

<b>Meeting:</b>	Pension Committee
<b>Date:</b>	21/10/2021
<b>Title:</b>	Valuation Timetable 2022
<b>Author:</b>	Dafydd L Edwards, Head of Finance
<b>Purpose:</b>	For information only

## 1. Introduction

In accordance with the Local Government Pension Scheme regulations, a valuation of the Pension Fund must be carried out every 3 years.

The purpose of a valuation is to assess the Fund's financial position (i.e. are the Fund's assets sufficient to meet its projected liabilities); set out the assumptions for future inflation and investment returns and review the employer contribution rates.

The employer contribution rates are set at a level sufficient to secure the ongoing viability of the Fund and may be amended as a result of each valuation. Please note that members' contribution rates are set in the Scheme's regulations and are not subject to review at the valuation.

The next valuation will be based on membership as at 31 March 2022 with new employer contribution rates coming into effect on 1 April 2023.

## 2. Valuation Timetable

In order to complete the valuation on time it is important that a timetable is set. A preliminary meeting has recently been had with Hymans Robertson to discuss the timetable for the 2022 valuation. Here are the proposed dates:

The dates in **yellow** are actions to be taken by Hymans Robertson, the dates in **blue** are actions to be taken by the fund and the dates in **orange** are actions to be taken by both parties.

### 2.1 Assumptions

The fund is responsible for choosing prudently the assumptions that will be used for calculating the technical provisions of the valuation. This includes taking account of the degree to which the employer can support a range of likely adverse outcomes. Advice from Hymans Robertson on making relevant assumptions will be sought before the assumptions are presented to the Committee in January 2022 for approval.

<b>Assumptions</b>	
Prepare draft assumptions paper for discussion with officers	November 2021
Discuss proposed assumptions with officers	December 2021
<b>Finalise assumptions paper for Committee meeting</b>	<b>January 2022</b>

### 2.2 Data

Having accurate data is vital to ensure that valuation results are as accurate as possible for each employer. The fund needs to ensure that the employer database is up to date and that membership data is as correct as possible:

<b>Data</b>	
<b>Employer database</b>	
Review and update employer database	January / February 2022
Submit to Hymans Robertson	March 2022
High level review of employer details	April 2022
Updates to employer database	May / June 2022
<b>New employer data</b>	
Check all new employer data submitted to Hymans	January 2022
Provide new employer opening position data	February 2022
Create new employer opening positions/populate Hub & spreadsheet	April 2022
Check new employer opening positions	May / June 2022
<b>Valuation membership data</b>	
Upload whole fund data extract	June 2022
Review validations and resolve any data issues	June 2022
Valuation data submitted to Hymans Robertson	June 2022
<b>Clean data sign off</b>	<b>July 2022</b>

### 2.3 Whole Fund calculations

Once the assumptions are set and data submitted, the next step is for Hymans Robertson to work out the whole fund position for the 2022 valuation.

<b>Whole Fund calculations</b>	
Prepare discussion document (whole fund results only)	July 2022
Discuss whole fund results with officers via Teams call	August 2022
Finalise whole fund results	August 2022

### 2.4 Individual employer calculations

Once the whole fund calculations have been performed the next stage is to work out the individual employer results. These will be presented to the Fund's officers in draft form, with adjustments being performed (if required), before being presented to the employers.

<b>Individual employer calculations</b>	
Prepare individual employer results to issue to officers	September 2022
Discuss employer results in detail (incl. review of investment strategy allocation)	September 2022
Investigation into any data issues raised by employer results analysis	September 2022
<b>Update employer results post discussion</b>	<b>September 2022</b>

### 2.5 Reporting

The final stage of the valuation is the prepare final valuation report and rates & adjustments (R&A) certificate and share these results with the employers. The Funding Strategy Statement (FSS) will also need to be updated.

<b>Reporting</b>	
Prepare draft FSS	August / September 2022
Prepare and issue employer results schedules	October 2022
Issue employer results and FSS for consultation	October 2022
<b>Employer forum</b>	<b>October 2022</b>
Close FSS employer consultation	December 2022
Draft final FSS	January 2023
Prepare committee papers - final whole fund & employer results	February 2023
Confirmation of all employer contribution rates	February 2023
Prepare final valuation report and R&A certificate	March 2023
Review valuation report and R&A certificate	March 2023
<b>Sign off valuation</b>	<b>March 2023</b>