



The Council of Reserve Forces' & Cadets' Associations Pension Scheme

Summary Funding Statement

Status

This Statement is based on the latest actuarial valuation of the Scheme, undertaken as at 1 August 2024.

Full valuations are undertaken every three years, so the previous valuation was undertaken as at 1 August 2021, and the next will be undertaken with an effective date of 1 August 2027.

Details of the solvency funding position have been included in this Statement to comply with legislation, and the inclusion of this information does not imply that the Employers or the Trustees are considering winding-up the Scheme.

The purpose of an Actuarial Valuation

The Employers and active Scheme members pay contributions to the Scheme in order that the Scheme can pay pensions to Scheme members when they retire. Currently active members pay contributions of 5% of Pensionable Salary and the Employers make contributions of 13% of Pensionable Salaries. Further contributions are also made to fund pension increases. The contributions received are held in a common fund which is entirely separate from the Employers' assets.

The aim of a valuation is to assess how much money the Scheme requires to cover the benefits which members have already earned, and what level of contributions the Scheme needs to receive to pay both for any shortfall in current funding and for benefits building up in the future.

The Scheme's actuary undertakes the valuation using suitable assumptions about economic conditions and life expectancy. As it is impossible to guarantee the future or predict exact figures, the position is reviewed regularly to take account of any changes in the funding position. The Scheme relies on the Employers for their ongoing financial support, to make extra contributions when there is a funding shortfall, and the valuation assumes that this support will continue and is therefore referred to as an "ongoing valuation". Using the information provided by the valuation the Trustees reach an agreement with the Employers on future contributions.



The latest full ongoing Valuation

The actuarial valuation of the Scheme showed that on 1 August 2024 the Scheme's ongoing funding position was as follows:

	£m
Value of Scheme assets	155.3
Value of Scheme liabilities	124.7
Scheme funding surplus	30.6
Funding level	125%

Change in funding position from 1 August 2021 to 1 August 2024

The previous valuation as at 1 August 2021 showed a surplus of £17.4million and a funding level of 113%.

The funding level has therefore improved over the period since the previous valuation, mainly as a result of an increase in bond yields, which reduces the value placed on the Scheme's liabilities.

Change in funding position from 1 August 2024 to 1 August 2025

In each year between actuarial valuations, the Scheme's actuary provides a report to update the Trustees on changes in the Scheme's funding position. The latest report covers the position as at 1 August 2025 and shows that the Scheme's funding position has continued to improve.

Solvency position

At each valuation the Trustees also consider the Scheme's "solvency position". In contrast to the ongoing position, this assumes that the Scheme was terminated at the valuation date, and considers how much money would be required to secure members' benefits by buying insurance policies.

At 1 August 2024 the estimated cost of securing the members' benefits in this manner was £234m. This is higher than the cost of providing benefits from the Scheme because insurers are obliged to take a very cautious view of the future and have a need to make a profit. The cost of securing pensions in this way also includes the capitalisation of the value of the future pension increases and of the future expenses involved in administration.

Details of the solvency funding position have been included in this Statement to comply with legislation, and the inclusion of this information does not imply that the Employers or the Trustees are considering winding-up the Scheme.



Payments to the Employers and the Pensions Regulator

As required by legislation, we confirm that there have not been any payments to the Employers out of the Scheme funds in the last year, and the Pensions Regulator has not subjected the Scheme to any use of its powers under Section 231 of the Pensions Act 2004. These powers include modifying the future rate of accrual of benefits, directing how the Scheme should be valued, and imposing a Schedule of Contributions.

Additional information

If you have any questions or would like any more information, please contact the Secretary at Holderness House, 51-61 Clifton Street, London EC2A 4EY.