



Report to Pension Fund Committee

Date:	21 st March 2023
Title:	Triennial Actuarial Valuation
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Recommendations:	The Committee is asked to note the Buckinghamshire Pension Fund Actuarial Valuation as at 31st March 2022.

1. Executive summary

1.1 Every three years the actuary carries out an actuarial valuation, the most recent valuation is based on 31st March 2022. The purpose of the valuation is to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the period 1st April 2023 to 31st March 2026. On 31st March 2022 the Fund had assets sufficient to cover 104% of the accrued liabilities as at 31st March 2022.

2. Content of report

2.1 The actuary carries out an actuarial valuation every three years to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund, a copy of the draft valuation report is attached as Appendix 1. The actuary will issue a final report on 31st March 2023. The Fund had assets of £3.91bn sufficient to cover 104% of the accrued liabilities as at 31st March 2022, an increase from 94% at the 31st March 2019 valuation. Investment returns have been strong since the previous valuation, but gains in the funding position have been partially offset by a reduction in future anticipated investment returns net of inflation.

2.2 Individual employer contribution rates are set out in the Rates and Adjustments Certificate, pages 34 to 49 of the appendix. The average primary rate, the rate required to meet the cost of future accrual of benefits, across the whole fund is 19.7% of payroll. The secondary rate is an adjustment to the primary rate to arrive at the total rate each employer is required to pay to allow for deficit recovery.

2.3 The key assumptions used are a discount rate assumption of 4.6% per annum and a Consumer Price Index (CPI) inflation of 2.9% per annum, the assumptions are detailed in pages 23 to 26 of the appendix.

2.4 There have been a number of important regulatory changes since the 2019 valuation including McCloud, Cost Management and Climate risk. Details of how the actuary has approached each change is detailed in pages 27 to 30 of the appendix.

3. Other options considered

3.1 Not applicable

4. Legal and financial implications

4.1 The Fund's employers have been notified individually of their employer contributions for the period 1st April 2023 to 31st March 2026.

5. Consultation and communication

5.1 Employers in the Fund have all received an individual report outlining their funding position and employer contributions for the three financial years 2023/24 to 2025/26.

6. Next steps and review

6.1 The actuary will issue a final report on 31st March 2023. The next actuarial triennial valuation will take place based on 31st March 2025.

