

Report of the Director, West Yorkshire Pension Fund to the meeting of West Yorkshire Pension Fund Pension Board to be held on 8 October 2019

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Subject: 2019 Actuarial Valuation

Summary statement:

The next triennial actuarial valuation of the Fund will be prepared based on the situation at 31 March 2019, and will determine the level of employers' contributions from April 2020 onwards.

Recommendation

It is recommended that the Local Pension Board note this report.

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Portfolio:

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Overview & Scrutiny Area:

1. SUMMARY

This report provides West Yorkshire Pension Fund Pension Board with an update on the work undertaken to date for the West Yorkshire Pension Fund's 2019 Actuarial Valuation.

2. BACKGROUND

- 2.1 In accordance with the Local Government Pension Scheme Regulations the Fund is subject to an actuarial valuation by its appointed consulting actuary at 31 March 2019.
- 2.2 The main aims of carrying out an actuarial valuation of the Fund are to:
 - Review the financial position of the fund,
 - Determine the employers contribution rates; and
 - Ensure that the legal requirements in relation to the actuarial valuation are met.
- 2.3 The Fund is working with the Fund's Actuary to ensure, wherever possible, any changes to employer's contributions are minimal, to help with budgeting and affordability for employers. This approach is consistent with the Regulations, which specify that the actuary must have regard to the desirability of maintaining as nearly constant a common rate as possible.

3. PROGRESS

- 3.1 The Terms of Reference for the Actuarial Valuation at 31 March 2019 have been agreed with the funds actuary.
- 3.2 The actuary has completed the longevity analysis for the Fund, using data and experience from the last 5 years. This analysis indicates that there has been a slowdown in longevity improvements since the last valuation and this will be taken into account when agreeing the final demographic assumptions.
- 3.3 Data extracts for actives, deferreds, pensioners, preserved refunds and dependants records was supplied in early July and the validation of this information has been completed.
- 3.4 A meeting was held on the 23 September 2019 with the actuary, officers and the Chair of the Joint Advisory Group and Investment Panel to discuss and agree the final assumptions to be used for the Fund valuation.
- 3.5 As a result of the meeting on the 23 September the actuary will now finalise the whole Fund result. Following on from this the individual employers results including the assets, liabilities, primary contribution rate and any deficits payments required will be produced. At the 31 March 2019 the Fund had 430 employers in the Fund.

- 3.6 It is anticipated that the Employer's result will start to be provided from early November. The results for the 5 West Yorkshire Councils, West Yorkshire Police and West Yorkshire Fire and Rescue will be produced first, with the results for the other employers following.
- 3.7 The Fund's Actuary will present an item on the 2019 Valuation at the Funds Employers annual meeting on the 7 November. It is anticipated that the results for the majority of employers will not be available before this meeting, however employers will have the opportunity to hear from the Actuary on the outlook for the valuation.

4. RECOMMENDATION

- 4.1 It is recommended that the Local Pension Board note this report.