



Government Actuary's
Department

Civil Service Pension Scheme (Great Britain)

2024 Actuarial Valuation

Results

23 June 2026

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Navigating risk | Cutting through complexity

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Introduction

This Results report sets out the results of the actuarial valuation of the Civil Service Pension Scheme (CSPS) (the Scheme) as at 31 March 2024. This report was prepared by Fiona Dunsire FIA C.Act, Government Actuary and Samantha Watts FIA C.Act, and was published on 23 June 2026.

Important

This report is a subset of the valuation reporting provided for the Scheme; the other reports are Overview, Approach, Data, Assumptions and Climate Risk. The full set of valuation reporting information can be found in the [Summary](#) report.

Key results

⚠ Important

Valuation outcomes

Employer contribution rate: The Minister for the Civil Service should make arrangements for implementing the revised employer contribution rate (plus allowance for the administration levy) from 1 April 2027.

Cost control mechanism: The Minister for the Civil Service does not need to take steps to achieve the target cost for the Scheme and no subsequent changes are required to the [employer contribution rate](#).

Employer contribution rate

22.1%

(before administration levy) of pensionable pay which is equivalent to **£4.7bn** in 2024 monetary terms

Comparison to current employer contribution rate

6.6%

decrease from 28.7% of pensionable pay which is equivalent to **£1.4bn** in 2024 monetary terms

i. Monetary amounts are annual, based on pensionable pay at the valuation date

A levy of 0.22% of pensionable pay is also expected to be payable by employers from 1 April 2027 in order to meet the cost of administering the Scheme.

Core cost cap cost of the scheme

14.3%

of pensionable pay which is **4.2%** below the **18.5%** employer cost cap

Economic cost cap cost of the scheme

21.2%

of pensionable pay which is **2.7%** above the **18.5%** employer cost cap

The core cost cap cost of the scheme lies below the 3% cost cap corridor. However, when we include the impact of the changing long-term economic assumptions through the economic cost cap cost of the scheme, the cost cap corridor is not breached in the same direction. As a result, the Minister for the Civil Service does not need to take steps to achieve the target cost for the Scheme.

All figures are rounded to the nearest 1 decimal place.

Key results: employer contribution rate

The employer contribution rate is the percentage of Scheme members' pensionable salaries which employers pay into the Scheme.

More information on the calculation of the employer contribution rate can be found in the [Overview](#) and [Approach](#) reports.

Results

! Important

The employer contribution rate is calculated as 22.1% of pensionable pay.

The total contribution rate payable by employers is 22.32% of pensionable pay, which includes a levy of 0.22% of pensionable pay to be paid by employers to meet the cost of administering the Scheme.

The total employer contribution rate is payable in respect of the period from 1 April 2027 to 31 March 2031.

This employer contribution rate is equivalent to £4.7bn per annum in 2024 monetary terms.

This is a decrease of 6.6% from the employer contribution rate calculated at the 2020 valuation (equivalent to a decrease of £1.4bn per annum in 2024 monetary terms).

As there is no breach of the cost control mechanism, there is no requirement for the Minister for the Civil Service to consult on changes to the Scheme to achieve the target cost. As a result, there will not be any adjustment to the above employer contribution rate in respect of the cost control mechanism.

The costs of administering the Scheme are determined outside of the framework set by the Directions and so are not directly included in our valuation calculations. The administration levy payable in addition to the employer contribution rate is not included in the figures throughout this report, other than where we refer to the "total employer contribution rate", which is the employer contribution rate plus the administration levy.

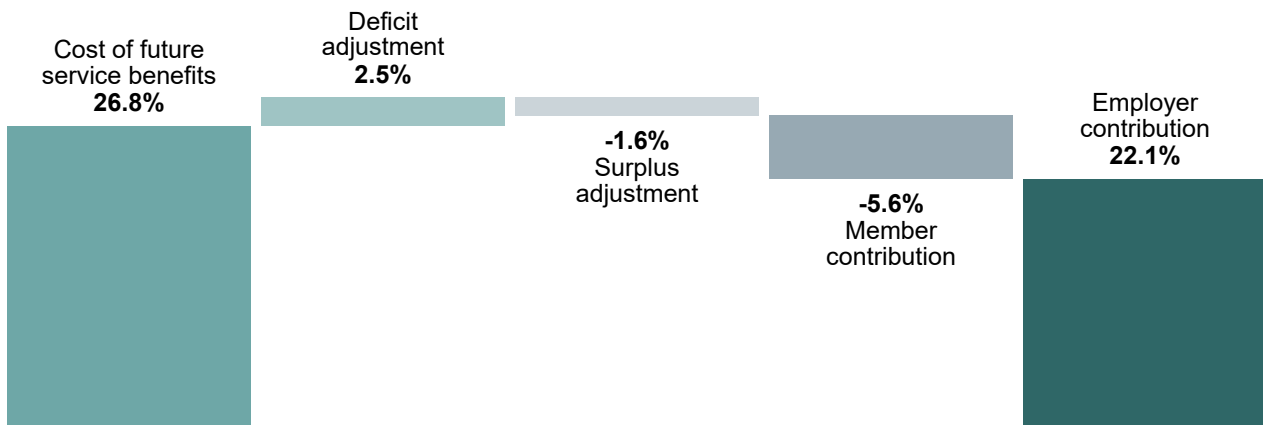
Note

Contribution rate results are sensitive to the data and assumptions underlying them:

Data: Details of the data used and any limitations or uncertainties are set out in the [Data](#) report.

Assumptions: Details of the sensitivity of the results to the main assumptions used are set out in the [Sensitivities of results to assumptions](#) section below.

The following chart shows a breakdown of the employer contribution rate into its component parts:



i. All percentages shown are of pensionable pay per annum.

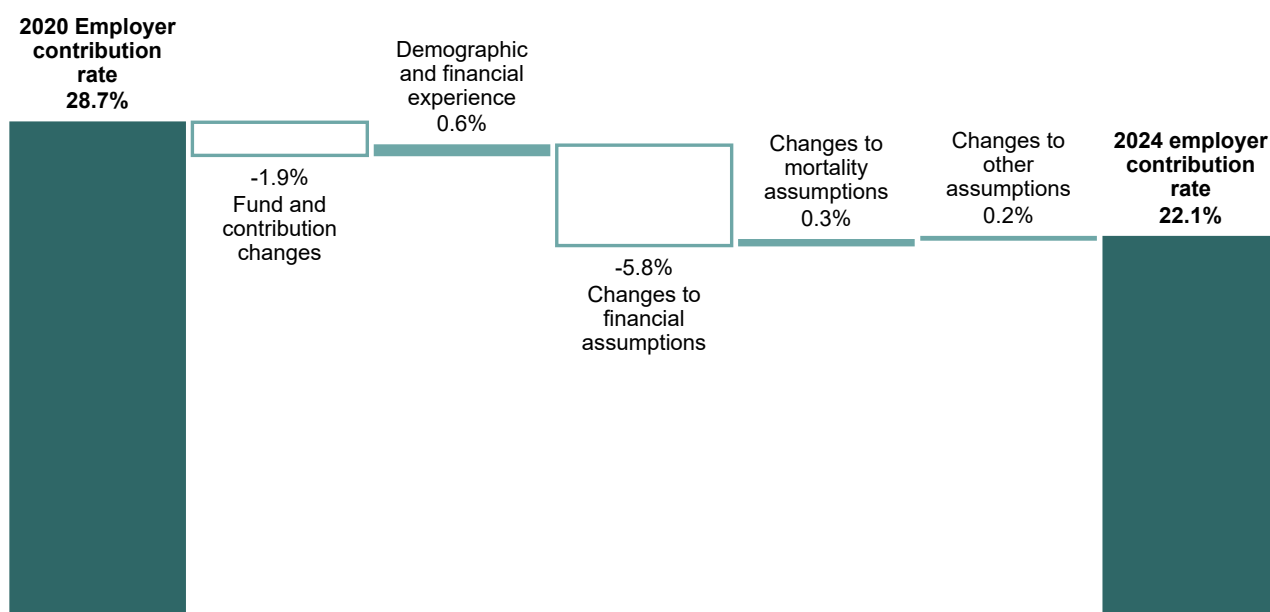
- Cost of future benefits which will be built up from 2027 to 2031.
- Adjustment due to deficit at 31 March 2024.
- Adjustment due to surplus arising between 2024 and 2027, caused by cost of benefits built up over this time being less than contributions paid.
- Member contribution rate.
- Employer contribution rate payable from 2027 to 2031.

The total employer contribution rate payable by employers is 22.32% of pensionable pay. This is the employer contribution rate of 22.1% plus a levy of 0.22% to meet the cost of administering the Scheme.

An explanation of these component parts is set out in the [Approach](#) report. Details of the calculation of these component parts is provided in the [Other information: employer contribution rate](#) section below.

Change in employer contribution rate since 2020

The chart below shows the main factors contributing to the change in the employer contribution rate since the last valuation in 2020.



i. All percentages shown are of pensionable pay per annum.

2020 employer contribution rate – this is the employer contribution rate calculated at the previous valuation

Fund and contribution changes – this includes the impact of employer contributions paid since the last valuation. These have exceeded the cost of benefits accruing and reduced the deficit in the Scheme.


Demographic and financial experience – this is the impact of actual experience between 2020 and 2024 (e.g. inflation and rates of mortality) differing from the 2020 valuation assumptions.

Changes to financial assumptions – this is the impact of the changes to the financial assumptions since 2020, including changes to the discount rate assumption. In isolation, the discount rate change reduced the employer contribution rate by approximately 5.7%.

Changes to mortality assumptions – this is the impact of the changes to the mortality assumptions since 2020, including changes to the mortality improvement assumption.

Changes to other assumptions – this is the impact of the changes to the other demographic assumptions since the previous valuation, including changes to the assumed proportion of members who die with an eligible partner.

2024 employer contribution rate – this is the resulting employer contribution rate calculated at this valuation

 **Note**

Although the 2024 employer contribution rate would be unaffected, the individual figures in this breakdown depend on various factors, such as the order of the calculations. The precise amount attributable to any one cause, such as the change in discount rate, therefore depends on the method used.

Key results: cost control mechanism

The [cost control mechanism](#) compares scheme costs ([core cost cap cost](#) and [economic cost cap cost](#)) to the original [employer cost cap](#). If both of these have moved outside the [cost control corridor](#) in the same direction, a breach has occurred and steps are required to be taken to achieve the target cost.

Further background on the cost control mechanism is set out in the [Overview](#) and [Approach](#) reports.

Results

Important

The core cost cap cost of the scheme lies below the 3% cost cap corridor. However, when we include the impact of the changing long-term economic assumptions through the economic cost cap cost of the scheme, the cost cap corridor is not breached in the same direction. As a result, the Minister for the Civil Service does not need to take steps to achieve the target cost for the Scheme and no subsequent changes are required to Scheme benefits to bring costs within the corridor.

Core cost cap cost of the scheme

14.3%

of pensionable pay
which is **4.2%** below
the **18.5%** employer cost cap

Economic cost cap cost of the scheme

21.2%

of pensionable pay
which is **2.7%** above
the **18.5%** employer cost cap

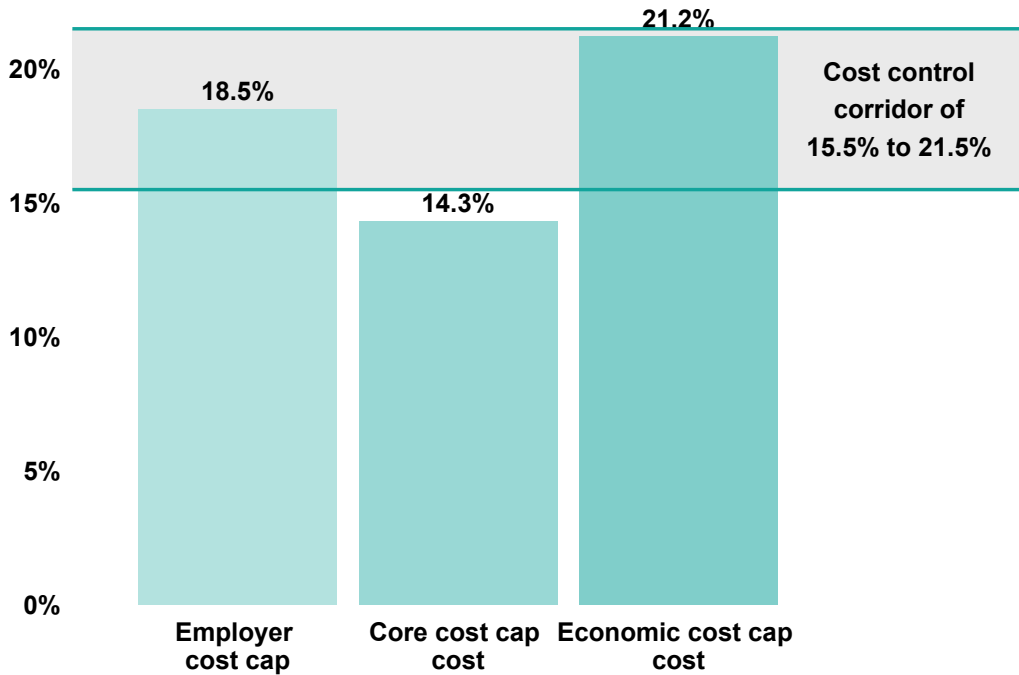
The chart below illustrates the position of the core cost cap cost and economic cost cap cost of the scheme against the cost control corridor.

As the core cost cap is below the cost control corridor, the economic cost cap cost of the scheme is considered, which includes the impact of the changing long-term economic assumptions.

As the economic cost cap cost is not outside the cost control corridor in the same direction as the core cost cap cost, no overall breach of the cost control mechanism has occurred.

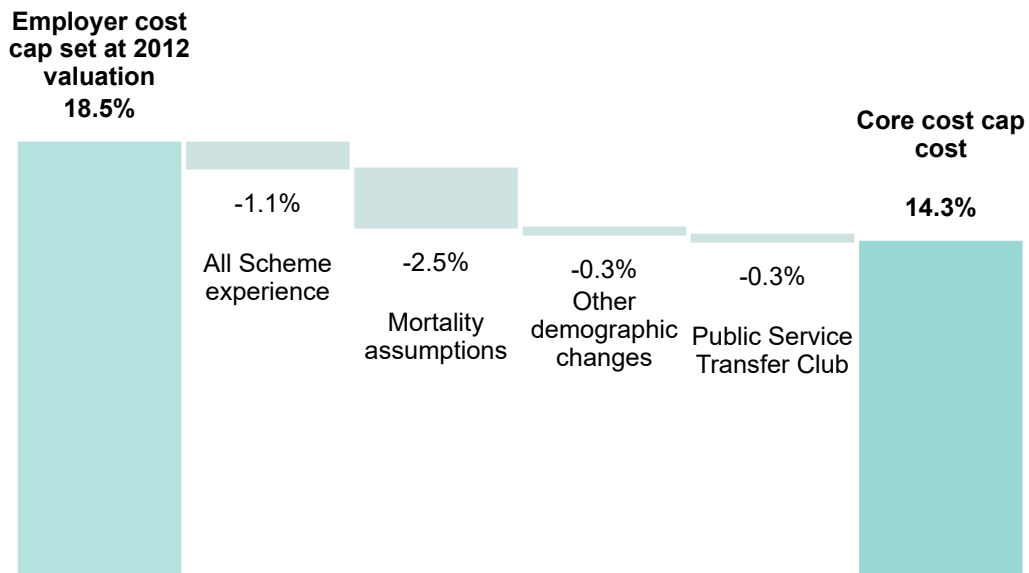
The Minister for the Civil Service does not need to take steps to achieve the target cost for the Scheme and no subsequent changes are required to Scheme benefits to bring costs within the corridor.

Cost control mechanism outcome



Changes in the core cost cap cost since 2012

The chart below shows the main factors contributing to the difference between the core cost cap cost of the scheme, and the employer cost cap, which was set at the 2012 valuation.



i. All percentages shown are of pensionable pay per annum.

Employer cost cap set at 2012 valuation – this is the contribution rate determined at the 2012 valuation over the relevant implementation period to cover the cost of benefits

accruing, less expected member contribution payable during this period, and used as the target cost for the Scheme.

All Scheme experience – this includes the impact of changes in Scheme membership since the employer cost cap was set.

Mortality assumptions – this includes the impact of changes in mortality improvement assumptions. Future improvements in life expectancy are lower under ONS 2022 relative to ONS 2012.

Other demographic assumptions – this includes the impact of all other demographic assumption changes (e.g. commutation, rates of leaving service, retirement ages etc) since the employer cost cap was set.

Public Service Transfer Club – costs associated with Club transfers have reduced now that only those in alpha are considered.

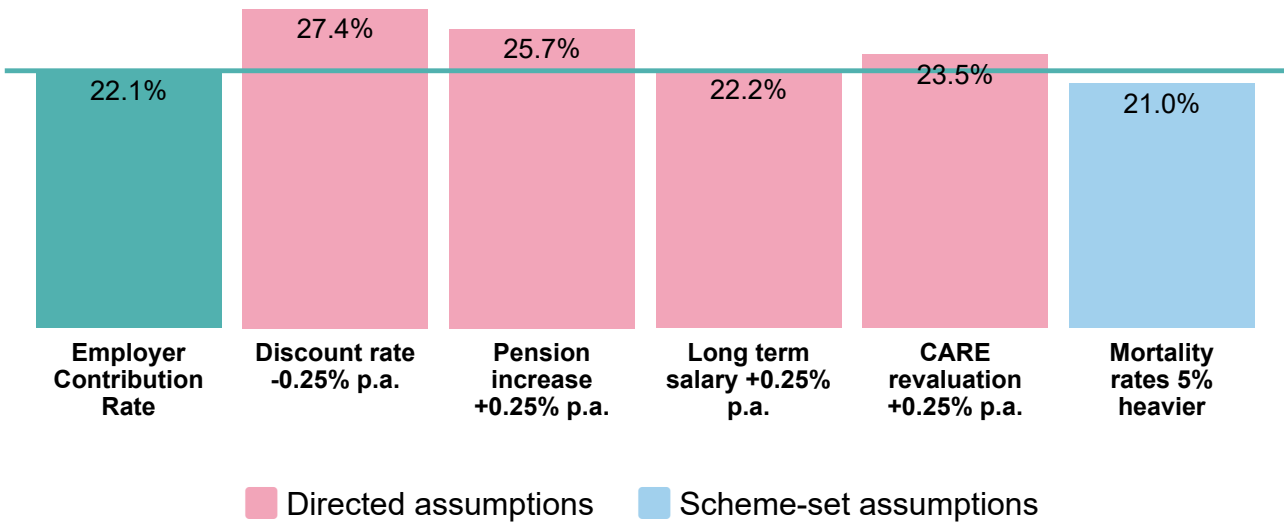
Core cost cap cost – this is the contribution rate determined at the 2024 valuation, which is compared to the employer cost cap.

Sensitivity

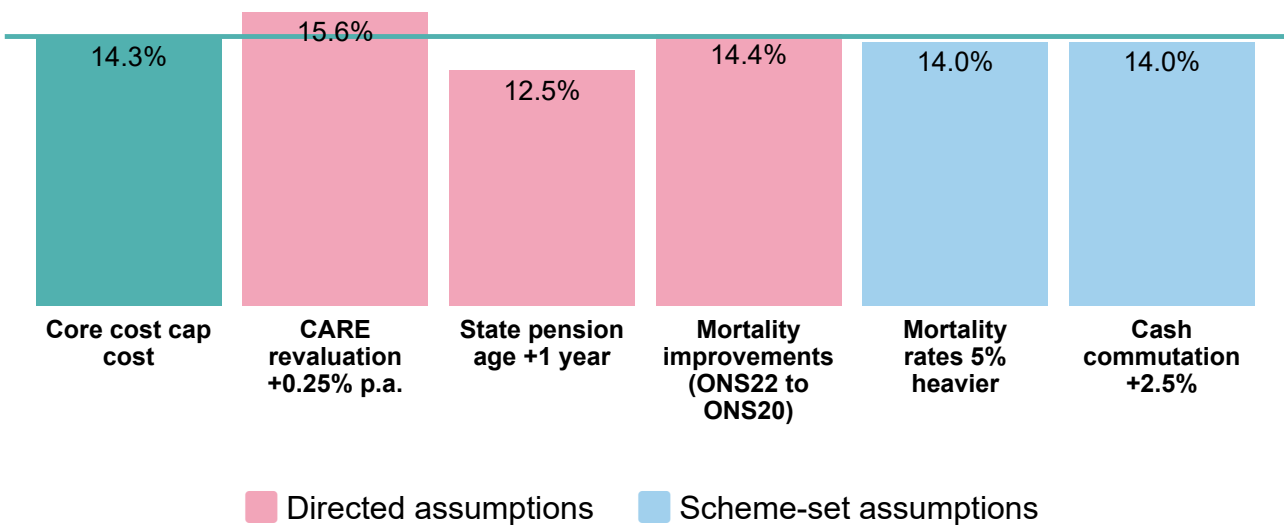
The charts and table in this section illustrate the sensitivity of the valuation results to a number of directed and scheme-set assumptions.

Note
 Full details of the assumptions are set out in the assumptions section of the [Approach](#) report and in the [Assumptions](#) report.

Key employer contribution rate sensitivities



Key core cost cap cost sensitivities



It should be noted that:

- The sensitivities have been calculated in isolation for each assumption, leaving all other assumptions unchanged.
- Sensitivities are not a prediction of future changes and are not minimum or maximum possible impacts.
- Changes to the assumptions in the opposite direction to those illustrated here will produce approximately equal and opposite impact on the valuation results.
- Sensitivity results are shown as a percentage of pensionable pay per annum.

The sensitivities of the economic cost cap cost of the scheme to the assumptions are similar to the sensitivities shown for the core cost cap cost of the scheme. However, whilst the core cost cap cost is not sensitive to the discount rate, a lower discount rate would lead to a higher economic cost cap cost of the scheme.

Note

Public service pension scheme valuations have long-term horizons, over which climate change can have a significant impact on actual experience and the assumptions required for valuations. The impacts of possible climate scenarios, including the associated aggregate impacts of changes in assumptions potentially used in future actuarial valuations, are set out in the [Climate risk](#) report.

Full sensitivities table

The tables below contain further information on the sensitivity of the employer contribution rate and core cost cap cost to the assumptions adopted. Also shown is the sensitivity of the economic cost cap cost of the scheme to the discount rate.

Both the cost of future service and adjustment for past service deficit/surplus elements of these rates are affected by the sensitivities.

The assumptions are split between directed and Scheme-set.

The sensitivities shown in brackets relate only to the change in assumption described. The impact of a combination of assumption changes will not necessarily equate to the sum of those individual rows.

These sensitivities are only relevant to the results of this valuation and would be different if the underlying assumptions, data, or the date of valuation were changed. It is important to note that these sensitivities are not intended to reflect the possible variation in assumptions at future valuations. Opposite changes in the assumptions will produce approximately equal and opposite changes in the valuation results.

Increase in		
Directed assumptions	Employer contribution rate	Core cost cap cost
Discount rate in excess of CPI (-0.25% p.a.)	5.2%	The core cost cap cost of the scheme is not sensitive to the main CPI linked directed assumptions of discount rate, pension increases and long-term salary. However, in relation to sensitivities, a 0.25% reduction to the discount rate is estimated to increase the economic core cost cap cost of the scheme by 2.7%.
Pension increases applied to deferred pensions and those in payment (+0.25% p.a.)	3.6%	
Long-term rate of public service earnings growth in excess of CPI (+0.25% p.a.)	0.1%	
Short-term rate of public service earnings growth (+0.25% p.a. to each short-term rate)	0.2%	
CARE revaluation rate (+0.25% p.a.)	1.4%	1.3%
Allowance for future mortality improvements (changing improvements, from ONS 2022 to ONS 2020, which increases life expectancy on average)	0.2%	0.1%
State Pension age (one year later)	-2.1%	-1.8%
Deficit spreading period (increased by 5 years)	-0.2%	-0.1%

Increase in		
Scheme-set assumptions	Employer Contribution Rate	Core cost cap cost
Mortality rates (5%* heavier rates of baseline pensioner mortality)	-1.1%	-0.3%
Cash commutation (additional 2.5% of pension assumed to be commuted)	-0.6%	-0.3%
Ill-health retirement (5%* increase in number of retirements)	0.1%	0.1%
Proportions married / partnered (5%* more members assumed to have qualifying partners at death)	0.3%	0.1%
Resignations and opt outs (10%* more pre-retirement voluntary leavers assumed, net of rejoiners)	0.0%	~0.0%

* Represents a multiplicative increase to rates, i.e. 5% means rates 1.05 times higher.

i. ~0.0% means the figure is too small to report after rounding.

Developments since the last valuation

Member contributions

Member contributions have been paid since the last valuation in accordance with the prevailing member contribution rates. The contribution rate paid by an individual member depends on their salary band, and salary bands are reviewed annually. Details of the current and past rates can be found here:

<https://www.civilservicepensionscheme.org.uk/memberhub/joining-the-pension-scheme/contribution-rates>

Employer contributions

Regular employer contributions were paid at a rate of 27.0% of pensionable pay up to 31 March 2024. They have been paid at a rate of 28.7% of pensionable pay since 1 April 2024. A levy for the cost of administering the Scheme was paid in addition. This was 0.32% of pensionable pay up to 31 March 2024, and 0.27% from 1 April 2024 .

The change to the employer contribution rate from 1 April 2024 was calculated as part of the 31 March 2020 valuation. As this change was applied after 31 March 2024, payments made into the Scheme during the inter-valuation period were made at the prior rate of 27.0%.

In-service revaluation and pension increases

The table below sets out the rates of revaluation applied to the accrued [CARE](#) pensions of members who were in service between the 2020 and 2024 valuations, and also the rates of increase applied to pensions in payment over this period.

Year commencing	In-service revaluation	Pension increase
April 2020	1.7%	1.7%
April 2021	0.5%	0.5%
April 2022	3.1%	3.1%
April 2023	10.1%	10.1%
April 2024	6.7%	6.7%
April 2025	1.7%	1.7%
April 2026	3.8%	3.8%

McCloud

Public service pension schemes generally laid regulations to bring the [McCloud](#) judgment into effect. Data considerations and our calculation methodology in relation to McCloud are detailed in the [Data](#) and [Assumptions](#) reports, respectively.

This valuation adopts a similar approach for calculating the cost of McCloud as part of the employer contribution rate, as was adopted in the 2016 cost control valuation and the 2020 employer contribution rate valuation. The key changes are to allow for revised demographic and financial assumptions that apply at 31 March 2024 and to make allowance for any members that have been rolled back into the legacy scheme at 31 March 2024, where relevant.

Under the reformed cost control mechanism, there is no further McCloud impact on the 2020 and 2024 cost cap valuation of the Scheme.

Section 37 legal judgment

The case of Virgin Media Ltd vs NTL Pension Trustees II Limited (and Others) relates to actuarial certifications under Section 37 of the Pension Schemes Act 1993. This case potentially has implications for the validity of amendments made by schemes which were

contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016.

The Pension Schemes Act 2026 received Royal Assent in April 2026 and introduces a statutory remedy for the Virgin Media Section 37 issue. The legislation allows a retrospective confirmation mechanism for historic scheme alterations that should have had a Section 37 actuarial confirmation but where evidence is missing.

The Scheme implemented several changes to regulations during the period 1997 to 2016 and if surviving documentation does not appropriately evidence that Section 37 confirmation was obtained, it would likely be necessary for the scheme manager to use this legislation to seek retrospective confirmation for these changes. The Scheme continues to administer benefits in accordance with regulations currently in force and no allowance is made in the valuation for changes to the liabilities from an absence of Section 37 confirmations.

Results - other notes

Public Sector Transfer Club (PSTC)

Transfers into the Scheme on a Public Sector Transfer Club basis can result in liabilities in excess of the transfer values received. We have analysed recent transfer data in order to estimate the potential impact on the future costs of the Scheme.

No allowance over the implementation period has been made to the 2024 employer contribution rate as our estimate of the impact is smaller than 0.05% p.a.

The cost control mechanism requires that only transfers of alpha benefits are considered. No allowance over the cost cap implementation period has been made for the 2024 valuation as our estimate of the impact is smaller than 0.05% p.a. The Directions require that this is compared against the PSTC allowance of 0.3% which was included within the employer cost cap set at the 2012 valuation.

Guaranteed Minimum Pensions

For pensioners who reached State Pension age prior to 6 April 2016, certain increases on the [Guaranteed Minimum Pensions](#) part of pensions are not the responsibility of the Scheme. This is reflected through an overall adjustment to the [past service liabilities](#). The adjustment is equivalent to a reduction in the employer contribution rate of 0.1% p.a. There is no impact on the cost control mechanism.

Timing of increases

Pension increases and CARE revaluations are assumed to occur annually in April.

General salary increases are assumed to occur annually, in the middle of the calculation period.

Progression / promotional increases are assumed to occur evenly throughout the year (so on average halfway through).

Final Pensionable Pay

Members' [legacy scheme](#) final salary benefits have been valued by projecting salary data at the valuation date up to the point of their assumed retirements. No explicit allowance has

been made for the impact of prior years' earnings where this can impact on final pensionable pay as the impact is not expected to be material.

Actuarial factors

Certain benefit options available to members of the Scheme are determined using tables of factors. These are typically generated following advice from the actuary and are generally set to be broadly cost-neutral against the assumptions used for a valuation. In our calculations, we have assumed that, where material, the factors used at a particular point in time in our calculations are reflective of those that were / are expected to be in force at that date.

Income tax and National Insurance

The valuation framework considers cash amounts into and out of the pension scheme. Calculated liabilities therefore reflect full payments and do not, for example, allow for any deductions applicable prior to receipt by members.

Impact of change to discount rate

Where we have estimated the impact on the employer contribution rate of the change in the [SCAPE discount rate](#) since the previous valuation, we have assumed:

- The SCAPE discount rate change occurs prior to all other changes in the contribution rate reconciliation
- The impact includes costs related to future benefit accrual, past service liabilities, and also any shortfall / surplus occurring over the period 2024 to 2027

Minor assumptions

The impact of the factors set out below have been considered in aggregate. As such, we have determined that no material adjustments are required when setting the employer contribution rate, or as part of the [cost cap mechanism](#).

Children and dependants' pensions

The cost to the Scheme of paying existing and future pensions to children, or short-term dependants' pensions, on the death of a Scheme member.

‘Pension debits’ for active / deferred members

Savings arising from ‘pension debit’ deductions applied to divorcing members’ retirement pensions as a result of a pension sharing order.

‘Scheme pays’ deductions for active / deferred members

Savings arising from ‘scheme pays’ debits to be applied to retirement pensions as a result of the Scheme having previously paid pension tax charges on behalf of members.

Additional voluntary contributions

The cost of additional pension benefits secured through the payment of additional voluntary contributions through the Scheme.

Additional contributions purchasing benefits on a defined contribution basis are separate from the Scheme and have not been considered in the valuation.

Earnings Cap

Savings to the Scheme arising from members whose pensions at retirement are restricted by the Earnings Cap. This cap limits the final pensionable pay which can be used to calculate the final salary benefits payable in certain legacy schemes.

Expenses

The costs of administering the Scheme are outside the framework set by the Directions and so are not directly included in our valuation calculations. The administration levy will therefore be payable in addition to the employer contribution rate shown throughout this report.

Other information: employer contribution rate

An introduction to the components used in the calculation of the employer contribution rate is set out in the [Approach](#) report. The derivation of these components is set out below.

Projected pensionable payroll

In order to carry out our calculations, pensionable payroll is projected from the [effective date](#) to the start and end of the [implementation period](#). These projections, using the associated directed assumption, are shown in the table below:

	Pensionable Payroll (£bn)
Effective date (31 March 2024)	21.3
Start of implementation period (1 April 2027)	24.2
End of implementation period (31 March 2031)	26.4

Implied expected future pensionable service

In assessing the cost of past and future service benefits we have made assumptions about the future service and salaries of Scheme members, and the length of time over which they will receive benefits.

In doing so we are assuming that a largely stable active population will be maintained. Our calculations therefore assume that over the period from the effective date to the end of the implementation period, the overall profile of the membership in terms of distribution of headcount and pay by age and gender will remain stable.

The implied expected future pensionable service and length of time over which members receive benefits (duration of liabilities) are summarised in the table below.

Member Type	Average expected future pensionable service	Duration of liabilities
Active Member	9.0	22.3
Current Pensioner	N/A	10.6

Adjustment due to surplus or deficit at 31 March 2024

The employer contribution rate includes an adjustment for the Scheme's surplus or deficit as at 31 March 2024. This is based on spreading the surplus or deficit over a period of 15 years from 1 April 2027.

The following table summarises the Scheme's surplus or deficit calculated at this valuation and the previous valuation:

Past service liabilities	31 March 2020	31 March 2024
Active	63.9	82.5
Deferred	25.2	29.4
Pensioner	83.2	103.0
Total past service liability	172.3	215.0
Notional assets	159.6	207.7
Surplus (deficit)	(12.7)	(7.3)

The [notional assets](#) have been calculated based on the following cashflow and notional investment returns information. Income and benefit payments have been derived from Scheme accounts, and the notional investment returns are calculated by compounding interest using the prevailing SCAPE discount rate and relevant changes in the Consumer Price Index (CPI).

	2020-21	2021-22	2022-23	2023-24	Total
Income Received (£bn)	5.5	6.0	6.4	7.1	25.1
Benefits Paid (£bn)	6.7	6.8	7.3	8.1	28.9
Notional Investment Returns (£bn)	4.6	9.1	21.8	16.3	51.8
Notional Investment Returns (%)	2.9%	5.6%	12.7%	8.5%	
Change in value of notional assets	3.5	8.3	20.9	15.3	48.0

Change in surplus (deficit) since 2020

	£bn
Surplus (deficit) at 31 March 2020	(12.7)
Interest on surplus (deficit)	(4.2)
Excess of contributions paid against cost of benefits accruing (as calculated at 2020 valuation)	(0.1)
Repayment of deficit	2.8
Experience effects	(0.3)
Change in financial assumptions	9.7
Change in demographic assumptions	(1.6)
Unattributed	(1.0)
Surplus (deficit) at 31 March 2024	(7.3)

Experience effects covers experience diverging from 2020 assumptions to 31 March 2024.

Adjustment due to surplus or deficit arising between 2024 and 2027

The surplus or deficit arising between 2024 and 2027 is spread over a period of 15 years from 1 April 2027 and incorporated into the employer contribution rate as summarised in the table below:

	% p.a. ¹
Employer contribution rate actually paid	28.7%
+ Member contribution rate actually paid	5.7%
– Cost of benefits accruing	–26.9%
Net contribution surplus (deficit) p.a. 2024 to 2027	7.5%
Adjustment to employer contribution rate (allowing for surplus/deficit spreading)	–1.6%

¹ All percentages shown are of pensionable pay per annum

Member contributions

The Cabinet Office plan to consult on the future structure of member contributions payable to the Scheme. For the purposes of the 2024 valuation, we have been instructed by the Minister for the Civil Service to assume that, on average, contributions received into the Scheme will align with the target member yield of 5.6% of pensionable pay over the relevant implementation periods.

The member contribution rates shown are those payable by members over the 2026-27 period.

Annual salary (actual)	Member contribution rate ¹
Up to £36,199	4.60%
£36,200 to £56,000	5.45%
£56,001 to £150,000	7.35%
£150,001 and over	8.05%

¹ Percentages shown are applied to annual pensionable pay over the period.

Other information: cost control mechanism

Note

An introduction to the components of the cost control mechanism is set out in the [Approach](#) report.

The calculation of these components is set out below, as required by the [Directions](#).

Core cost cap cost

First, the core cost cap cost of the scheme is assessed as at 31 March 2024:

	% p.a. ¹
Cost cap future service cost	27.0%
+ Core cost cap past service cost	0.2%
– Cost cap contribution yield	–5.6%
– Cumulative future service technical immunity adjustment	–7.3%
Core cost cap cost of the scheme	14.3%

¹ All percentages shown are of pensionable pay per annum

The core cost cap past service cost component of the core cost cap cost is calculated with reference to the [core cost cap fund](#) balance. The core cost cap fund balance as at 31 March 2024 is:

	£bn
Core cost cap fund at 31 March 2020	5.0
+ Core cost cap income	15.4
– Cost cap benefits paid	–0.3
+ Core cost cap notional investment returns	3.7
+ Past service technical immunity adjustment	–2.3
Core cost cap fund at 31 March 2024	21.5
– Cost cap liabilities at 31 March 2024	22.2
Core cost cap fund balance at 31 March 2024	–0.7
The items in the reconciliation above have been estimated for illustration purposes only and do not impact on the outcome of the cost control mechanism.	

To determine the [core cost cap income](#) above, the [core cost cap fund contribution rate](#) is required and is calculated as follows:

	% p.a. ¹
Cost cap future service cost 2020 to 2024	27.7%
+ Core cost cap past service cost at 2020	–0.1%
– Member contributions paid 2020 to 2024	–5.7%
Core cost cap fund contribution rate	21.9%
¹ All percentages shown are of pensionable pay per annum	

Comparison with employer cost cap

The core cost cap cost is then compared to the Scheme's employer cost cap:

	% p.a. ¹
Core cost cap cost of the scheme	14.3%
– Employer cost cap	18.5%
Difference	–4.2%

¹ All percentages shown are of pensionable pay per annum

The core cost cap cost lies outside the +/-3% corridor, therefore the economic check is required.

Economic cost cap cost

The Directions require the economic cost cap cost to be assessed and the details are set out below.

The economic cost cap cost is calculated as follows:

	% p.a. ¹
Cost cap future service cost	27.0%
+ Economic cost cap past service cost	–0.2%
– Cost cap contribution yield	–5.6%
Economic cost cap cost	21.2%
– Employer cost cap	18.5%
Difference	2.7%

¹ All percentages shown are of pensionable pay per annum

The economic cost cap cost of the scheme lies within the 3% corridor. There is therefore no requirement for the Minister for the Civil Service to take steps to achieve the target cost for the Scheme.

The economic cap past service cost component of the economic cost cap cost is calculated with reference to the economic cost cap fund balance. The [economic cost cap fund balance](#) as at 31 March 2024 is:

	£bn
Economic cost cap fund at 31 March 2020	4.0
+ Economic cost cap income	15.6
– Cost cap benefits paid	–0.3
+ Economic cost cap notional investment returns	3.4
Economic cost cap fund at 31 March 2024	22.7
– Cost cap liabilities at 31 March 2024	22.2
Economic cost cap fund balance at 31 March 2024	0.5
The items in the reconciliation above have been estimated for illustration purposes only and do not impact on the outcome of the cost control mechanism.	

To determine the economic cost cap income, the economic cost cap fund contribution rate is required and is calculated as follows:

	% p.a. ¹
Expected cost of benefits accrued 2020 to 2024	27.7%
+ Economic cost cap past service cost at 2020	0.4%
– Member contributions paid 2020 to 2024	–5.7%
Economic cost cap fund contribution rate	22.4%
¹ All percentages shown are of pensionable pay per annum	

Total cumulative technical immunity adjustment

The total cumulative technical immunity adjustment is the difference between the core cost cap cost and the economic cost cap cost:

	% p.a.¹
Core cost cap cost of the scheme	14.3%
Economic cost cap cost of the scheme	21.2%
Difference (total cumulative technical immunity adjustment)	-6.9%

¹ All percentages shown are of pensionable pay per annum

Compliance and limitations

The [Overview](#) report should be referred to and contains compliance and limitation information covering this and other component parts of the valuation reports.

Directions

This report has been prepared to meet the following reporting requirements set out in the Directions:

Reporting Direction	Description	Relevant Directions (where applicable)
23(1)(c)	Average expected future pensionable service of scheme members in service at the effective date	
23(1)(d)	Total projected payroll at i) effective date, ii) the implementation date and iii) last day of implementation period	
23(1)(j)	Other liabilities of the scheme	
23(1)(k)	Any other matters the scheme actuary considers to be relevant	
23(2)(b)	Sensitivities to assumptions specified in the Directions	15, 16, 17, 18, 19a, 19d
24(a)	Liabilities as at effective date	27
24(b)	Notional assets as at effective date	28
24(c)	Information about notional assets	29
24(d)	Contribution rates calculated in accordance with direction 30	30
24(e)	Contribution yields calculated in accordance with direction 31	31
24(f)	Employer Contribution Rate calculated in accordance with direction 32	32
25(a)	Cost cap liabilities at the effective date	34
25(b)	Prior value of the core cost cap fund	35
25(c)	Core cost cap fund contribution rate	36
25(d)	Core cost cap income	37
25(e)	Cost cap benefits paid	38
25(f)	Core cost cap notional investment returns	39
25(g)	Past service technical immunity adjustment	40

Reporting Direction	Description	Relevant Directions (where applicable)
25(h)	Value of the core cost cap fund at the effective date	41
25(i)	Change in the value of the core cost cap fund	42
25(k)	Cost cap future service cost	44
25(l)	Cost cap contribution yield	45
25(m)	Future service technical immunity adjustment	46
25(n)	Cumulative future service technical immunity adjustment	47
25(o)	Core cost cap cost of the scheme	48
25(p)	Prior value of the economic cost cap fund	60
25(q)	Economic cost cap fund contribution rate	61
25(r)	Economic cost cap income	62
25(s)	Economic cost cap notional investment return	63
25(t)	Value of the economic cost cap fund at the effective date	64
25(u)	Change in value of the economic cost cap fund	65
25(v)	Economic cost cap past service cost	66
25(w)	Economic cost cap cost of the scheme	67
25(x)	Total cumulative technical immunity adjustment	68
25(aa)	Comparison of the core cost cap of the scheme with the employer cost cap	70
25(bb)	Comparison of the economic cost cap of the scheme with the employer cost cap	
25(cc)	Notification to the responsible authority of a cost control mechanism breach	
25(dd)	Analysis of difference between the employer cost cap cost of the scheme and the core cost cap cost of the scheme	