Barnett Waddingham

London Borough of Hammersmith and Fulham Pension Fund

Actuarial Valuation as at 31 March 2013

Valuation Report

Barnett Waddingham LLP

28 March 2014

Barnett Waddingham
Public Sector Consulting

Contents

1. Introduction and Summary

Purpose of the Valuation

1.1. We have carried out an actuarial valuation of London Borough of Hammersmith and Fulham Pension Fund ("the Fund") as at 31 March 2013, as requested by London Borough of Hammersmith and Fulham. The Fund is part of the Local Government Pension Scheme ("LGPS").

1.2. The valuation was carried out in accordance with Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 ("the Regulations") as amended. The main purpose of the valuation is to review the financial position of the Fund and to set the level of future contributions for the employers in the Fund.

1.3. This report summarises the results of the valuation and is addressed to London Borough of Hammersmith and Fulham as the Administering Authority to the Fund. It is not intended to assist any user other than the Administering Authority in making decisions. Neither we nor Barnett Waddingham LLP accepts any liability to third parties in respect of this report.

1.4. This advice is subject to and complies with Technical Actuarial Standards issued by the Financial Reporting Council (in particular, the Pensions TAS and the generic TASs relating to reporting, data and modelling).

Results of the Valuation

1.5. The results of the valuation are that the past service funding level of the Fund as a whole has increased from 74% to 83% between 31 March 2010 and 31 March 2013. There are a number of reasons that have contributed to this improvement including:

- Higher than expected investment returns over the period,
- Deficit contributions paid into the Fund, and,
- Lower than expected salary increases.

1.6. However, the contribution rate for the average employer, including payments to target full funding, has increased from 21.5% to 21.9% of pensionable salaries. This increase reflects a

- Reduction in pensionable salaries over which any deficit is expressed as a rate of pay
- Lower outlook for future investment returns due to changes in market conditions

1.7. We would be pleased to discuss any aspect of this report in more detail.

Graeme Muir FFA **Alison Hamilton FFA**

2. Valuation Data

Data Sources

2.1. We have used the following items of data as provided by London Borough of Hammersmith and Fulham.

- Membership extract as at 31 March 2013.
- Fund accounts and employer accounting information for the three years to 31 March 2013.
- The results of the previous actuarial valuation as at 31 March 2010.

2.2. The data has been checked for reasonableness and any missing or inconsistent data has been estimated where necessary. Whilst this should not be seen as a full audit of the data, we are happy that the data is sufficiently accurate for the purposes of the valuation.

2.3. A summary of the data is set out in Appendix 1.

Assets

2.4. The asset allocation of the Fund as at 31 March 2013 was as follows:

Asset Allocation of the Fund	31 March 2013	
	£000's	%
Equities	390,299	54%
Gilts	23,755	3%
Absolute Return Fund	191,468	26%
LDI Fund	101,396	14%
Commodities	4,615	1%
Cash and Accrual	12,553	2%
Total	**724,086**	**100%**

2.5. We estimate that the return on the assets in market value terms for the three years to 31 March 2013 was approximately 9.4% per annum.

2.6. The current investment strategy is set out in a Statement of Investment Principles dated June 2012.

Benefits

2.7. The valuation has been carried out in accordance with Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 (“the Regulations”) as amended.

2.8. However from 1 April 2014, The Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 will come into effect and replace the current regulations.

2.9. The benefits for service from 1 April 2014 will be based on the Local Government Pension Scheme Regulations 2013. The main changes are to move from a final salary pension scheme based on 60ths accrual and a retirement age of 65 to a career average revalued earnings pension scheme based on 49ths accrual and a retirement age equal to State Pension Age.

2.10. The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 serve the dual purpose of retaining the previous benefit structure for service up to 31 March 2014 and introducing new protections for members close to retirement to ensure that they are not disadvantaged by the benefit changes.

2.11. The benefits underlying the valuation are summarised in Appendix 5.

2.12. We have made no allowance for discretionary benefits. Where employers grant discretionary benefits, we would expect them to fund the capital value of those benefits at that point.

3. Actuarial Methods and Assumptions

General Valuation Approach

3.1. We first estimate the future cashflows which will be paid from the Fund for the benefits relating to service up to 31 March 2013 and we do this for all current members and their possible dependants.

3.2. We then discount these projected cashflows using the discount rate to get a single figure for the value of the past service liabilities. This figure is the amount of money which, if invested now, would be sufficient to make these payments in future provided that the future investment return was equal to at least the discount rate used.

3.3. Various assumptions are needed for the above calculations and these are summarised in Section 4. The financial assumptions such as future inflation and the discount rate are based on smoothed market indicators from around the valuation date, specifically over the six month period from 1 January 2013 to 30 June 2013.

3.4. The market value of the assets at 31 March 2013 is then adjusted to also be smoothed over the same six month period so that a consistent comparison can be made with the liabilities. If the smoothed assets are greater than the past service liabilities, there is a surplus and if not, there is a deficit.

3.5. Using the same assumptions and a similar methodology, we can also calculate the value of the liabilities expected to build up in the future after 31 March 2013 and we do this for each active member. This can then be divided by the projected payroll to get a cost of future benefits expressed as a percentage of payroll.

3.6. After deducting expected employee contributions, this is known as the future service cost and represents the employers' share of the cost of future benefits.

Multiple Calculations

3.7. As part of the valuation, we are required to calculate results on an overall Fund level but also for the individual employers.

3.8. For the Fund's future service cost, we consider the benefits accruing in the single year following the valuation date.

3.9. This is known as the Projected Unit Method and results in a stable, long term contribution rate over time, if the assumptions adopted are borne out in practice and there is a steady flow of new entrants to the Fund. If the admission of new entrants is such that the average age of the membership profile increases then the contribution rate calculated at future valuations would be expected to increase.

3.10. At individual employer level we use the Projected Unit Method for employers who still admit new employees into the Fund.

3.11. For employers who do not, or do not appear, to allow new employees to join the Fund, we use a method known as the Attained Age Method which assesses the cost of future benefit accrual over all future years rather than just over the next year. This method generally produces a higher level of employer contribution than the Projected Unit Method but, for these closed employers, it should need less revision in the future.

3.12. For closed limited-term employers such as some Transferee Admission Bodies, a modified version of the Projected Unit Method with a control period equal to the remaining term of the contract may be used and this usually gives results between the Projected Unit Method and the Attained Age Method.

3.13. The amounts that the employer then pays is a combination of the above future service cost and any adjustments for the past service surplus or deficit. If there is a deficit, this adjustment will be specified as an additional contribution expressed as a cash amount to be paid in each year.

3.14. For those employers that are in surplus they may be permitted to reduce their contributions below the cost of accruing benefits by spreading the surplus over a relevant deficit recovery period.

Funding Strategy

3.15. Regulation 36 of the Local Government Pension Scheme Administration (Regulations) 2008 states that the actuary must have regard to

- The existing and prospective liabilities of the fund arising from circumstances common to all those bodies;
- The desirability of maintaining as nearly a common a rate of contribution as possible; and
- The current version of the Administering Authority’s Funding Strategy Statement

3.16. The Funding Strategy Statement implies that the funding objectives are to:

- Ensure sufficient funds are available to pay all benefits as they fall due;
- Maximise the returns from investments within an appropriate level of risk;
- Enable employer contributions to be kept as nearly constant as possible at reasonable cost to the scheme employers and tax payers.
- Manage employers’ liabilities effectively and in particular minimise irrecoverable debt when an employer ceases to participate.

3.17. We can confirm that, in our view, the methods and assumptions adopted meet this requirement.

4. Valuation Assumptions

4.1. As mentioned in the previous section, various assumptions are needed as part of the valuation.

4.2. The principal assumptions are:

- The discount rate, based on the expected investment return from the Fund’s assets.
- Pension increases and deferred revaluation; pension increases and deferred revaluation are set by the Pension Increase Order which is laid by the Government each year and expected to be linked to the Consumer Prices Index.
- Benefits earned by active members after 1 April 2014 will also be linked to the Pension Increase Order.
- Salary increases; active members’ benefits for service before 31 March 2014 will continue to be linked to their final salary.
- Current and future rates of mortality; over the last decade, life expectancies have increased more quickly than most predictions so it’s important that any assumptions made are as accurate as possible.

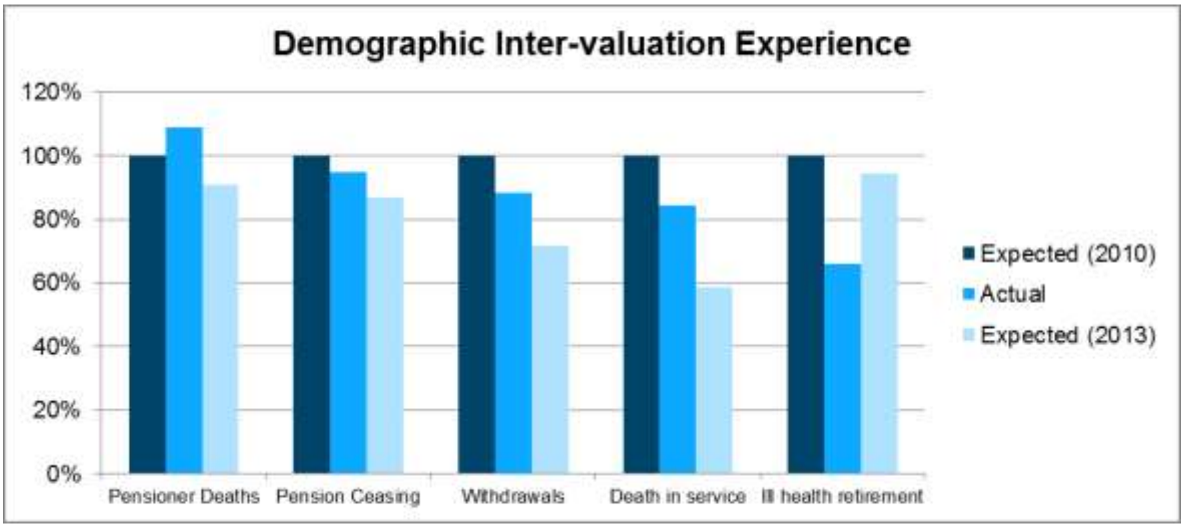
4.3. The assumptions used for this valuation are based on the expected long-term cost of providing the benefits and we believe these are suitable for setting the contribution amounts from employers. If an employer was to leave the Fund, a different set of assumptions may apply to allow for the crystallisation of their funding obligations and the funding assumptions are also not the same as those that would be used for statutory accounting purposes in employers’ accounts.

4.4. The assumptions and the rationale for them were discussed in our paper to the Administering Authority of 23 September 2013. The final assumptions have been adopted following discussion with the Administering Authority and are set out in Appendix 2. We confirm that we believe that these are appropriate for the purposes of this valuation.

4.5. A comparison of the actual financial experience with the assumptions adopted at the previous valuation is summarised below:

Financial Inter-valuation Experience	Actual	Expected
Investment Return	9.4% pa	6.7% pa
Pay Increases (including short-term overlay)	0.9% pa	3.2% pa
Pension Increases	3.5% pa	3.0% pa

4.6. A comparison of the actual demographic experience of the members of the Fund over the inter-valuation period with the assumptions adopted at the previous valuation is shown in the graph below. The graph also shows how the assumptions adopted for this valuation would have compared with those at 2010.



5. Valuation Results

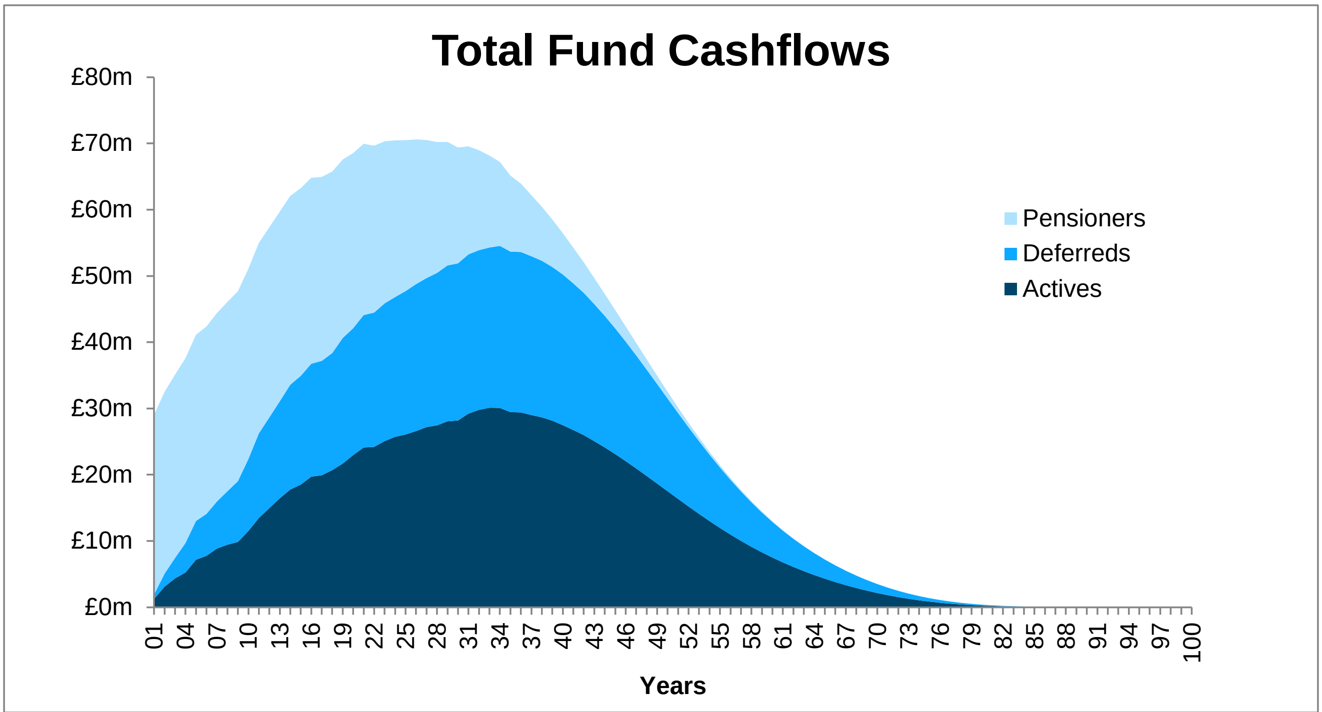
Previous Valuation

5.1. The last formal actuarial valuation of the Fund was carried out as at 31 March 2010 by Barnett Waddingham LLP and the results of that valuation were set out in the formal valuation report dated March 2011.

5.2. The results of the previous valuation indicated that the assets of the Fund represented 74% of the accrued liabilities of the Fund. The average employer contribution was calculated to be 21.5% of payroll which assumed that the past service funding level would be restored over a period of 25 years.

Projected Cashflows

5.3. As mentioned above, the first stage is to project the expected cashflows in relation to past service, which can be charted as follows:



Past Service Funding Position and Contribution Rates

5.4. The following table sets out the valuation results for the Fund as a whole. We show

- The past service funding position
- The required average ongoing employer contribution rate for future service benefits

- The required total employer contribution rate to restore the funding position to 100% over the agreed 22 year period following the valuation date.

Past Service Funding Position		31 March 2013 £000's
Asset Value		**715,915**
Value of Accrued Liabilities		
Active Members	249,954	
Deferred Members	210,325	
Pensioner Members	403,141	
Total Liabilities		**863,421**
Surplus/(Deficit)		**(147,505)**
Funding Level		**83%**
Contribution Rates		**% of Pensionable Pay**
Future Service Cost		13.6%
Deficit Recovery over 22 years		8.3%
Total		**21.9%**

5.5. As we see, the funding level as at 31 March 2013 is 83% and the average required employer contribution to restore the funding position to 100% over the next 22 years is 21.9% of pensionable pay.

5.6. The contributions payable by each employer are set out in Appendix 4. These are based on either; the employer's own membership and experience, or the employer's share of the contributions payable within a pool of employers.

Sensitivity Analysis

5.7. It is important to understand that these results indicate the expected cost of providing the benefits using the chosen method and assumptions. The actual cost of providing the benefits will depend on the actual experience.

5.8. In order to illustrate this, a number of calculations have been carried out to highlight the sensitivity of the funding position to the assumptions adopted, focusing on the assumptions to which the funding position is most sensitive, as shown below:

Assumption Change	Increase to Deficit £(000)
Decreasing the discount rate by 0.5% per annum	72,867
Increasing the CPI assumption by 0.5% per annum	66,673
Increasing the long-term rate of salary increase by 0.5% per annum	6,825
Increasing the long-term rate of improvement used in the mortality projection from 1.5% to 1.75% per annum	6,602

Projected Future Results

5.9. The progression of the funding level over time is influenced by a large number of factors, including any changes in membership, the investment return achieved and the contributions paid.

5.10. We estimate that in 3 years after the valuation date (i.e. at the next valuation) the funding position on the same basis will be 85%. This allows for contributions to be paid as certified and assumes that investment returns and other experience over the next 3 years are in line with the assumptions described above.

Neutral Estimate

5.11. We are also required to consider whether the assumptions used are neutral, that is “not deliberately either optimistic or pessimistic and does not incorporate adjustments to reflect the desired outcome”.

5.12. Other than the discount rate, we consider all the assumptions used to be neutral.

5.13. We would consider a neutral discount rate to be 6.5% per annum rather than 6.0% per annum as used for the valuation results.

5.14. The higher discount rate results from removing some prudence from the equity assumption and allowing for our expectations of the future returns on the investment strategy in full. As a consequence we expect that the future returns from the Fund’s investment strategy will be higher than the valuation discount rate and so we believe that the contributions set for this valuation are more likely to be sufficient to meet the cost of providing the benefits than not.

Valuation Reconciliation

5.15. The following table sets out the principal reasons for the change in the funding position since the last valuation:

Change in Past Service Position	£(000)	£(000)
Surplus(Deficit) at 31 March 2010		**(186,136)**
Benefits Accrued	(55,188)	
Early Retirements	(4,888)	
Contributions Paid	92,209	
Deficit Funded (Use of Surplus)	**32,133**	
Interest Cost	(39,974)	
Asset Gain/Loss	80,903	
Change in Market Conditions	(51,476)	
Financial Gain(Loss)	**(10,547)**	
Salary Increases	19,426	
Pension Increases	(6,977)	
Membership Movements	26,498	
Experience	**38,946**	
Change in Assumptions	**-21,901**	
Surplus(Deficit) at 31 March 2013		**(147,505)**

5.16. As we can see, a key factor for the decrease in the deficit is the payment of deficit contributions and strong investment returns.

6. Risk and Uncertainty

6.1. There are many factors that affect the financial position of the Fund, in particular:

6.2. Employer covenant risk; there is a risk to the Fund that any of the employing bodies may be unable to pay contributions or meet any cessation deficits as they fall due. The Fund should monitor the strength of each employer in the Fund over time, so that any sudden changes in an employer's position can be mitigated.

6.3. Investment risk; allowance is made in the assumptions for the expected long-term performance of asset classes such as equities. There is a risk that these returns will not be achieved in practice, which may result in further contributions being required. Further, the value of the Fund's assets may not move in line with the Fund's liabilities – mainly because the Fund invests in volatile assets whose value might fall or rise less than expected. The sensitivity of the valuation results to changes in the investment return assumptions is shown in 5.8 above. The Fund should regularly review the investment strategy to ensure the risks being taken are understood and that those risks are being appropriately managed.

6.4. Inflation; in projecting the expected future benefit payments, assumptions are made regarding future price inflation. There is a risk that the actual rate of inflation will be higher than assumed which will increase the cost of providing the benefits. This would result in additional contributions being required and a deterioration in the funding position unless investment returns are similarly higher than expected. The sensitivity of the results to the choice of inflation assumptions is also shown above.

6.5. Mortality; it is not possible to predict with any certainty how long members of the Fund will live, and if members live longer than expected, the Fund's funding position will deteriorate and additional contributions will be required. The sensitivity of the results to the choice of mortality assumptions is also shown above. The Fund should review the mortality assumptions at each valuation, taking into account all available evidence, to ensure they remain appropriate for the Fund.

6.6. Member options; certain benefit options may be exercised by members without requiring the consent of the Fund or the Employer, for example exchanging pension for cash at retirement or taking a transfer value. The value of the cash benefit is generally expected to be less than the value of the pension exchanged so the funding position would only deteriorate if fewer members than expected took this option. Individual transfer values can be higher or lower than the value of the valuation liabilities, depending on the particular member and market conditions.

6.7. Legislative changes; there are a number of legislative risks to the Fund and the LGPS in general, including:

- All benefits relating to membership after 31 March 2014 will be linked to the individual's State Pension Age and the Chancellor of the Exchequer's Autumn 2013 Statement outlined plans to increase this for some individuals. This valuation is based on the current legislation so if these plans are enacted, some members will find the value of their future benefits reduced and this would be expected to reduce the cost of meeting these benefits.
- Contracting-out of the State Second Pension is due to end in 2016 and it is not yet clear what the effect on the LGPS will be.
- The potential effects of GMP equalisation between males and females, if implemented, are not yet known.
- As part of the changes to the LGPS from 1 April 2014, a cost control mechanism has been implemented so that if the future cost turns out to be higher or lower than expected when the reforms were made, a review of the benefits may be triggered.
- If the LGPS was to be discontinued in its current form, it is not known what would happen to members' benefits.
- More generally, as a statutory scheme, the benefits provided by the LGPS could be changed by the Government as well as the form of the scheme.

Appendix 1 Valuation Data

A1.1. A summary of the membership records submitted for the valuation is as follows.

Active Members			Actual Pensionable Pay		Average		This Valuation	
	Number		£ (000)		£		Average Age	Average Retirement Age
Full Time	**2013**	**2010**	**2013**	**2010**	**2013**	**2010**		
Males	1,168	1,339	39,340	46,764	33,682	34,925	48	64
Females	986	1,164	34,337	40,224	34,824	34,557	46	64
Part Time								
Males	207	244	2,762	3,358	13,342	13,762	47	65
Females	1,473	1,378	17,384	17,358	11,802	12,597	47	65
Total	**3,834**	**4,125**	**93,822**	**107,704**	**24,471**	**26,110**	**47**	**64**
Pensioners			**Annual Pensions**		**Average**		**This Valuation**	
	Number		**£ (000)**		**£**		**Average Age**	**Average Retirement Age**
	2013	**2010**	**2013**	**2010**	**2013**	**2010**		
Males	1,755	1,399	14,798	11,314	8,432	8,087	69	n/a
Females	2,044	1,626	10,687	7,578	5,229	4,661	70	n/a
Dependants	585	589	1,682	1,646	2,875	2,795	72	n/a
Total	**4,384**	**3,614**	**27,167**	**20,538**	**6,197**	**5,683**	**70**	**n/a**
Deferred Pensioners			**Annual Pensions**		**Average**		**This Valuation**	
(including "undecideds")	**Number**		**£ (000)**		**£**		**Average Age**	**Average Retirement Age**
	2,013	**2,010**	**2,013**	**2,010**	**2,013**	**2,010**		
Males	2,574	2,380	6,518	5,455	2,532	2,292	47	62
Females	4,231	3,652	7,619	5,864	1,801	1,606	46	62
Total	**6,805**	**6,032**	**14,137**	**11,319**	**2,077**	**1,876**	**47**	**62**

Notes

A1.2. The numbers relate to the number of records and so will include members in receipt of or potentially in receipt of more than one benefit.

A1.3. Annual pensions are funded items only and include pension increases up to and including the 2013 Pension Increase Order.

A1.4. Pensionable pay is actual earnings.

A1.5. A summary of the assets held by the fund at the valuation date and the revenue account for the three years preceding the valuation date is as shown below.

Revenue Accounts	Year to	March 2013	March 2012	March 2011	TOTAL
		£ (000)	£ (000)	£ (000)	£ (000)
Expenditure	Retirement Pensions	25,935	23,882	22,391	72,208
	Retirement Lump Sums	5,494	6,476	4,232	16,202
	Death Benefits	449	778	208	1,435
	Leavers Benefits	6,169	2,635	4,706	13,510
	Expenses	632	867	902	2,401
	Other Expenditure	-	-	-	-
Total Outgo		38,679	34,638	32,439	105,756
Non Investment Income	Employees Ctbns	6,445	6,906	7,564	20,915
	Employers Ctbns	23,136	23,234	24,924	71,294
	Transfer Values	1,575	1,906	6,746	10,227
	Other Income	36	20	45	101
Total		31,192	32,066	39,279	102,537
Net New Cashflow		(7,487)	(2,572)	6,840	(3,219)
Investment Income		7,132	6,224	4,676	18,032
Fund Value					
Assets at Start of Year		638,640	595,718	554,314	554,314
Cashflow		(355)	3,652	11,516	14,813
Change in Value		85,801	39,270	29,888	154,959
Assets at End of Year		724,086	638,640	595,718	724,086
Annual Returns					
Approx Rate of Return (per annum)		14.6%	7.7%	6.2%	9.4%

Appendix 2 Actuarial Assumptions

A2.1. A summary of the assumptions adopted in the valuation is as set out below:

Future Assumed Returns at 2013		Risk Adjusted Discount Rate Weighting
Equity-type investments	6.9% per annum	78%
Gilt-type investments	3.3% per annum	21%
Cash	3.1% per annum	1%
Expense Allowance	0.15% per annum	

Financial Assumptions	2013	2010
Discount Rate	6.0% per annum (as above)	6.7% per annum
Retail Price Inflation (RPI)	3.5% per annum (20 year point on the BoE Inflation Curve)	3.5% per annum
Consumer Price Inflation (CPI)	2.7% per annum (RPI less 0.8%)	3% per annum
Pension and Deferred Pension Increase:	2.7% per annum (RPI less 0.8%)	3% per annum
Short Term Pay Increases	In line w ith the CPI assumption for the 2 years to 31 March 2015	Pay freeze for those earning over £21k for the 2 years to 31 March 2012
Long Term Pay Increases	4.5% per annum (RPI plus 1% per annum)	5% per annum

Statistical Assumptions	2013	2010
Post retirement mortality		
Current Mortality	S1PA tables	90% of the S1PA Heavy tables
Mortality Projection	2012 CMI Model with a long term rate of improvement of 1.5% per annum	CMI Medium Cohort with a 1% per annum underpin
Retirement Ages	Each member retires at their weighted average "tranche retirement age", i.e. for each tranche of benefit, the earliest age they could retire with unreduced benefits If the member is over this retirement age, then it is assumed they will retire at their oldest tranche retirement age. If over the oldest tranche retirement age, the member is assumed to have a 1/3 chance of retiring in each of the next 3 years, and it is assumed all members will be retired by age 75.	For each tranche of benefit, active members retire 1 year later than entitled to retire and receive unreduced benefits. Deferred members retire at the earliest age they can receive unreduced benefits Active and deferred members over these respective ages are assumed to retire immediately
Proportion Married	There is an 80%/70% chance that male/female members will, at retirement or earlier death, have a dependant who is eligible for death	90% of members are assumed to be married or have an eligible dependant at retirement or earlier death
Partner Age Difference	Males are 3 years older than their spouse and Females are 3 years younger than their spouse	Males are 3 years older than their spouse and Females are 3 years younger than their spouse
Ill-health tiers	50% of ill-health retirements will be eligible for benefits based on full prospective service and 50% will qualify for a service enhancement of 25% of prospective service	50% of ill-health retirements will be eligible for benefits based on full prospective service and 50% will qualify for a service enhancement of 25% of prospective service
Commutation	It is assumed that members at retirement will commute pension to provide a lump sum of 50% of the maximum allowed under HMRC rules and this will be at a rate of £12 lump sum of £1 of pension	It is assumed that members at retirement will commute pension to provide a lump sum of 50% of the maximum allowed under HMRC rules and this will be at a rate of £12 lump sum of £1 of pension
50/50 Scheme Allowance	It is assumed that 5% of active members will opt to pay 50% of contributions for 50% of benefits under the new scheme	n/a
Other Statistical Assumptions	Same as used by Government Actuary's Department when LGPS reforms were designed and based on analysis of incidence of death, retirement and withdrawal for Local Authority Funds Sample rates shown below	Based on our analysis of the incidence of pre-retirement death, retirement and withdrawal of our Local Authority client funds.

Incidence per 1000 active members per annum								
	Death		Ill Health Retirement		Withdrawal		Salary Scales	
Age	Males	Females	Males	Females	Males	Females	Males	Females
25	0.1	0.1	0.1	0.1	122.0	144.5	100	100
30	0.2	0.1	0.2	0.1	104.4	122.4	102	101
35	0.3	0.2	0.3	0.3	89.4	103.6	111	105
40	0.5	0.3	0.6	0.5	76.5	87.7	117	108
45	0.8	0.5	1.1	0.8	65.5	74.3	121	110
50	1.3	0.8	2.2	1.6	56.0	62.9	124	110
55	2.1	1.3	4.1	2.9	48.0	53.3	127	110
60	3.4	2.0	7.8	5.3	41.0	45.1	127	110
65	5.4	3.0	14.8	9.8	35.1	38.2	127	110

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Appendix 3 Employer Data as at 31 March 2013

Employer Membership Data		Active Members			Deferred members			Pensioner members		
Code	Employer	Number	Actual Pay £	Average Age	Number	Deferred Pensions £	Average Age	Number	Pensions in Payment £	Average Age
80	London Borough of Hammersmith and Fulham	2,839	70,766,444	46	6,332	12,538,373	47	4,153	25,133,126	70
81	Mortlake Crematorium Board	12	216,652	55	4	see note 1	see note 1	9	48,124	68
82	Blythe Neighbourhood Council	0	0	0	1	see note 1	see note 1	2	see note 1	see note 1
83	Family Mosaic Housing (formerly Family Housing Assoc)	30	549,638	51	15	73,557	50	15	141,556	64
84	Hammersmith and Fulham Community Law Centre	1	see note 1	see note 1	11	65,623	53	4	see note 1	see note 1
85	Hammersmith and Fulham Police Consultative Group	0	0	0	0	0	0	1	see note 1	see note 1
86	ROOM the National Council	0	0	0	1	see note 1	see note 1	1	see note 1	see note 1
87	Peter Pan Trust	0	0	0	5	31,515	54	0	0	0
88	Urban Partnership Group	5	181,938	47	12	45,019	48	1	see note 1	see note 1
89	London Oratory School	28	750,404	48	31	29,017	49	1	see note 1	see note 1
90	Disabilities Trust	2	see note 1	see note 1	10	10,006	49	0	0	0
91	Medequip Assistive Technology Ltd	2	see note 1	see note 1	1	see note 1	see note 1	0	0	0
92	H&F Homes	221	6,518,531	50	130	613,851	47	100	1,067,124	62
93	Greenwich Leisure Ltd	0	0	0	12	37,342	49	1	see note 1	see note 1
94	Glencross Cleaning Ltd	2	see note 1	see note 1	4	see note 1	see note 1	0	0	0
95	Inspace Partnerships Ltd - Fulham Repairs	7	184,513	53	11	64,756	50	7	37,241	63
96	Inspace Partnerships Ltd - Voids Repairs	3	see note 1	see note 1	6	23,171	51	3	see note 1	see note 1
97	Burlington Danes Academy	41	899,072	44	34	36,238	39	5	20,996	67
98	H & F Bridge Partnership	44	1,882,904	48	44	351,141	45	16	267,056	62
99	P H Jones Ltd	1	see note 1	see note 1	0	0	0	0	0	0
830	Irish Cultural Centre	0	0	0	2	see note 1	see note 1	0	0	0
831	Kier Support Services Ltd	21	643,561	51	1	see note 1	see note 1	2	see note 1	see note 1
832	Quadron Services Ltd	43	1,033,726	55	9	23,224	49	4	see note 1	see note 1
833	Serco	125	3,153,322	48	15	25,085	47	18	76,315	66
834	Tendis	2	see note 1	see note 1	1	see note 1	see note 1	0	0	0
835	Turners Cleaning	88	803,124	55	24	20,272	48	11	20,706	66
836	FM Conway	10	291,762	54	5	36,307	52	2	see note 1	see note 1
837	Family Mosaic - Supporting People contract	4	86,110	50	1	see note 1	see note 1	0	0	0
840	Kier - Non Responsive Repairs contract	1	see note 1	see note 1	0	0	0	0	0	0
841	Thames Reach	1	see note 1	see note 1	0	0	0	0	0	0
842	Eden Food Services	113	1,270,068	54	20	21,715	46	11	21,802	66
843	Financial Data Management Ltd	0	0	0	2	see note 1	see note 1	0	0	0
844	EC Harris LLP	3	see note 1	see note 1	2	see note 1	see note 1	1	see note 1	see note 1
845	Crime Reduction Initiatives (CRI)	1	see note 1	see note 1	1	see note 1	see note 1	0	0	0

Employer Membership Data		Active Members			Deferred members			Pensioner members		
Code	Employer	Number	Actual Pay £	Average Age	Number	Deferred Pensions £	Average Age	Number	Pensions in Payment £	Average Age
847	Hammersmith Academy	20	518,499	33	5	2,255	34	0	0	0
848	Fulham Palace Trust	5	138,254	55	2	see note 1	see note 1	0	0	0
849	Sacred Heart Academy	15	431,074	45	0	0	0	0	0	0
850	Conway Academy	2	see note 1	see note 1	1	see note 1	see note 1	0	0	0
851	West London Free School	5	106,074	41	0	0	0	0	0	0
852	ETDE Infrastructure	5	147,216	51	0	0	0	0	0	0
853	Bentworth Academy	11	161,649	48	0	0	0	1	see note 1	see note 1
854	Lady Margaret Academy	24	482,243	45	0	0	0	0	0	0
858	Fulham College Academy Trust	58	1,239,532	47	1	see note 1	see note 1	0	0	0
859	Bridge Academy	19	479,170	42	0	0	0	0	0	0
92B	Unknown employer	0	0	0	1	see note 1	see note 1	15	185,335	61
80C	Councillors	20	296,880	50	1	see note 1	see note 1	0	0	0
199	No further liability	0	0	0	47	5,061	49	0	0	0
	Total	**3,834**	**93,232,358**	**47**	**6,805**	**14,053,527**	**47**	**4,384**	**27,019,380**	**70**

Notes

1: Where employers have fewer than 5 members in any one category, the membership details have been omitted for privacy reasons.

Appendix 4 Rates and Adjustment Certificate

A4.1. The common rate of contribution as defined by Regulation 36 for the period 1 April 2014 to 31 March 2017 is 21.9% of pensionable payroll.

A4.2. However, each employer pays contributions based on their particular circumstances and so individual adjustments are made. These individual adjustments give the following minimum total contributions as a percentage of pensionable pay plus the monetary amounts where applicable as set out below.

		Minimum employer contributions due as a % of salary for the year beginning			Minimum employer contributions due as monetary amounts in the year beginning		
Code	Employer	1 Apr 2014	1 Apr 2015	1 Apr 2016	1 Apr 2014	1 Apr 2015	1 Apr 2016
London Borough of Hammersmith and Fulham Pool							
80	London Borough of Hammersmith and Fulham	13.5%	13.5%	13.5%	£8,101k	£8,101k	£8,101k
Academies Pool							
847	Hammersmith Academy	23.9%	23.9%	23.9%	n/a	n/a	n/a
849	Sacred Heart Academy	23.9%	23.9%	23.9%	n/a	n/a	n/a
850	Conway Academy	23.9%	23.9%	23.9%	n/a	n/a	n/a
851	West London Free School	23.9%	23.9%	23.9%	n/a	n/a	n/a
853	Bentworth Academy	23.9%	23.9%	23.9%	n/a	n/a	n/a
854	Lady Margaret Academy	23.9%	23.9%	23.9%	n/a	n/a	n/a
858	Fulham College Academy Trust	23.9%	23.9%	23.9%	n/a	n/a	n/a
859	Bridge Academy	23.9%	23.9%	23.9%	n/a	n/a	n/a
Individual Employers							
89	London Oratory School	14.5%	14.5%	14.5%	n/a	n/a	n/a
97	Burlington Danes Academy	13.7%	13.7%	13.7%	n/a	n/a	n/a
83	Family Mosaic Housing (formerly Family Housing Assoc)	19.9%	19.9%	19.9%	n/a	n/a	n/a
88	Urban Partnership Group	16.3%	16.3%	16.3%	£33k	£33k	£33k
90	Disabilities Trust	19.0%	19.0%	19.0%	n/a	n/a	n/a
848	Fulham Palace Trust	17.7%	17.7%	17.7%	£20k	£20k	£20k
91	Medequip Assistive Technology Ltd	19.3%	19.3%	19.3%	n/a	n/a	n/a
93	Greenwich Leisure Ltd	15.0%	15.0%	15.0%	n/a	n/a	n/a
94	Glencross Cleaning Ltd	25.6%	25.6%	25.6%	n/a	n/a	n/a
98	H & F Bridge Partnership	13.3%	13.3%	13.3%	n/a	n/a	n/a
832	Quadron Services Ltd	19.9%	19.9%	19.9%	n/a	n/a	n/a
833	Serco	14.7%	14.7%	14.7%	n/a	n/a	n/a

Code	Employer	Minimum employer contributions due as a % of salary for the year beginning			Minimum employer contributions due as monetary amounts in the year beginning		
		1 Apr 2014	1 Apr 2015	1 Apr 2016	1 Apr 2014	1 Apr 2015	1 Apr 2016
836	FM Conway	19.4%	19.4%	19.4%	n/a	n/a	n/a
837	Family Mosaic - Supporting People contract	15.3%	15.3%	15.3%	n/a	n/a	n/a
841	Thames Reach	19.5%	19.5%	19.5%	n/a	n/a	n/a
842	Eden Food Services	19.3%	19.3%	19.3%	n/a	n/a	n/a
843	Financial Data Management Ltd	19.2%	19.2%	19.2%	n/a	n/a	n/a
852	ETDE Infrastructure	16.0%	16.0%	16.0%	n/a	n/a	n/a
81	Mortlake Crematorium Board	18.2%	18.2%	18.2%	n/a	n/a	n/a

Notes

A4.3. Further sums should be paid to the Fund to meet the costs of any early retirements using methods and assumptions discussed with us.

A4.4. The certified contribution rates represent the minimum level of contributions to be paid. Employers may pay further amounts at any time and future periodic contributions, or the timing of contributions, may be adjusted on a basis approved by ourselves.

Projected New Benefits

A4.5. The following table shows the amount of new pension and lump sum benefits projected to come into payment during the period 1 April 2014 to 31 March 2017.

Year to	Retirement Benefits £(000)
31 March 2015	5,158
31 March 2016	6,616
31 March 2017	7,693

Post-Valuation Employers

A4.6. Since 31 March 2013 a number of employers have joined the Fund. The rates are summarised below.

		Minimum employer contributions due as a % of salary for the year beginning			Minimum employer contributions due as monetary amounts in the year beginning		
Code	Employer	1 Apr 2014	1 Apr 2015	1 Apr 2016	1 Apr 2014	1 Apr 2015	1 Apr 2016
Post Valuation employers							
860	3BM Ltd	18.9%	18.9%	18.9%	n/a	n/a	n/a
861	Pinnacle PSG Ltd - Housing Management	18.4%	18.4%	18.4%	n/a	n/a	n/a
862	Pinnacle PSG Ltd - Estate Services	19.0%	19.0%	19.0%	n/a	n/a	n/a
863	Amey Services Ltd	19.3%	19.3%	19.3%	n/a	n/a	n/a
864	Mitie	19.3%	19.3%	19.3%	n/a	n/a	n/a
865	Carers Network	13.9%	13.9%	13.9%	n/a	n/a	n/a
855	Swift Ark Academy	23.9%	23.9%	23.9%	n/a	n/a	n/a

Appendix 5 LGPS Benefits

A5.1. The benefit changes from 1 April 2014 involve the formation of a new scheme, referred to below as LGPS 2014. Transitional regulations are applied so that the benefits in the previous LGPS 2008 scheme are maintained.

LGPS Benefits	LGPS 2014		LGPS 2008	
Type of Scheme	Career Average Revalued Earnings (CARE)		Final Salary	
Pension Benefit Accrual	1/49th		1/60th for service after 1 April 2008. Benefits for service before 31 March 2008 were based on 1/80th accrual and an automatic lump sum of 3/80ths.	
Revaluation	Consumer Prices Index (CPI)		Based on Final Salary	
Lump Sum	By commutation 12:1 up to a maximum of 25% of lifetime allowance			
Pensionable Pay	Pay **including** non-contractual overtime and additional hours for part time staff		Pay **excluding** non-contractual overtime and non-pensionable additional hours	
Member Contributions	Banded Contributions based on **actual** pensionable pay		Banded Contributions based on **full time equivalent** pensionable pay	
	Range	Gross Rate	Range	Gross Rate
	Up to £13,500	5.5%	Up to £13,700	5.5%
	£13,501 to £21,000	5.8%	£13,701 to £16,100	5.8%
	£21,001 to £34,000	6.5%	£16,101 to £20,800	5.9%
	£34,001 to £43,000	6.8%	£20,801 to £34,700	6.5%
	£43,001 to £60,000	8.5%	£34,701 to £46,500	6.8%
	£60,001 to £85,000	9.9%	£46,501 to £87,100	7.2%
	£85,001 to £100,000	10.5%	More than £87,100	7.5%
	£100,001 to £150,000	11.4%		
	More than £150,000	12.5%		
Contribution Flexibility	Member can pay 50% contributions for 50% of the pension benefit		Not Available	
Normal Pension Age	Linked to individual member's State Pension Age (minimum age 65)		Age 65	
Death in Service Lump Sum	3 x **Pensionable Pay**			
Death in Service Survivor Benefits	1/160th accrual based on potential service to **Normal Pension Age**			

LGPS Benefits	LGPS 2014	LGPS 2008
Ill Health Provision	Tier 1 - Immediate payment with service enhanced to **Normal Pension Age**	
	Tier 2 - Immediate payment with 25% service enhancement to **Normal Pension Age**	
	Tier 3 - Temporary payment of pension for up to 3 years	
Post Retirement Revaluation	Pension Increase Orders	
Vesting Period	2 years	3 months
Early Payment - Reduction to Benefits (Rule of 85)	For members of the LGPS on 30 September 2006, some or all of their benefits paid early could be protected from reduction under what is called the Rule of 85.	
	The Rule of 85 is satisfied if their age at the date they draw their benefits plus their scheme membership (each in whole years) add up to 85 or more.	
	If they **could not satisfy the Rule of 85 by the time they are 65**, then all of their benefits are reduced, if they choose to retire before age 65.	
	If they **will be age 60 or over by 31 March 2016** and choose to retire before age 65, then **provided they satisfy the Rule of 85 when they start to draw their pension**, the benefits they build up to 31 March 2016 will not be reduced.	
	If they **will be under age 60 by 31 March 2016** and choose to retire before age 65, then **provided they satisfy the Rule of 85 when they start to draw their pension**, the benefits they have built up to 31 March 2008 will not be reduced. Also, if they will be aged 60 between 1 April 2016 and 31 March 2020 and meet the Rule of 85 by 31 March 2020, some or all of the benefits that they have built up between 1 April 2008 and 31 March 2020 will not have a full reduction.	