

# EMPLOYER NAME

**XXXX PENSION FUND**  
LOCAL GOVERNMENT PENSION SCHEME

FRS 101/102 PENSION SCHEME ACCOUNTING FIGURES  
AS AT DD MMM 2020

MMM 2020



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*Mercer has prepared this schedule for the employer, to assist them with the preparation of its accounting figures and disclosures under Financial Reporting Standard 101 or Financial Reporting Standard 102. These figures may not be used or relied on by any other party or for any other purpose.*

*The figures in this schedule comply with Technical Actuarial Standard 100 issued by the Financial Reporting Council.*

*This schedule must be read in conjunction with the separate supplementary paper, advice on actuarial assumptions used, and the latest formal actuarial valuation report for the Fund.*



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## XXXX Pension Fund - Employer name

1. Disclosure items - 12 month period ended dd mmm 2020 - under FRS 101/102

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<b>Balance sheet items as at 31 August 2019</b>		<b>£000s</b>	<b>Change in benefit obligation to 31 August 2019</b>		<i>Unfunded Benefits</i> <b>£000s</b>	<b>All Benefits</b> <b>£000s</b>
Present value of funded benefit obligations		76,194	Benefit obligation at beginning of period	-	38,445	<b>DBO10</b>
Present value of unfunded benefit obligations		0	Current service cost	-	4,248	(30.2% of pay plus interest) <b>DBO050</b>
Total present value of benefit obligations		76,194	Interest on pension liabilities	-	1,437	<b>DBO060</b>
Fair value of plan assets		(31,047)	Member contributions	-	834	<b>DBO100</b>
Unrecognised past service cost		0	Past service cost (gain)*	-	2,085	<b>DBO130</b>
Deficit/(surplus)		45,147	Remeasurements (liabilities)			
			Experience (gain)/loss	-	0	(0% of period end liabilities) <b>DBO090</b>
			(Gain)/loss on assumptions	-	14,064	(18.5% of period end liabilities) <b>DBO070 / DBO080</b>
			Curtailments	-	0	<b>DBO120</b>
			Settlements	-	0	<b>DBO150</b>
			Benefits/transfers paid	-	(1,635)	<b>DBO110</b>
			Business combinations	-	16,716	<b>DBO160 / DBO170 / DBO030</b>
			Benefit obligation at end of period	-	<b>76,194</b>	
<b>Components of pension cost for period to 31 August 2019</b>			<b>Change in plan assets to 31 August 2019</b>			
Current service cost		4,248	Fair value of plan assets at beginning of period	-	18,093	<b>FVA010</b>
Net interest cost		699	Interest on plan assets	-	738	<b>FVA050</b>
Administration expenses		69	Remeasurements (assets)	-	1,566	(5% of period end assets) <b>FVA080</b>
Past service cost (gain)		2,085	Administration expenses	-	(69)	<b>FVA150</b>
Effect of curtailments		0	Business combinations	-	8,949	<b>FVA130 / FVA140</b>
Effect of settlements		0	Settlements	-	0	<b>FVA120</b>
Effect of asset ceiling		0	Employer contributions	-	2,571	<b>FVA090</b>
Total pension cost recognised in I&E		7,101	Member contributions	-	834	<b>FVA100</b>
			Benefits/transfers paid	-	(1,635)	<b>FVA110</b>
			Fair value of plan assets at end of period	-	<b>31,047</b>	
<b>Statement of other comprehensive income</b>			<b>Actual Return on plan assets</b>			
Remeasurements (liabilities & assets)		12,498			2,301	(7.4% of period end assets)
Effect of asset ceiling		0	<b>Past service cost includes:</b>			
Total remeasurements included in SOCI		12,498 (16.4% of period end liabilities)	McCloud impact:		900	
			GMP indexation:		300	
			Early ret / augmentation:		885	
<b>Asset allocation - £000s</b>						
	<b>31 August 2018</b>	<b>31 August 2019</b>				
Equities	7,092 39.2%	14,532 46.8%	<b>MCA010</b>			
Government bonds	2,100 11.6%	- 0.0%	<b>MCA020</b>			
Other bonds	2,226 12.3%	3,384 10.9%	<b>MCA030</b>			
Property	1,683 9.3%	1,707 5.5%	<b>MCA040</b>			
Cash/liquidity	687 3.8%	372 1.2%	<b>MCA050</b>			
Other	4,305 23.8%	11,052 35.6%	<b>MCA090</b>			
<b>Total</b>	<b>18,093</b>	<b>31,047</b>				

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### 2. Data used in calculations

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#### Investment return data

Supplied	3.00%	Year to 30 June 2019 return as advised by the Fund.
Adjustment 1	2.00%	July and August 2019 estimated based on market indices.
Adjustment 2	-1.00%	Removal of July and August 2018 estimated based on market indices.
Final return applied	<b>4.00%</b>	Net of investment expenses
Expenses	£69,000	Administration expenses deducted from year end assets

#### Whole fund asset details (£m)

- Last actuarial valuation	4,000	31 March 2019
- Start of period	4,600	30 June 2019
- End of period	4,400	30 June 2020

*Provided for disclosure purposes only - not used in calculations*

#### Employer data

	Data supplied	Revised	Notes
Balance sheet items:			
31 August 2019 assets	£18,093,000		
31 August 2019 liabilities	£38,445,000		
Pensionable pay	£12,045,359		
Cashflow Employer normal contributions (% of pay)	£1,895,054		
Employer normal contributions (£ lump sum)	£352,824		
Employer other contributions	N/A		
Employee contributions	£723,917		
Transfer values received	N/A		
Retirement lump sums paid	N/A		
Pensions paid	£431,588		
Lump sum death benefits paid	N/A		
Payments on account of leavers	£1,135,255		
Recharged benefits (£ for £ basis)	N/A		
Additional Early retirement - redundancy	N/A		
Early retirement - non-redundancy	N/A		
Augmentation - redundancy	N/A		
Augmentation - non-redundancy	N/A		
Members Actives	1347		
Deferreds	291		
Pensioners	105		
Spouses / dependants	0		
Spouses / dependants			

Particular events relevant to this employer of which we have been notified:

These figures are combined figures for the Multi Academy Trust. School 2 and School 3 joined the trust over the year. The initial effect of these transfers of staff is shown in the two Business Combinations items on page 3, which set out the initial accounting assets and liabilities at the date of transfer. This is on the basis that the new employers were funded in line with their initial contribution assessment on the 2019 valuation assumptions. The calculation of the asset value is provisional and will be reviewed as part of the next actuarial valuation.

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### 3. Assumptions

#### Duration information as at the end of the accounting period

Estimated Macaulay duration of liabilities (at later of 31 March 2019 & admission date): 20 years  
 Duration profile used to determine assumptions: Intermediate

Financial assumptions	Beginning of period (p.a.)	End of period (p.a.)
- CPI inflation / CARE	2.1%	2.0% <b>MAP010</b>
- Increase in salaries	3.6%	3.5% <b>MAP020</b>
- Increase in pensions in	2.2%	2.1% <b>MAP030</b>
- Discount rate	2.8%	1.8% <b>MAP040</b>

#### Post retirement mortality assumptions (normal health)

- Non-retired members	S2PA CMI_2015_[1.75%] 94% males S2PA CMI_2015_[1.5%] 81% females	S2PA CMI_2015_[1.75%] 94% males S2PA CMI_2015_[1.5%] 81% females
- Retired members	S2PA CMI_2015_[1.75%] 93% males S2PA CMI_2015_[1.5%] 85% females	S2PA CMI_2015_[1.75%] 93% males S2PA CMI_2015_[1.5%] 85% females

#### Life expectancy of a male (female)

-future pensioner age 65 in 20 years' time	26.2 (28.8) years	26.3 (29) years <b>ALE030 (ALE040)</b>
-current pensioner age 65	23.6 (26.1) years	23.7 (26.2) years <b>ALE010 (ALE020)</b>

End of period uses a smoothing parameter of 7.5, no addition to initial improvements and "middle" table for females

### 4. Budgeting figures for year commencing 1 September 2019

A - Projected pension cost	£000s	£000s	£000s
<i>Estimated pay:</i>	15,108		
<i>Service Cost* (% of pay):</i>	43.3%		
Implied Service Cost* including interest:		6,594	
Net interest cost		783	
Administration expenses		75	
Total pension cost recognised in I&E			<b>7,452</b>
<b>B - Projected employer contributions</b>			
Normal contributions		3,267	
£ for £ recharges		-	
Total employer contributions next year			<b>3,267</b>
<b>C - Current deficit/(surplus)</b>			<b>45,147</b>
<b>D - Projected deficit/(surplus) next year</b>			<b>49,332</b>
<i>This is calculated as C + A - B</i>			

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### 5. Sensitivity analysis as at dd mmm 2020

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Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
	£000s	+ 0.1% p.a. discount rate £000s	+ 0.1% p.a. inflation £000s	+ 0.1% p.a. pay growth £000s	1 year increase in life expectancy £000s	+/-1% change in 2019/20 investment returns £000s	
						+1%	-1%
Liabilities	76,194	74,463	77,964	76,638	77,502	74,463	74,463
Assets	(31,047)	(31,047)	(31,047)	(31,047)	(31,047)	(31,347)	(30,747)
Deficit/(Surplus)	45,147	43,416	46,917	45,591	46,455	43,116	43,716
Projected Service Cost for next year	6,594	6,408	6,789	6,594	6,717	6,594	6,594
Projected Net Interest Cost for next year	783	795	816	792	807	753	813

#### Additional information for the purposes of the DfE Academies Financial Return

	Reference	Aggregate value
Discount rate +0.1% (£000)	<b>SAP010</b>	(1,731)
Discount rate - 0.1% (£000)	<b>SAP020</b>	1,771
Mortality rate 1 year increase (£000)	<b>SAP040</b>	1,308
Mortality rate 1 year decrease (£000)	<b>SAP030</b>	(1,286)
CPI rate +0.1% (£000)	<b>SAP050</b>	1,770
CPI rate - 0.1% (£000)	<b>SAP060</b>	(1,731)

## Accounting Q & A contacts

Our supplementary paper FAQs which will answer many queries arising as part of the audit process, and auditors should be referred to this in the first instance. But if you need further help then please get in touch with our accounting Q & A contacts (below).

*Note that additional charges may be incurred for further work in relation to these disclosures, depending on the scope and complexity required.*



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## LGPS employers - further support and advice

Mercer provide actuarial services to numerous LGPS Funds and employers such as Universities, Colleges, Contractors, Housing Associations and Charities.

Our LGPS practice includes over 70 professionals, including 25 actuaries in amongst the other members providing core actuarial services, as well as specialists in key areas such as benefits, governance (including a fully qualified pensions lawyer), risk management, employer covenant and investments. The team provides actuarial advice all core actuarial service requirements and independent advice to employers.

We are able to provide support to Funds and employers across the following areas:

- *Funding Requirements, including assumptions and contribution requirements*
- *Accounting disclosures, including assumptions setting*
- *Governance advice in relation to LGPS regulations, administration processes/practices and legislation*
- *Financial risk management and cost mitigation, including investment strategy and de-risking*
- *Planning for termination and managing exit payments*
- *Liability management exercises*
- *Talent management and HR support*
- *Pension tax advice*

Our independent specialists would be happy to help if you require assistance in any of these areas. Contact Clive Lewis (0151 242 7297, clive.lewis@mercer.com) or your usual Mercer contact.