

MEETING	PENSIONS COMMITTEE
DATE	22 MARCH 2011
TITLE	EMPLOYERS RESPONSE TO THE CONSULTATION ON THE FUNDING STRATEGY STATEMENT
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1. INTRODUCTION

1.1 As reported to this Committee's meeting of 3 December 2010, we are required to review and publish a Funding Strategy Statement (FSS) by 31 March 2011. As part of this review the administering authority has to consult with each scheme employer, the fund actuary and advisers and any other persons they consider appropriate.

1.2 At the meeting on the 3 December 2010, the Pensions Committee decided on the following policies:

- that the anticipated excess return from investing in equities rather than gilts should be 1.4% (the same as it was in the 2007 valuation);
- to keep the period for recovering the deficits at 20 years for statutory bodies and 15 years for Coleg Menai, and Coleg Llandrillo;
- to extend the spreading period for increases in employer contributions to six years in those cases where the increase is greater than 1.5% and if this facility is used there should be an increase of at least 0.5% until the full increase is reached.

1.3 On 14 December 2010, a consultation letter was sent out to all the scheme's employers, the Fund's actuary and adviser and to representatives of Unison, TGWU and the GMB, consulting on the three policies noted in 1.2 above. They were asked to respond with their comments or observations by 28 January 2011.

2. The Response Received

2.1 One response was received from the consultation exercise as follows:

Abergele Town Council

“At a recent Council meeting it was decided to defer the matter to a Sub-Committee for consultation and once the matter has been debated the Council will be in a position to respond to your letter”.

No further correspondence has been received.

3. Future Membership of the Scheme

3.1 After the consultation period some employers have indicated that they are considering their future membership of the scheme. It will be necessary to amend the FSS accordingly if individual employers decide to change or terminate their membership. This is noted in Annex A on Page 18 of the FSS.

3.2 A copy of the revised FSS is attached in Appendix A. The only change from the version which was presented to this committee on 3 December 2010 and sent to employers is explained in section 3.1 above.

4. Recommendation

4.1 That the proposed Funding Strategy Statement (in Appendix A) is adopted.