

Report to: Pension Committee

Date: 24 September 2018

By: Head of Pensions

Title of report: General Update

Purpose of report: To provide a general update to the Pension Committee on matters related to the Committee activities.

RECOMMENDATION – The Committee is recommended to note the update.

1. Background

1.1 This report provides an update on matters relating to the Pension Board and Committee activities.

2. 2019 actuarial valuation – preparation

2.1 The East Sussex Pension Fund (ESPF) is subject to an actuarial valuation every three years. The last valuation of the Fund was in 2016 with the next valuation to be undertaken as at 31 March 2019. The basic purpose of the valuation is to assess the Fund's assets and liabilities and calculate the rate of each employer's contribution rate for the three years from April 2020. Work on the 2019 valuation has begun and a detailed valuation timetable (Appendix 1) sets out the dates of the key 2019 valuation deliverables. Discussions with risky employers are ongoing.

3. Exit Credits

3.1 The LGPS (Amendment) Regulations 2018 amended the LGPS 2013 Regulations to provide for the payment of an exit credit to an exiting employer where, at the exit date, where employer's assets in the fund exceed the liabilities. The HMRC have recently made the pronouncement that there will be no tax charge on the payment and that there is no requirement for the scheme administrator of the pension scheme (or sub-scheme administrator of the sub scheme) to report the payment to HMRC.

3.2 The Fund will be updating both the Funding Strategy Statement (FSS) and Cessation policy to reflect these new regulations. Regulation 64 (1) & (2) of these regulations now state where an employing authority ceases to be a scheme employer, the Administering Authority is required to obtain an actuarial valuation of the liabilities of current and former employees as at the termination date and where a deficit exists, it requires the rates and adjustments certificate to be amended to show the revised contributions due from the ceasing employer.

3.3 Where a surplus exists, the Fund will pay an exit credit to the ceasing employer within three months of the cessation date. As part of the triennial valuation process the Fund will consider any further changes and carry out a full consultation at that time.

4. 2018 Employer Forum

4.1 The East Sussex Pension Fund (ESPF) Employer Forum is scheduled for 23rd November 2018 at the American Express Community Stadium, Falmer. The draft itinerary is currently being finalised and will be shared with Board in September.

5. Pension Committee Agenda – November 2018

- 5.1 The draft agenda for the November 2018 Pension Committee meeting include the following
- Option appraisal of services offered by other administration system providers;
 - East Sussex Pension Fund: Independent Advisor;
 - LGPS Pooling – ACCESS Pool Update;
 - Pension Board Minutes;

- Quarterly Performance Report - Hymans Robertson;
- Fund Performance – Fund Manager Presentation;
- Officers' Report - Business Operations;
- Officers' Report - General Update;
- Forward Plan;
- Pension Employers- Update.

6. Conclusion and reasons for recommendations

6.1 The Committee is recommended to note the general update regarding the Pension Fund activities.

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Local Member(s): All