was 4% a year and if we had to pay a cash sum of £1,040 in one year's time the present value would be £1,000.



Primary rate of employer's contribution

This is not defined in the Regulations, but further explanation can be found in the Cipfa guidance Preparing and Maintaining a Funding Strategy Statement, dated September 2016:

The primary rate for each employer is that employer's future service contribution rate, which is the contribution rate required to meet the cost of the future accrual of benefits, expressed as a percentage of pensionable pay, ignoring any past service surplus or shortfall but allowing for any employer-specific circumstances, such as the membership profile of that employer, the funding strategy adopted for that employer (including any risk-sharing arrangements operated by the administering authority), the actuarial method chosen and/or the employer's covenant.

The primary rate for the whole fund is the weighted average (by payroll) of the individual employers' primary rates.

Projected unit method

One of the common methods used by actuaries to calculate a contribution rate to a fund.

This method calculates the present value of the benefits expected to accrue to members over a control period (often one year) following the valuation date. The present value is usually expressed as a percentage of the members' pensionable pay. It allows for projected future increases to pay or revaluation as appropriate through to retirement or date of leaving service. Provided that the distribution of members remains stable with new members joining to take the place of older leavers, the contribution rate calculated can be expected to remain stable, if all the other assumptions are borne out. If there are no new members however, the average age will increase and the contribution rate can be expected to rise.

Prudent

Prudent assumptions are such that the actual outcome is considered to be more likely to overstate than understate the amount of money actually required to meet the cost of the benefits.

Rates and adjustments certificate

A certificate required at each actuarial valuation by the Regulations, setting out the contributions payable by employers for the 3 years from the 1 April following the valuation date.

Recovery period

The period over which any surplus or shortfall is to be eliminated.

Recovery plan

Where a valuation shows a funding shortfall against the past service liabilities, a recovery plan sets out how the Administering Authority intends to meet the funding objective.



Regulations

The statutory regulations setting out the contributions payable to, and the benefits payable from, the Local Government Pension Scheme and how the Funds are to be administered. They currently include the following sets of regulations:

- 1997 Regulations - Local Government Pension Scheme Regulations 1997
- Administration Regulations - Local Government Pension Scheme (Administration) Regulations 2008
- Benefits Regulations - Local Government Pension Scheme (Benefits, Membership, and Contributions) Regulations 2007
- Transitional Regulations - Local Government Pension Scheme (Transitional provisions) 1997
- 2013 Regulations - Local Government Pension Scheme Regulations 2013
- 2014 Transitional Regulations - Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014

Scheduled body

Bodies which participate in the Fund under Schedule 2 of the 2013 Regulations.

Secondary rate of the employers' contribution

This is not defined in the Regulations, but further explanation can be found in the Cipfa guidance 'Preparing and Maintaining a Funding Strategy Statement', dated September 2016:

The secondary rate is an adjustment to the primary rate to arrive at the rate each employer is required to pay. It may be expressed as a percentage adjustment to the primary rate, and/or a cash adjustment in each of the three years beginning with 1 April in the year following that in which the valuation date falls. The secondary rate is specified in the rates and adjustments certificate. For any employer, the rate they are actually required to pay is the sum of the primary and secondary rates.

The Fund Actuary is required to also disclose the secondary rates for the whole scheme in each of the three years beginning with 1 April in the year following that in which the valuation date falls. These should be calculated as a weighted average based on the whole scheme payroll in respect of percentage rates and as a total amount in respect of cash adjustments. The purpose of this is to facilitate a single net rate of contributions expected to be received over each of the three years that can be readily compared with other rates and reconciled with actual receipts.



**Secure scheduled
body funding
target**

For secure scheduled bodies whose participation in the Fund is considered by the Administering Authority to be indefinite and admission bodies with a subsumption commitment from such scheduled bodies, the Administering Authority assumes indefinite investment in a broad range of assets of higher risk than risk free assets. This is known as the secure scheduled body funding target.

Shortfall

Where the assets are less than the funding target, the shortfall is the funding target less the value of assets.

**Shortfall
contributions**

Additional contributions payable by employers to remove the shortfall by the end of the recovery period.

Solvency

This is not defined in the Regulations, but further explanation can be found in the Cipfa guidance Preparing and Maintaining a Funding Strategy Statement, dated September 2016:

The notes to the Public Service Pensions Act 2013 state that solvency means that the rate of employer contributions should be set at “such level as to ensure that the scheme’s liabilities can be met as they arise”. It is not regarded that this means that the pension fund should be 100% funded at all times. Rather, and for the purposes of Section 13 of the Public Service Pensions Act 2013, the rate of employer contributions shall be deemed to have been set at an appropriate level to ensure solvency if:

- the rate of employer contributions is set to target a funding level for the whole fund (assets divided by liabilities) of 100% over an appropriate time period and using appropriate actuarial assumptions; and either
- employers collectively have the financial capacity to increase employer contributions, and/or the fund is able to realise contingent assets should future circumstances require, in order to continue to target a funding level of 100%; or
- there is an appropriate plan in place should there be, or if there is expected in future to be, no or a limited number of fund employers, or a material reduction in the capacity of fund employers to increase contributions as might be needed.

If the conditions above are met, then it is expected that the fund will be able to pay scheme benefits as they fall due.



State pension age (SPA)	<p>Age at which State pensions are payable. Current legislation specifies the following ages:</p> <ul style="list-style-type: none">▪ Currently age 65 for men; transitioning to age 65 for women by 2018.▪ Current legislation transitions State Pension Age for both men and women to age 68 by 2046, as follows:<ul style="list-style-type: none">- to age 66 by 2020- to age 67 by 2028- to age 68 by 2046
Strains	<p>These represent the cost of additional benefits granted to members under a discretion of the employer or the Administering Authority. They include the cost of providing enhanced benefits on retirement or redundancy.</p>
Subsumption and subsumption body	<p>An employer which is not a secure long term Scheduled Body and where the Administering Authority has obtained an undertaking from a related employer that, if and when the employer exits the Fund, they will be a source of future funding should any funding shortfalls emerge on the original employer's liabilities after exit.</p> <p>In this document the process of taking on the responsibility for future funding at the point of exit is known as 'subsumption' of an employer's liabilities. The employer whose liabilities will be (or are being) subsumed is referred to as a subsumption body.</p>
Surplus	<p>Where the assets are more than the funding target, the surplus is the value of assets less the funding target.</p>
Transfer value	<p>Members generally have a legal right to transfer their benefits to another pension arrangement before they retire. In taking a transfer, members give up their benefits in a fund, and a sum of money (called the transfer value) is paid into another approved pension fund. This is used to provide pension benefits on the terms offered in that fund.</p>

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