Title: **Actuarial Valuation 2016**	
Contains Confidential or Exempt Information?: *NO - Part I*	
Member reporting: Councillor Lenton, Chairman Berkshire Pension Fund and Pension Fund Advisory Panels	
Meeting and Date: Berkshire Pension Fund and Pension Fund Advisory Panels – 13 February 2017	
Responsible Officer(s): Nick Greenwood, Pension Fund Manager	
Wards affected: None	

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Royal Borough of Windsor & Maidenhead

REPORT SUMMARY

1. Representatives from Barnett Waddingham, Actuary to the Fund, will present the results of the 2016 Triennial Actuarial Valuation to Members.
2. Members will have the opportunity to raise questions with Barnett Waddingham.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Panel notes the report.

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 It is a statutory requirement that the Pension Fund is actuarially valued every three years.

2.2 The valuation calculated the net present value of the Fund's obligation to pay benefits and compares this value to the value of the Fund's assets.

2.3 The ratio of the Fund's assets to liabilities is known as the funding ratio.

2.4 The triennial actuarial valuation is used by the Actuary to determine employers' contribution rates – the future service contribution rate (to pay for benefits accrued in the period) and the deficit recovery rate (to recoup the shortfall between assets and liabilities over an agreed period).

3. KEY IMPLICATIONS

3.1 In an environment of low interest rates and flat markets (the investment return achieved in 2015/16 was 0.5%) it is anticipated that the discount rate used to value liabilities will have fallen thereby increasing their net present value and the funding ratio to have also fallen. Future Service Contribution rates will rise (as investment returns are expected to be lower for longer) as will deficit Recovery Contribution rates due to the fall in the funding ratio.

4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 Employers will be advised of their contribution rates as soon as the actuarial valuation is completed.

5. LEGAL IMPLICATIONS

5.1 Under the Local Government Pension Scheme Regulations the Fund is required to have an actuarial valuation every three years.

6. **RISK MANAGEMENT**

6.1 N/A – an actuarial valuation is a statutory obligation.

7. **POTENTIAL IMPACTS**

7.1 Employers' contribution rates will be affected by the outcome of this valuation.

8. **CONSULTATION**

8.1 Lincoln Pensions (Integrated Risk Management study) and Berkshire Treasurers have held discussions with the Actuary regarding the valuation.

9. TIMETABLE FOR IMPLEMENTATION

9.1

Table 5: Insert title

Date	Details
31 March 2017	Latest date for publication of the actuarial valuation and the Rates and Contributions certificate
1 April 2018	Implementation of new contribution rates

10. APPENDICES

10.1 None

11. BACKGROUND DOCUMENTS

11.1 None