Report on the actuarial valuation
Local Government Pension Scheme (Northern Ireland) as at 31 March 2022

Prepared for: Northern Ireland Local Government Officers' Superannuation Committee as Scheme Manager of LGPS (NI)

Prepared by: Laura Caudwell FIA and Alison Murray FFA

Date: 28 March 2023

Introduction

This actuarial valuation report is required by Regulation 68 of the Regulations. It summarises the results of the funding valuation of the Fund as at 31 March 2022, including the Rates and Adjustments Certificate which sets out the contributions payable by employers from 1 April 2023 to 31 March 2026.

Purpose of the valuation

The overriding purpose of the valuation is to value the assets and liabilities of the Fund as required by the Regulations and to set out the contributions payable by each employer in the Fund.

The report concentrates on the Fund’s financial position at the valuation date. As time moves on, the Fund's finances will fluctuate. If you are reading this report some time after it was produced, bear in mind that the Fund’s financial position could have changed significantly.

Benefits valued

The benefits valued are set out in the Regulations. We have commented in the Further Information section on how we have allowed for legal and other uncertainty regarding the benefits. Assets and liabilities in respect of defined contribution additional voluntary contributions (AVCs) have been excluded.

Funding Strategy Statement

The principles which have been applied are set out in the Funding Strategy Statement (FSS) of the Fund. The FSS has been reviewed and amended as part of the 2022 valuation process.

Next steps

As required by Regulation 72 this report must be published and made available to the Department for Communities (Northern Ireland), and to current and prospective employers who contribute or may become liable to make payments to the Fund.

Glossary

Actuarial valuations come with a lot of associated terminology.

Throughout this document we use certain terms with specific meanings in the context of actuarial valuations.

To help you understand them, we have provided a glossary at the end of this document.

At a glance …

Overall Funding Position

There was a surplus of £1,004.4M relative to the liabilities. The funding level was 111%.

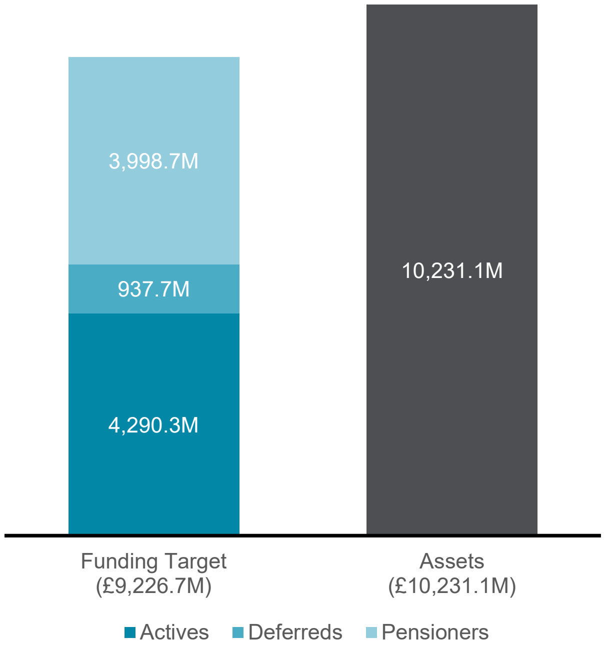


Chart comparing the value of pension fund assets with the pension fund liabilities

Active member liabilities £4,290.3M

Deferred member liabilities £937.7M

Pensioner member liabilities £3,938.7M

Total liabilities £9,226.7M

Assets £10,231.1M

Future service (Common) contribution rate (% of Pay)

22.1%

Increased by 1.4% vs 31 March 2019

Comment

The future service rate is the employer share of the cost of benefits being earned in the future, expressed as a percentage of pensionable pay.

The figure quoted is a weighted average of all employers' future service rates.

Past service contribution rate (% of Pay)

(2.3%)

Reduced by 2.0% vs 31 March 2019

Comment

The **past service rate** is the adjustment to the future service rate needed to reduce the funding level of the Fund as a whole to 105% over a recovery period of 20 years. We have shown an equivalent % of pensionable pay for illustration.

Total contribution rate (% of Pay)

19.8%

Increased by 0.2% vs 31 March 2019

Comment

This is the sum of the future service and past service rates quoted above.

Employers’ contribution rates will differ depending on their circumstances, including whether they are in the Main Employer Group, their membership profile, funding level and recovery period.

Contents

Funding objectives

The Committee's main funding objective is to hold assets at least equal in value to the funding target (past service liabilities).

To calculate the past service liabilities and the common contribution rate, the benefits paid out by the Fund are estimated for each year into the future. The estimated benefit payments are then 'discounted back' to the valuation date using an agreed rate of interest known as the discount rate.

Cashflows

The chart below shows the cashflow pattern for a typical LGPS fund (based on past service benefits). Most cashflows are linked to future levels of salary growth and inflation

Discount rate

The Funding Strategy Statement describes the approach used to set the funding target and hence the discount rates. The Committee adopts different discount rates depending on employers' circumstances including the likelihood of exit and what would happen to the liabilities on exit. The use of different discount rates is summarised on the next page

Prudence

Prudence in the valuation is achieved using discount rates which have a materially better than evens chance of being achieved by the Fund’s assets. Information on how the level of prudence (or risk) in the funding strategy is set is contained in the Fund’s Funding Strategy Statement. Further information on the discount rates is set out below.

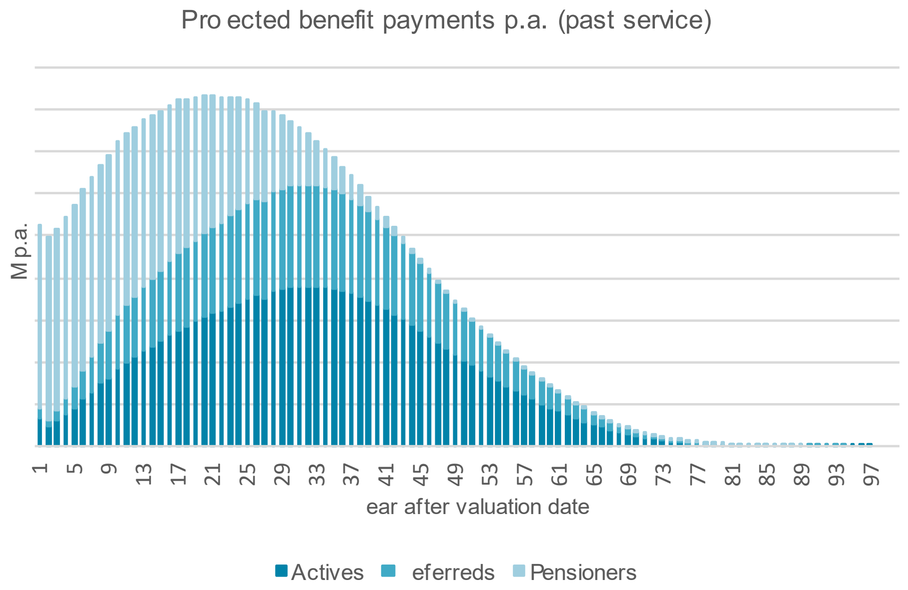


Chart featuring the projected annual benefit payments, from the year after the valuation date to 100 years in the future, for a sample LGPS pension fund. The amounts are shown in £M per annum and split by actives, deferreds and pensioners.

Initially the benefit payments are dominated by those in respect of pensioners, but gradually cashflows in relation to the current active and deferred members start to increase. The benefit outgo peaks after around 21 years, with those relating to active and deferred members reaching a peak after around 33 years. After around 75 years the projected benefit payments are almost nil.

Discount rates for different employer types

The Committee adopts different discount rates for different types of employer. The funding targets for the various types of employer, are as follows:

- The Main Employer Group and subsumption body funding target, which assumes indefinite future investment in assets similar to the Fund's holdings at the valuation date (allowing for any known or planned changes to the long-term investment strategy as appropriate).
- The intermediate funding target: for employers who are deemed to be less likely to exit than the orphan admission bodies, but which do not have a subsumption commitment and are deemed to be less secure than the Main Employer Group employers
- The ongoing orphan funding target: for admission bodies whose liabilities would be orphan on exit, the discount rate has regard to the possibility that participation may cease and that the exit valuation would assume a low risk investment portfolio made up of long dated UK Government bonds (of appropriate nature and term) at cessation.
- The low risk funding target: for "orphaned" liabilities that relate to employers which have already exited the fund.

An explanation of these funding targets, the solvency target and employer categories is given in the Glossary.

Method, data and assumptions

After consulting with the Committee, we have agreed the method, data and assumptions to use for calculating the past service liabilities and employer contribution rates.

Method

The past service liabilities have been calculated using the projected unit method. This method, with a one year control period, has also been used to calculate the cost of future benefits building up for most employers. The attained age method has been used for some employers who do not admit new employees to the Fund.

The method used for each employer, including funding target and recovery period, has been advised separately.

Data

The actuarial valuation was based on a snapshot of member data as at the valuation date, extracted from the administration system after the valuation date. Due to ongoing processing of membership records, and some data estimation carried out for valuation purposes, the data may be different to data summarised in the Fund's report and accounts.

See the Further Information section for a summary of the membership data used.

Assumptions

We use assumptions to calculate the past service liabilities, cost of future benefit accrual and contributions for the recovery plan. All assumptions are best estimate with the exception of the discount rate as set out above. Most of the demographic assumptions have been set based on an analysis of the Fund's experience over a recent period.

See the Further Information section for a summary of the assumptions used.

Past service results

A comparison of the Fund's assets with the aggregate past service liabilities calculated using the agreed assumptions for each employer is set out below.

Funding position

Value of past service benefits for:

Active members £4,290.3M

Deferred members £937.7M

Pensioner members £3,998.7M

Total liabilities £9,226.7M

Value of assets: £10,231.1M

Surplus / (deficit): £1,004.4M

Funding level 111%

The chart below shows the key reasons for the £M change in funding position. Bars to the right show sources of gain relative to the 2019 position and bars to the left show sources of loss.

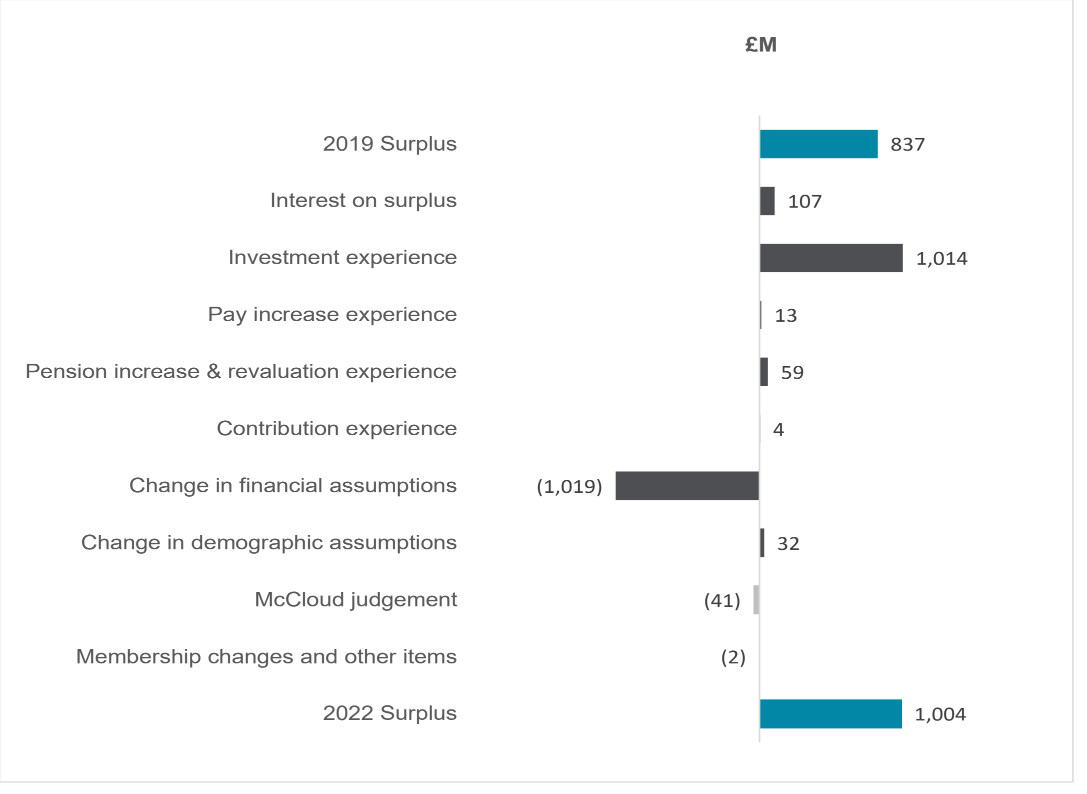


Chart showing the reasons for the change in funding positions in £M

2019 surplus: +£837M

Interest on surplus: +£107M

Investment experience: +£1,014M

Pay increase experience: +£13M

Pension increase & revaluation experience: +£59M

Contribution experience: +£4M

Change in financial assumptions: -£1,019M

Change in demographic assumptions: +£32M

McCloud judgment: –£41M

Membership and other items: -£2M

2022 surplus: +£1,004M

Analysis of change since 2019

At the 2019 valuation the funding position was a surplus of £836.9M, corresponding to a funding ratio of 112%.

The main factor which has improved the funding position is the investment returns achieved by the Fund above the discount rate adopted at the 2019 valuation. Average investment returns were 8.4% p.a. which compared to an average discount rate of 4.1% p.a.

The main factor which has worsened the position is the change in the financial assumptions (principally a fall in the average discount rate relative to inflation, taking account of the allowance for short term high inflation).

Future service results

The common contribution rate, i.e. aggregate employer future service rate using the agreed assumptions, is set out below.

Employer cost

Value of benefits accruing: 27.9% of pay

plus administration expenses: 0.5% of pay

less member contributions: (6.3%) of pay

2022 cost to employers: 22.1% of pay

Future service rate is therefore 22.1% of pay

The chart below shows the key reasons for the % change in future service rate. Bars to the right show sources of increase relative to 2019 and bars to the left sources of decrease.

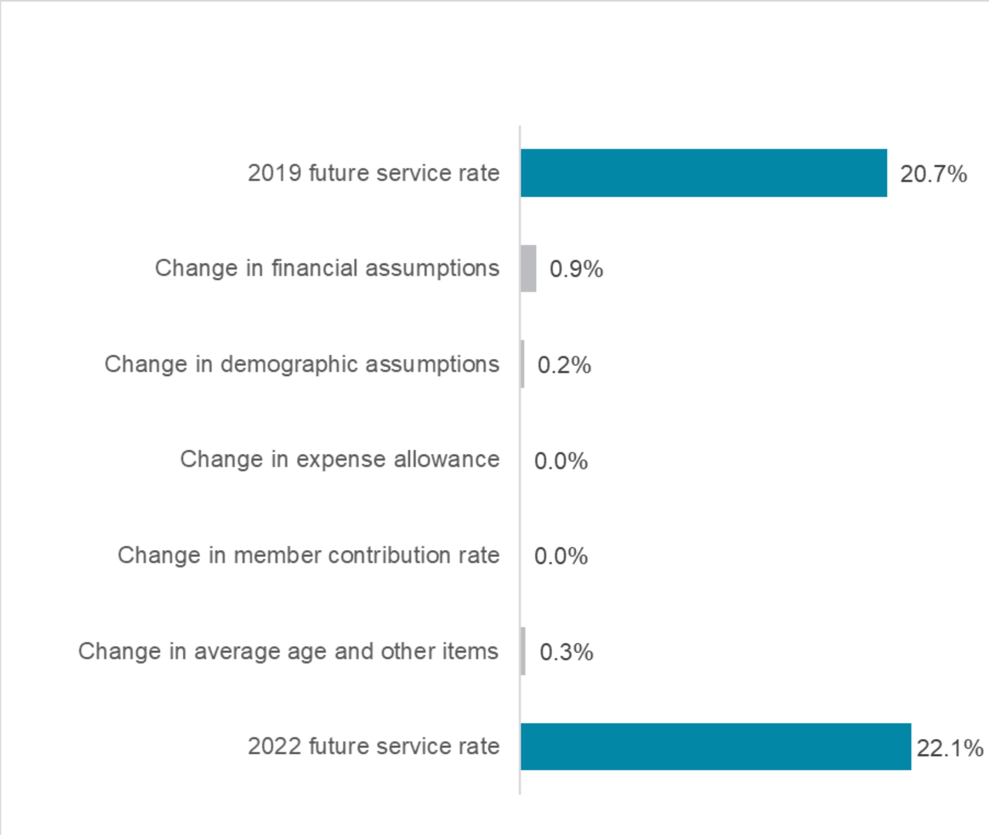


Chart showing key reasons for the % change in future service rate

2019 future service rate: +20.7%

Change in financial assumptions: +0.9%

Change in demographic assumptions: +0.2%

Change in expense allowance: +0.0%

Change in member contribution rate: +0.0%

Change in average age and other items: +0.3%

2022 future service rate: +22.1%

Analysis of change since 2019

At the 2019 valuation the future service rate was 20.7% of Pay.

The main reason for the increase in the cost of future benefits is changes to financial assumptions (principally a fall in the average discount rate relative to inflation).

This has been partially offset by a reduction in the allowance for longevity improvements. Changes in other demographic assumptions and an increase in the average age of members have increased the cost of future benefits.

Regulatory uncertainties (2019)

Following the 2019 valuation employer contributions included an additional 3.2% of pay relating to McCloud/cost management uncertainties. This is not required from 2023 following completion of the 2016 cost management process and end of the McCloud remedy period on 31 March 2022. An allowance for the McCloud underpin is included within the past service liabilities.

Employer contributions

Employers' contributions from 1 April 2023 will be based on the Group's or their individually assessed future service rate. An adjustment may also be made (known as the past service rate) to achieve the target funding level over an appropriate period (known as the recovery period).

Key factors affecting employer contribution rates

Contributions are set for employers, or groups of employers, that take into account a number of factors including:

- Regulation 68 – which requires the Fund Actuary to have regard to
  - The existing and prospective liabilities
  - The desirability of maintaining as nearly constant a common rate of employers' contribution as possible
  - The Committee's Funding Strategy Statement, and
  - The requirement to secure the solvency of the Fund and the long-term cost efficiency of the LGPS (NI), so far as relating to the Fund.
- The results of the valuation.
- Any individual adjustments to the common rate by reason of any circumstances peculiar to the employer.
- Discussions between the Fund Actuary, the Committee and employers, including the Committee's view of the affordability of contributions, where relevant.
- The employer's (or group's) membership profile and funding level and, where relevant, assumptions and recovery periods specific to the employer's circumstances

Addressing a shortfall (or surplus)

We have agreed with the Committee the policies for certifying past service contribution adjustments for employers in deficit (or surplus) at the valuation date.

Different recovery periods apply to individual employers or groups of employers depending on their circumstances.

Generally we have applied the following policies as set by the Committee:

- Employers in deficit are required to pay additional contributions to eliminate the deficit over a recovery period not exceeding 20 years.
- For employers subject to the Main Employer Group and Intermediate funding targets and which have a funding level above 105%, the employer may use the surplus in excess of that threshold to support the payment of contributions at a rate below the future service contribution rate. The period for surplus recovery is 20 years for open employers and the average expected future working lifetime of active members for closed employers.
- In addition, due to the material increase in real gilt yields since the valuation date, an approximate allowance for improvements in the funding position for employers subject to the ongoing orphan funding target between 31 March 2022 and 30 September 2022 has been made in setting their deficit contributions.

- Past service contributions allow for interest on the employer's surplus or shortfall between 31 March 2022 and 1 April 2023 as well as the difference between expected contributions payable and the expected cost of benefit accrual over 2022/23.
- For some employers, contribution increases/reductions may be phased in over a number of years (or 'steps') as permitted by the Funding Strategy Statement in order to deliver greater stability of contributions.

Information on the Committee’s policy on setting contributions is set out in the Funding Strategy Statement

Information

In light of market volatility following the 2022 valuation date and uncertainty around the 2016 Cost Management outcome, the Committee agreed that only surplus in excess of 105% of liabilities could be used to reduce employer contributions, with the exception of employers on the ongoing orphan funding target.

Across the Fund as a whole, the past service contributions which would be required to remove the surplus in excess of a funding ratio of 105% over a recovery period of 20 years from 1 April 2023 are -2.3% of Pensionable Pay

This assumes the membership remains broadly stable and pay increases and other assumptions are as assumed.

In practice, individual employer past service rates will vary depending on their circumstances and the agreed strategy.

Aggregate employer rates

Contributions payable by each employer are set out in the Rates and Adjustments Certificate. The aggregate Employer contributions for the 3 years from 1 April 2023 are as follows:

From 1 April 2023 19.2% of pensionable pay plus total contribution amount £1.975M

From 1 April 2024 19.2% of pensionable pay plus total contribution amount £2.018M

From 1 April 2025 19.2% of pensionable pay plus total contribution amount £2.063M

Further information is set out in the notes to the Rates and Adjustment Certificate.

Notes

The % of Pensionable Pay contributions are an average (weighted by Pensionable Pay) of the amounts certified for individual employers.

At the end of the period, the annual contribution amounts for each employer or group are anticipated to increase by approximately 3.8% p.a. until the end of the relevant recovery period. Thereafter, aggregate contributions are anticipated to be in line with the future service contribution rate, subject to review at future valuations.

Final comments

Projections

We estimate that, by the 31 March 2025 valuation, the certified contributions would reduce the Fund's overall funding level to about 109%, assuming the experience of the Fund between the two valuation dates is in line with the assumptions and the assumptions underlying the funding targets remain unchanged.

Developments since 31 March 2022

Market movements

Equity and bond markets have generally delivered lower than expected investment returns over the period since the valuation date, but liabilities have fallen due to increases in the discount rates used for employers on the various funding targets. Inflation has increased since the valuation date, serving to increase the benefits payable, but allowance was made for this risk in the calculation of the liabilities on the Main Employer group and Subsumption and Intermediate Funding Targets.

Bearing in mind the long-term nature of the Fund, and the objectives of the Committee in setting its funding strategy, our opinion is that the certified contributions are appropriate.

Employers joining or exiting since the valuation date

Contributions for employers joining the Fund since 31 March 2022 will be advised separately.

A revised Rates and Adjustments Certificate will have been prepared as necessary for employers exiting the Fund since 31 March 2023 where this has been requested by the Committee. Where a revised Rates and Adjustments Certificate has not yet been produced for such employers, the employer has been included in the Rates and Adjustments Certificate appended to this report but with zero contributions in anticipation of the revised certificate being issued.

Monitoring the Fund

In light of the volatility inherent in situations where investments do not match liabilities, the Committee monitors the financial position on a regular basis. It will also consider monitoring the position of individual employers, particularly those subject to the Ongoing Orphan Funding Target and those which may exit the Fund before 1 April 2026. Where appropriate and permitted by the Regulations, contributions for those employers may be amended before the next valuation due as at 31 March 2025. In line with the Committee's Funding Strategy Statement and policies, contributions may be amended before the next valuation for other individual employers, including those in the Main Employer Group in certain circumstances.

Report signed by

Laura Caudwell FIA on 28 March 2023 and Alison Murray FFA on 28 March 2023

Further information

Membership data

The results in this report are based on the membership data summarised below.

We have conducted high level checks on the membership data provided and we are satisfied with its adequacy for the purpose of this actuarial valuation. We have provided additional commentary in relation to the data provided by one large employer in the Main Employer Group in the benefit uncertainties section on page 27.

Average ages are unweighted, and pensions include the April 2022 (April 2019 for 2019 data) revaluation/pension increase.

Table 1: Summary of active membership data

	Number	Average age	Total pensionable salaries (2015 Scheme definition) (£000)	Total pre 2015 pension (£000)	Total pre 2015 accrued lump sum (£000)	Total post 2015 pension (£000)
Total 2022	**74,583**	**45.7**	**1,144,902**	**110,895**	**175,184**	**128,552**
Total 2019 (for comparison)	61,479	46.1	982,519	127,819	211,330	68,743

Pensionable pay is over the year to the valuation date, and includes annualised pay for new entrants during the year. Actual part-time pay is included for part-timers.

Table 2: Summary of deferred membership data

	Number	Average age	Total pension (£000)	Total pre 2015 accrued lump sum (£000)
Total 2022	**37,081**	**45.9**	**48,936**	**69,061**
Total 2019 (for comparison)	32,253	45.9	41,665	76,878

Included in the above, there were 5,705 members who are yet to decide whether to take a refund of contributions or a transfer value (2019: 3,871)

Table 3: Summary of pensioner and dependant membership data

	Number	Average age	Total pension (£000)

Total 2022	**41,444**	**71.1**	**225,214**
Total 2019 (for comparison)	37,100	70.2	186,082

In addition, there were 435 members in receipt of children's pensions (2019: 421)

Table 4: Number of members by employer

Employer Code	Employer Name	Number of Active Members	Total Pensionable Pay (£M)	Number of Deferreds	Number of Pensioners and Dependants
342	Abbey Christian Brothers Grammar School	50	0.664	11	19
332	Acorn Integrated Primary School	33	0.241	9	3
156	Agricultural Research Institute Northern Ireland	-	0.000	28	81
365	Alpha Housing Association	-	0.000	4	16
370	Amey Community Limited	4	0.079	-	4
375	Antrim and Newtownabbey Borough Council	645	15.720	519	596
239	Apex Housing	139	4.132	179	82
359	Apleona HSG Ltd	2	0.049	-	3
268	Aquinas Diocesan Grammar School	51	0.903	30	12
232	Arbour Housing Limited	10	0.333	7	3
344	Arc21	9	0.408	5	2
385	Ards and North Down Borough Council	911	21.038	500	724
282	Ards Citizens' Advice Bureau	-	0.000	4	5
317	Ark Housing Association Northern Ireland Limited	32	0.857	25	9
341	Armagh & Down Tourism Partnership	-	0.000	3	1
347	Armagh Integrated College	-	0.000	2	1
62, 162	Armagh Planetarium & Observatory	35	1.223	40	28
376	Armagh, Banbridge and Craigavon District Council	1,752	33.132	813	792
118	Arts Council of Northern Ireland	46	1.531	57	53
338	Assumption Grammar School	36	0.616	10	8
148	Ballymena Academy	37	0.570	15	35

Employer Code	Employer Name	Number of Active Members	Total Pensionable Pay (£M)	Number of Deferreds	Number of Pensioners and Dependants
132	Bangor Grammar School	48	0.731	22	38
149	Belfast Charitable Society	2	0.085	45	87
7	Belfast City Council	2,235	65.452	1,095	2,412
138	Belfast High School	38	0.567	30	34
353	Belfast Metropolitan College	443	12.260	323	245
137	Belfast Royal Academy	85	1.349	56	41
395	Belfast Waterfront and Ulster Hall Limited	144	1.492	124	7
367	Blackwater Integrated College	25	0.387	35	8
279	Braidside Integrated Primary & Nursery School	26	0.192	8	6
266	Bridge Integrated Primary School	42	0.297	8	13
136	Campbell College	95	1.849	50	50
371	Capita Managed IT Solutions Limited	6	0.200	9	-
378	Causeway Coast and Glens District Council	610	16.800	285	618
288	Cedar Integrated Primary School	34	0.238	12	3
386	Choice Housing Ireland Limited	97	2.835	202	158
147	Christian Brothers Grammar School	45	0.751	22	18
280	Citizens Advice Bureau	-	0.000	38	9
366	City of Derry Airport	30	0.978	12	10
179	Citybus Limited	878	27.114	346	839
257	Clothing & Industrial Training Services Limited	-	0.000	2	5
390	Coleraine Grammar School	24	0.422	19	36
110	Coleraine Harbour Commissioners	3	0.090	3	4
328	Comhairle na Gaelscolaiochta	10	0.367	17	5
251	Community Relations Council	16	0.588	58	23
319	Connswater Homes Limited	30	1.195	10	3
252	Construction Industry Training Board (CITB)	30	0.834	36	52
394	Controlled Schools Support Council	18	0.591	8	1

Employer Code	Employer Name	Number of Active Members	Total Pensionable Pay (£M)	Number of Deferreds	Number of Pensioners and Dependants
362	Corran Integrated Primary School	30	0.190	21	2
222	Council for Catholic Maintained Schools	50	1.725	42	61
170	Council for the Curriculum, Examinations and Assessment (CCEA)	280	8.906	189	128
240	Covenanter Residential Association Limited	-	0.000	1	2
369	Cranmore Integrated Primary School	15	0.211	11	-
192	Dalriada School	45	0.605	15	41
379	Derry City and Strabane District Council	984	26.321	347	570
208	Dominican College, Belfast	35	0.614	21	35
335	Dominican College, Portstewart	21	0.359	11	6
83	Down County Health & Welfare	-	0.000	2	-
283	Down District Citizens Advice Bureau	-	0.000	5	-
349	Drumlins Integrated Primary School	23	0.190	17	-
284	Drumragh Integrated College	48	0.764	13	5
245	Dungannon and District Housing Association	-	0.000	2	-
389	Education Authority	45,158	429.238	20,560	16,476
254	Engineering Training Council for Northern Ireland	-	0.000	9	6
267	Enniskillen Integrated Primary School	41	0.407	4	2
396	Enniskillen Royal Grammar School	69	0.923	14	10
181	Enterprise Ulster	-	0.000	115	479
276	Erne Integrated College	47	0.565	7	6
380	Fermanagh and Omagh District Council	916	19.465	439	477
216	Foyle and Londonderry College	65	1.030	29	28
134	Friends School	68	0.835	35	32
337	General Teaching Council for Northern Ireland	7	0.226	15	11
131	Glenmona Resource Centre	-	0.000	105	129
364	Graham Asset Management	3	0.061	1	4
388	Greenwich Leisure Limited	321	4.868	184	53

Employer Code	Employer Name	Number of Active Members	Total Pensionable Pay (£M)	Number of Deferreds	Number of Pensioners and Dependants
234	Grove Housing Association Limited	5	0.159	3	3
238	Habinteg Housing Association (Ulster) Limited	95	2.717	54	32
260	Hazelwood College	98	1.579	45	13
261	Hazelwood Integrated Primary School Limited	78	0.526	25	13
230	Hearth Housing Association Limited	-	0.000	1	3
167	Hunterhouse College	34	0.515	31	29
348	Ilex Urban Regeneration Company Limited	-	0.000	18	5
278	Integrated College Dungannon	91	0.852	53	8
129	Jordanstown Schools	4	0.094	6	26
262	Lagan College	94	1.403	48	17
226	Laganside Corporation	-	0.000	15	12
154	Larne Grammar School	35	0.501	13	17
361	Libraries NI	641	11.542	122	487
123	Linen Hall Library	19	0.488	30	19
381	Lisburn and Castlereagh City Council	841	20.594	666	605
163	Livestock & Meat Commission for Northern Ireland	16	0.512	56	51
219	Local Government Staff Commission	3	0.050	7	10
904	Londonderry Development Committee	-	0.000	-	3
213	Loreto College	39	0.595	7	9
215	Loreto Grammar School	47	0.572	19	18
99	Lough Bradan (C.Tyr) W'works JB	-	0.000	-	2
330	Loughview Integrated Primary School	28	0.226	14	4
287	Lumen Christi College	36	0.586	38	4
345	Maine Integrated Primary School	19	0.122	15	3
316	Malone College	36	0.650	25	14
322	Methodist College	85	1.468	69	47
382	Mid and East Antrim District Council	734	18.865	339	641

Employer Code	Employer Name	Number of Active Members	Total Pensionable Pay (£M)	Number of Deferreds	Number of Pensioners and Dependants
383	Mid Ulster District Council	934	19.291	445	412
358	Middletown Centre for Autism Limited	35	1.126	14	1
263	Mill Strand Integrated Primary School	33	0.299	7	5
321	Millennium Forum	18	0.481	10	5
333	Millennium Integrated Primary School	31	0.309	23	2
250	Mount Lourdes Grammar School	47	0.656	12	18
290	Mourne Heritage Trust	5	0.119	10	4
320	New-Bridge Integrated College	51	0.810	15	8
236	Newington Housing Association (1975) Limited	21	0.695	8	5
384	Newry, Mourne and Down District Council	990	24.636	483	586
374	North Belfast Housing Association Limited	37	1.017	27	6
324	North Coast Integrated College	42	0.500	9	8
356	North West Regional College	309	6.940	160	84
372	Northern Community Leisure Trust	14	0.343	27	8
391	Northern Community Leisure Trust 2	1	0.022	1	2
165	Northern Ireland Agricultural Trust	-	0.000	-	4
198	Northern Ireland Consumer Council	-	0.000	1	-
242	Northern Ireland Co-Ownership Housing Association Limited	62	2.292	17	32
158	Northern Ireland Council For Educational Research	-	0.000	-	3
275	Northern Ireland Council for Integrated Education	12	0.356	23	12
190	Northern Ireland Development Agency	-	0.000	-	9
203	Northern Ireland Federation of Housing Associations	6	0.231	15	15
114	Northern Ireland Fire & Rescue Service	264	8.007	119	229
180	Northern Ireland Fishery Harbour Authority	20	0.480	7	32
313	Northern Ireland Hospice	71	2.172	68	54
115	Northern Ireland Housing Executive	2,766	77.145	690	4,241

Employer Code	Employer Name	Number of Active Members	Total Pensionable Pay (£M)	Number of Deferreds	Number of Pensioners and Dependants
223	Northern Ireland Legal Services Commission	-	0.000	171	57
150	Northern Ireland Local Government Association (NILGA)	11	0.406	26	6
119	Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)	82	2.402	75	23
256	Northern Ireland Open Learning Centre	-	0.000	-	1
206	Northern Ireland Railway Company Limited	1,057	41.613	280	652
265	Northern Ireland Rural Development Council	-	0.000	33	19
373	Northern Ireland Screen	37	1.380	16	4
153	Northern Ireland Training Executive	-	0.000	2	78
197	Northern Ireland Transport Holding Company	27	2.065	43	51
355	Northern Regional College	236	5.673	229	189
273	Oakgrove Integrated College	53	0.863	20	16
318	Oakgrove Integrated Primary School	42	0.429	10	5
334	Oakwood Integrated Primary School	26	0.200	32	4
398	OCS (Belfast Met Coll)	-	0.000	9	-
343	Omagh Integrated Primary School	33	0.356	10	-
173	Our Lady & St Patrick's College	39	0.609	21	30
289	Our Lady's Grammar School	37	0.595	14	15
325	Outdoor Recreation (NI)	20	0.637	26	1
387	Phoenix Integrated Primary School	20	0.175	5	-
125	Pigs Marketing Board for Northern Ireland	-	0.000	1	44
350	Portadown Integrated Primary School	73	0.404	38	3
211	Probation Board for Northern Ireland (PBNI)	410	12.870	238	332
286	Radius Housing Association	225	5.874	432	338
281	Rainey Endowed School	42	0.592	6	7
172	Rathmore Grammar School	36	0.752	24	27
253	Road Transport Industrial Training Board	-	0.000	1	13

Employer Code	Employer Name	Number of Active Members	Total Pensionable Pay (£M)	Number of Deferreds	Number of Pensioners and Dependants
351	Roe Valley Integrated Primary School	22	0.157	6	-
368	Rowandale Integrated Primary School	26	0.272	16	-
128	Royal Belfast Academical Institution	57	0.909	52	28
117	Royal College of Nursing for Northern Ireland	-	0.000	-	17
157	Royal School, Armagh	74	0.965	31	18
218	Royal School, Dungannon	37	0.691	12	18
271	Rural Housing Association	20	0.602	6	1
221	Sacred Heart Grammar School	24	0.405	16	26
336	Saints and Scholars Integrated Primary School	47	0.292	13	8
122	Seapark House Management Committee	-	0.000	1	11
140	Seed Potato Marketing Board, Northern Ireland	-	0.000	-	6
274	Shimna Integrated College	59	0.837	31	19
314	Slemish Integrated College	102	1.150	33	9
352	South Eastern Regional College	454	9.572	263	167
354	South West College	351	7.193	200	95
357	Southern Regional College	438	6.885	280	139
339	Sperrin Integrated College	48	0.632	23	3
326	Spires Integrated Primary School	22	0.148	13	2
187	Sports Council for Northern Ireland	104	3.038	135	53
363	St Colman's College	27	0.530	11	4
142	St Columb's College	43	0.906	11	34
188	St Dominic's High School	35	0.637	15	16
309	St Joseph's Grammar School	35	0.603	14	9
202	St Joseph's Training School (Adolescent Centre) Middletown	-	0.000	11	27
285	St Louis Grammar School	32	0.553	9	12
397	St Louis Grammar School Kilkeel	31	0.421	1	-
139	St Malachy's College	59	0.996	48	29

Employer Code	Employer Name	Number of Active Members	Total Pensionable Pay (£M)	Number of Deferreds	Number of Pensioners and Dependants
145	St Mary's Christian Brothers Grammar School	42	0.709	29	12
220	St Mary's Grammar School	87	1.067	39	22
175	St Mary's University College	78	2.135	53	75
241	St Matthew's Housing Association Limited	4	0.157	1	3
209	St Michael's College	40	0.588	38	19
196	St Patrick's Academy	58	0.755	33	26
160	St Patricks Grammar School	26	0.496	18	12
393	St Patrick's Grammar School, Armagh	30	0.420	14	2
392	St Ronan's College	128	1.603	24	10
329	Strangford College	49	0.703	22	11
176	Stranmillis University College	144	2.872	94	108
212	Strathearn School	39	0.711	34	28
146	Sullivan Upper School	62	0.875	41	45
161	Thornhill College	30	0.649	11	35
116	Tourism Northern Ireland	126	3.943	109	91
87	Tyrone County Health Committee	-	0.000	-	1
327	Ulidia Integrated College	63	0.870	32	13
204	Ulster American Folk Park	-	0.000	2	13
189	Ulsterbus Limited	2,113	62.133	935	2,260
126	United Dairy Farmers	-	0.000	118	756
164	University of Ulster	679	14.550	729	1,254
195	Victoria College	89	1.293	53	30
174	Victoria Voluntary Homes For Girls	-	0.000	-	1
323	Visit Belfast	47	1.221	51	6
277	Visit Derry	13	0.366	7	3
152	Wallace High School	60	0.828	51	28
331	Windmill Integrated Primary School	38	0.302	17	2

Employer Code	Employer Name	Number of Active Members	Total Pensionable Pay (£M)	Number of Deferreds	Number of Pensioners and Dependants
237	Woodvale and Shankill Co	6	0.161	4	4
340	Youth Justice Agency For NI	-	0.000	235	256
	Total	**74,583**	**1.145**	**37,080**	**35,778**

Notes:

Pensionable Pay is over the year to the valuation date and includes annualised pay for new entrants during the year. Actual parttime pay is included for part-timers. The breakdown above includes Councillors.

Deferred members include the number of members who are yet to decide whether to take a refund of contributions.

Allowing for benefit uncertainty

McCloud

The LGPS (NI) Regulations covering the McCloud remedy have not yet been laid, however based on the consultation carried out by the Department for Communities, the key features are that the remedy (extension of the final salary underpin) will apply to members of the Fund who were active on 1 April 2012, in relation to their service between 1 April 2015 and 31 March 2022 (the remedy period), so long as they did not have a disqualifying service break. Full membership data to value the proposed remedy was not available for this valuation, however a letter from the Department for Communities to NILGOSC dated 22 March 2023 set out an expectation that the proposed remedy is included within the 2022 valuation.

Approach taken

We have calculated an expected cost of the proposed remedy using the valuation assumptions. This cost is included within the past service liabilities. Further details on our approach to the calculations have been advised to the Committee separately.

Cost management valuations

The 2016 LGPS (NI) cost management valuation found the costs of the scheme to be within the relevant limits such that no changes to the scheme provisions were required.

The way in which the McCloud remedy was allowed for in the HMT cost management valuation was subject to Judicial Review following a legal challenge from unions, but this challenge was dismissed on all grounds on 10 March 2023. However, we understand that the unions are seeking permission to appeal the Judicial Review outcome. Therefore there remains a possibility that the 2016 cost management process will need to be revisited and ultimately, additional employer costs may arise.

The 2020 LGPS (NI) cost management valuation is not yet complete.

Approach taken

We have made no allowance for the risk of additional costs falling on the Fund (and ultimately employers) as a result of the judicial review process in relation to the 2016 cost management valuations.

We have made no allowance for the potential outcome of the 2020 cost management valuation.

Guaranteed Minimum Pensions (GMPs): indexation and equalisation

Following legislative change in 2021, the LGPS (NI) is now required to pay full CPI increases on GMPs for members whose State Pension Age is after April 2016. Separate to this, the High Court ruled in two Lloyds Banking Group cases (2018 and 2020) that schemes are required to equalise male and female benefits for the effect of unequal GMPs, and these requirements extend to members who have died or transferred out.

In relation to public service schemes, including LGPS (NI), we understand Government believes that full indexation of GMPs as set out above will equalise payment terms for most members, but some uncertainty remains for a small minority of members. Government has not yet set out its policy intention for historic deaths and transfers.

Approach taken

We have valued pension increases in line with the indexation requirements. However, we have not estimated a potential cost of equalising payment terms for members whose benefits remain unequal after full indexation, nor for historic deaths or transfers.

Goodwin

An Employment Tribunal ruling relating to the Teachers' Pension Scheme concluded that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. A ministerial statement on 20 July 2020 announced that changes would be required to other public service pension schemes with similar arrangements. Changes to NI Regulations were made on 24 March 2022 and came into effect on 18 April 2022. In the LGPS (NI) this will create an additional liability for post-2005 widowers where the original member had pre-1988 service, but only where the marriage or civil partnership is entered into after the member had left the scheme.

Approach taken

While changes to the NI Regulations have been made, we have not been provided with the data to enable the calculation of any additional liabilities.

We have therefore made no allowance for the Goodwin ruling in the 2022 valuation results. The overall cost is expected to be very small relative to the Fund’s liabilities.

State Pension Age

The Government commenced its second periodic review of the State Pension Age (SPA) in December 2021, to be published by 7 May 2023. Any changes to the SPA will affect the date that the Scheme will pay benefits earned after 2015 without penalty for early reduction. This would impact the past service liabilities and may also affect the LGPS (NI) 2020 cost management valuation.

Approach taken

No allowance has been made in the 2022 valuation for potential changes to the State Pension Age.

Data uncertainties

The Committee supplied us with a Universal Data Extract file containing the membership data that is necessary to complete a valuation. We undertook a series of validation tests to check that the membership data was complete, within certain tolerances, and broadly consistent with the previous exercise. A report on these validation tests was shared with the Committee.

The year-end active membership data provided in 2022 was identified as partially inaccurate or incomplete for some members in a large employer in the Main Employer Group. As agreed with the Committee, we estimated the career average pension and 2015 pay figures to enable us to carry out the valuation calculations, using 2021 data where available. Updated data for the employer's membership was provided in February 2023 and we carried out a comparison of this new data against the estimated data we used in our initial valuation calculations.

These investigations concluded that the estimated data used in our valuation calculations was not materially different from the revised data provided for the ma ority of the employer's active members. Whilst some of the members we valued as active may have left employment prior to 31 March 2022, we are satisfied that there is no material impact on the valuation results for the Main Employer Group nor the Fund as a whole of using our estimated data, with liabilities potentially marginally over-estimated rather than under-estimated due to valuing some leavers as actives. If anything, the liabilities for the Group (and hence Fund as a whole) may be marginally over-estimated due to valuing some leavers as actives.

We have therefore not amended the results or the data summaries to allow for the updated data provided. We will work with the Committee and employer as required to ensure data provided for this employer is more reliable at the 2025 valuation.

Approach taken

Where any data was found to be incomplete or outside of tolerances and it was not practical or possible for it to be corrected, we agreed a series of data estimations with the Committee.

Discretionary benefits

Discretionary benefits such as enhanced early retirement benefits on redundancy are paid for by employers as they occur through special contributions, and therefore generally no allowance should be needed in funding valuations.

Approach taken

We have made no allowance for discretionary benefits. This is consistent with the approach in the previous valuation.

Notable developments since the previous valuation

This section comments on notable developments since the 2019 valuation that have affected the 2022 valuation.

Key regulatory / benefit changes

GMP Indexation

In 2021 Government legislated for public service schemes to increase GMPs in line with full indexation for members whose State Pension Age is after 5 April 2021. As agreed with the Committee we allowed for this additional liability in the 2019 valuation, so there is no additional allowance in the 2022 valuation.

Impact

This has had no impact upon the liabilities.

McCloud / 2016 cost management process

At the 2019 valuation an explicit uplift to employer contribution rates was made to allow for potential additional costs arising from the McCloud remedy and the 2016 cost management process. Since then, there has been more detail on the expected McCloud remedy, and the 2016 cost management process has concluded with Government confirming that there are to be no changes to the provisions of the LGPS (NI) under that process.

Impact

This has led to a 3.2% of pay reduction to employer contribution rates but a small increase in liabilities to allow for the McCloud remedy.

Notable items of experience

Table 5: Notable items of experience between 2019 and 2022 valuation

	2019 assumption	2019-2022 experience	2022 assumption
Investment returns	4.1% p.a. Please see note 1 below	8.4% p.a.	4.2% p.a. Please see note 1 below
CPI pension increases	2.1% p.a.	1.8% p.a. Please see note 2 below	2.3% p.a.
Pay growth	3.6% p.a. Please see note 3 below	3.3% p.a.	3.8% p.a. Please see note 3 below

Note 1: The assumed investment return is the average discount rate, weighted by liability.

Note 2: Average figure, actual increases were 1.7% (2020), 0.5% (2021) and 3.1% (2022).

Note 3: Before allowance for promotional pay.

Further Information

The table above compares the key financial assumptions made at the previous valuation with what actually happened and the corresponding assumptions for the 2022 valuation

Contributions paid

Employer contributions from 1 April 2020 were agreed as follows:

- From 1 April 2020 19.7% of pensionable pay plus aggregate contribution amount £2.540M
- From 1 April 2021 19.7% of pensionable pay plus aggregate contribution amount £2.604M
- From 1 April 2022 19.7% of pensionable pay plus aggregate contribution amount £2.671M

Employers in deficit were required to pay additional contributions to eliminate the deficit over a recovery period not exceeding 20 years.

For certain employers which were in surplus, the employer may have used the surplus to support the payment of contributions to the Fund at a rate below the future service contribution rate.

In addition, employers paid contributions to meet additional strains arising on early retirement or due to increases in benefits.

Members also paid contributions as required by the Regulations.

Risks and other uncertainties

Key risks which could affect the Fund's future cashflows and funding position, are set out below. The Funding Strategy Statement sets out key actions to mitigate these risks.

Funding risk

The risk that the value placed on the past service liabilities is set too low and contributions paid into the Fund prove insufficient to meet the payments as they fall due.

Investment risk

The risk that investment returns are lower than assumed in the valuation, and also that the assets are volatile and move out of line with the liabilities, so the funding position is volatile.

Regulatory Risk

The risk that changes to legislation/regulations, taxation, or pension/employment law result in an increased cost of administration, investment or funding for benefits.

Longevity risk

The risk that Fund members live for longer than expected and pensions are therefore paid for longer, resulting in a higher cost for the Fund.

Inflation risk

The risk that inflation is higher than expected, resulting in higher pension increases (and payments to pensioners) than allowed for in the valuation.

Employer risk

The risk that an employer is no longer able to meet its liabilities in the Fund, e.g. due to insolvency.

Other risks

Member options risk**:** The risk that members exercise options resulting in unanticipated extra costs. For example, members could exchange less of their pension for a cash lump sum than allowed for in the valuation.

Other risks: For example, those relating to climate change and other environmental issues as well as long-term uncertainty around geopolitical, societal and technological shifts.

Sensitivity of the funding level

The chart below shows the approximate impact of a number of one-off step changes on the Fund's funding level (all other elements of the valuation basis being unchanged).

These are not intended to be worst case scenarios and could occur in combination rather than in isolation. Conversely, in practice, some of these changes may be partially offset by other changes, for example a reduction in the expected investment return or inflation might lead to a compensating change in asset values, or a change in asset values might lead to a compensating change in expected investment returns.

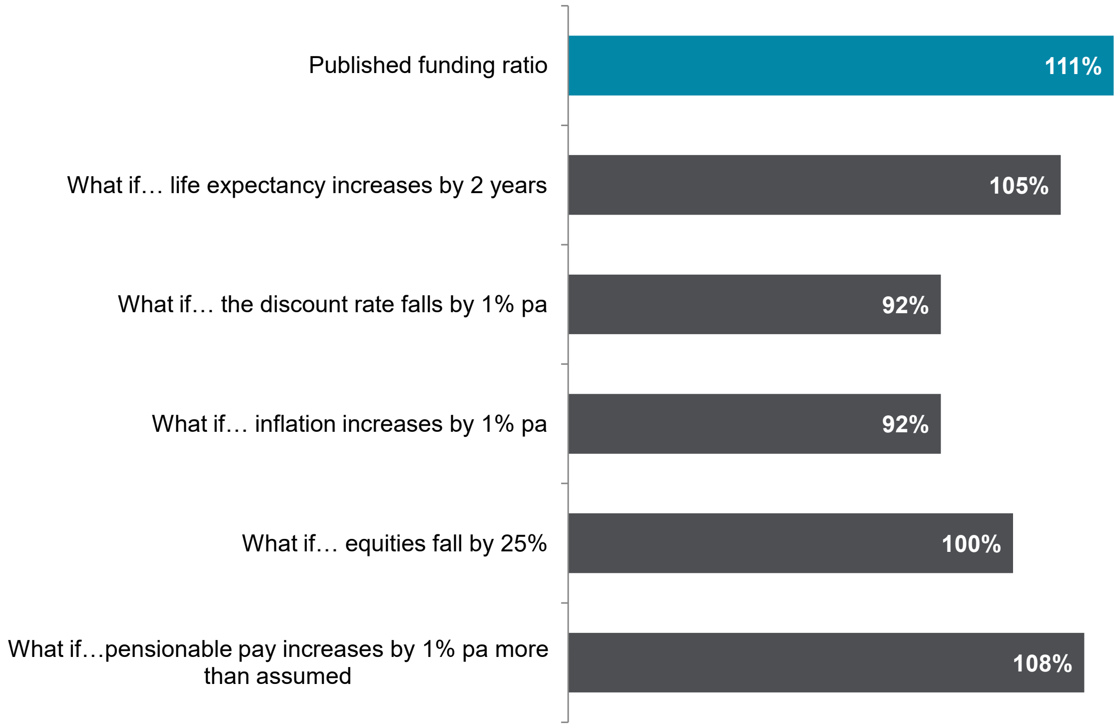


Chart showing sensitivity of the funding level. Chart shows what the funding level would be under different scenarios.

Published funding ratio: 111%

What if…life expectancy increases by 2 years: 105%

What if…the discount rate falls by 1% p.a.: 92%

What if…inflation increases by 1% p.a.: 92%

What if…equities fall by 25%: 100%

What if…pensionable pay increases by 1% p.a. more than assumed: 108%

Climate Risk

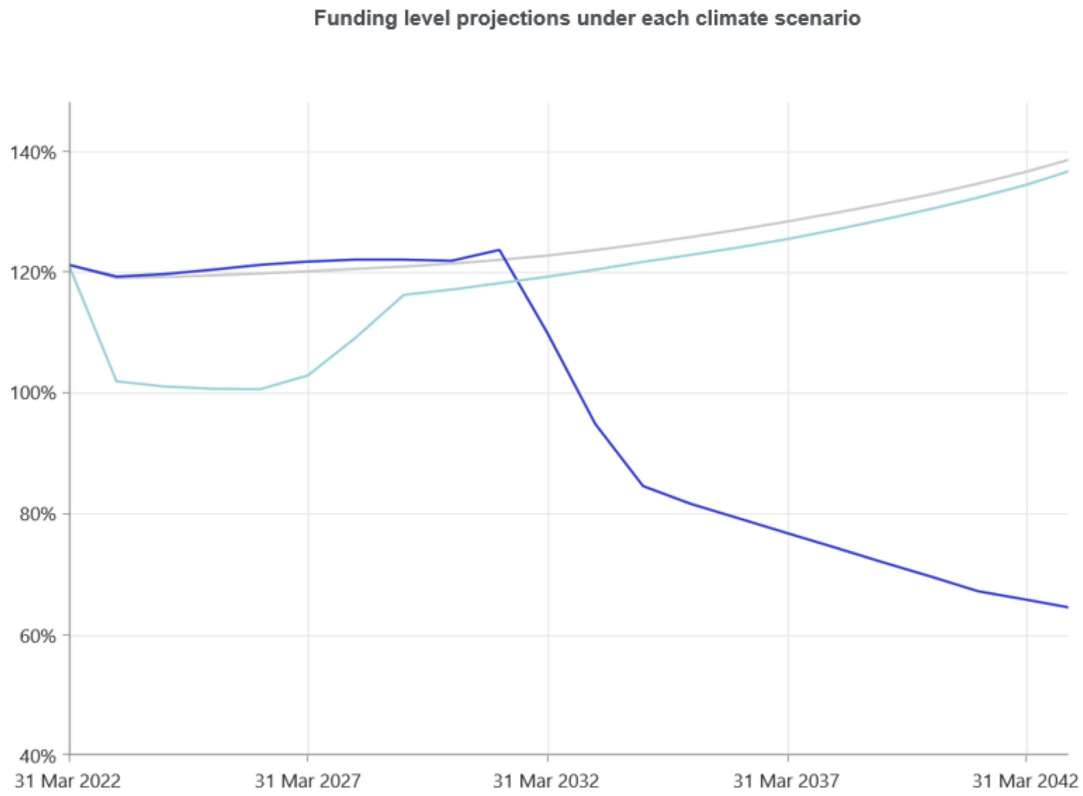
Possible development of valuation result under different climate scenarios

We have reviewed the resilience of the Fund to a number of climate change scenarios assuming no contribution changes, and the effect on the future funding position is shown by the chart of funding level projections below.

Our projections include allowance for the potential impact on investment returns, financial assumptions used to value the liabilities, and longevity, for each of the scenarios illustrated. For modelling purposes the illustrated funding levels disregard the valuation allowance for short-term inflation.

The Fund's investment portfolio exhibits reasonable resilience under the orderly transition scenario, due to the diversification of assets, but there are risks regarding the volatility of funding level, particularly in the short term. Over the 10 to 20 year time horizon, the disorderly transition scenario shows a significant fall in funding level.

We have provided a separate report to the Committee setting out more information on the results of our analysis and commentary on actions that could be taken to manage the associated risks.



Run by Aon with an effective date of 31 March 2022, using a liability basis of RPI Curve + 1.7%

Graph showing funding level projections over the 20 years following the valuation date, under each climate scenario:

Base case scenario (grey line) showing a steady increase in funding level for the next 20 years to 136%.

Orderly transition (light blue line) shows an initial sharp drop in funding level to around 100% for around 5 years before recovering then a steady increase in funding level to 134% at the end of the 20 year projection.

Disorderly transition (dark blue line) shows approximately the same trend as the base case until around 2030 at which point the funding level falls sharply to around 85% and then steadily continues falling, reaching around 66% funding level at the end of the 20 year projection.

The scenarios that have been modelled are summarised below.

Base Case

Government approach to regulation and carbon pricing is fragmented, with Net Zero targets reached in 2050 in a slow but orderly fashion, expected temperature rise by 2100 1.5% - 2.4%. Carbon Prices in 2030/2050 estimated to be $80 / $140 respectively

Orderly transition (Paris-aligned scenario)

Immediate and coordinated action to tackle climate change is taken using carbon taxes and environmental regulation, expected temperature rise by 2100 1.3ºC - 2ºC. Net Zero targets reached in 2050 and Carbon Prices in 2030/2050 estimated to be $100 / $215 respectively.

Disorderly transition

Limited action is taken and insufficient consideration is given to sustainable long-term policies to manage global warming effectively, expected temperature rise by 2100 up to 3ºC. Introduction of environmental regulation is late and aggressive. Net Zero targets reached after 2050 and Carbon Prices in 2030/2050 estimated to be $65 / $340 respectively

The information below contains more detail on the climate scenario modelling and its limitations:

Purpose of the modelling

The purpose of the climate scenario modelling is to consider the long-term exposure of the Fund to climate-related risks. In particular, the model considers different climate change scenarios to assess the resilience of the Fund to those scenarios. The results should not be used in isolation to make decisions on funding and investment strategy

Modelling approach

The scenario modelling assumes a deterministic projection of assets and liabilities on the RPI Curve + 1.7% basis, using standard actuarial techniques to discount and project the Fund's expected future cashflows. The modelling parameters vary deterministically for each scenario. The liability projections are approximate, but they are appropriate for this analysis

Limitations

The scenario modelling focusses on the possible impact of climate change on the Fund's assets and liabilities, including investment and mortality risk.

It does not consider the impact climate change could have on covenant risk in relation to any participating employers.

The scenarios assume contributions will be paid over the projection period in line with the agreed employer contributions calculated at this valuation. In practice, contributions will be reviewed and recalculated every three years.

Timing of analysis

The scenario modelling reflects market conditions at the valuation date and current market views. The model may produce different results for the same strategy under different market conditions. Our model may also evolve over time which means different results could be produced if modelling were to be carried out in the future

Asset data and investment strategy

Information on the assets used in this valuation is summarised here.

The Committee's investment strategy is set out in its Statement of Investment Principles. In summary the current long-term strategy is to invest 34% of the Fund's assets in growth assets, predominantly equities, to generate investment returns. The Committee invests in property, multi asset credit and infrastructure to achieve diversification, with 14.5% invested in index linked gilts.

The audited accounts for the Fund for the year ended 31 March 2022 show the assets were £10,231.1M, excluding the value of any defined contribution AVC investments.

We have not made any adjustments for bulk transfers as any ongoing bulk transfers have not yet been agreed.

We have also not made any adjustments for any unpaid early retirement strain payments.

Table 6: Shows how the assets were broadly invested at the valuation date.

Asset class	Percentage invested at 31 March 2022
Global Equities	38.4%
Emerging Market Equities	2.1%
Fixed Income Securities (including Multi Asset Credit and Absolute Return Bonds)	23.4%
Index Linked Gilts	14.4%
UK Property	7.8%
Private Rental Sector	1.1%
Global Property	1.8%
Infrastructure	3.6%
Other, including derivatives, cash and investment income due	7.4%

Assumptions

The tables below summarise the key assumptions used for the valuation.

Table 7a: Financial Assumptions for Main Employer Group and subsumption funding target

Assumption	2019 valuation	2022 valuation
Discount rate (p.a.)	4.10%	4.20%
Long-term CPI inflation (pension increases / revaluation) (p.a.)	2.10%	2.30%
Post 88 GMP pension increases (p.a.) where full CPI does not apply	1.90%	2.00%
Pay increases (in addition to promotional increases)	CPI +1.50%	CPI + 1.50%
Administration expenses (% of pay)	0.5%	0.5%

Table 7b: Financial Assumptions for Intermediate funding target

Assumption	2019 valuation	2022 valuation
In service discount rate (p.a.)	4.10%	4.20%
Left service discount rate (p.a.)	3.10%	3.20%
Long-term CPI inflation (pension increases / revaluation) (p.a.) (as for the Main Employer group and subsumption bodies)	2.10%	2.30%
Post 88 GMP increases where full CPI does not apply (as for the Main Employer group and subsumption bodies)	1.90%	2.00%
Pay increases (in addition to promotional increases)	CPI +1.50%	CPI + 1.50%
Administration expenses (% of pay)	0.5%	0.5%

Table 7c: Financial Assumptions for Ongoing orphan funding target

Assumption	2019 valuation	2022 valuation
In service discount rate (p.a.)	4.10%	4.20%
Left service discount rate (p.a.)	1.60%	0.80%
Long-term CPI inflation (pension increases / revaluation) (p.a.) (as for the Main Employer group and subsumption bodies)	2.10%	2.30%
Post 88 GMP increases where full CPI does not apply (as for the Main Employer group and subsumption bodies)	1.90%	2.00%
Pay increases (in addition to promotional increases)	CPI +1.50%	CPI + 1.50%
Administration expenses (% of pay)	0.5%	0.5%

Table 7d: Financial Assumptions for Low risk (exit) basis

Assumption	2019 valuation	2022 valuation
Discount rate (p.a.)	1.30%	1.70%
CPI inflation (pension increases / revaluation) (p.a.)	2.10%	3.40%
Post 88 GMP pension increases (p.a.) where full CPI does not apply	1.90%	2.60%
Administration expenses (% of pay)	0.5%	0.5%

Allowance for short-term high inflation

In 2022, and as agreed with the Committee, a 10% uplift has been applied to the past service liabilities on the Main Employer Group and intermediate funding targets to make allowance for short-term inflation above the long-term assumption.

Table 8a: Pre retirement mortality assumptions

	Members currently in this category	Future contingent dependants of members currently in this category
Pre retirement mortality	40% of S3NMA / S3NFA	n/a

Table 8b: Post retirement mortality assumptions

	Members currently in this category	Future contingent dependants of members currently in this category
Active males retiring in normal / ill-health:	120% of S3NMA / 125% of S3IMA	140% of S3NFA
Active females retiring in normal / ill-health:	115% of S3NFA / 130% of S3IFA	130% of S3NMA
Deferred males retiring in normal / ill-health:	115% of S3NMA / 120% of S3IMA	140% of S3NFA
Deferred females retiring in normal / ill-health:	110% of S3NFA / 130% of S3IFA	130% of S3NMA
Pensioner males (normal health):	110% of S3PMA	130% of S3NFA
Pensioner females (normal health):	105% of S3PFA	125% of S3NMA
Pensioner males (ill-health):	120% of S3IMA	130% of S3NFA
Pensioner females (ill-health):	125% of S3IFA	125% of S3NMA
Dependant males:	110% of S3NMA	n/a
Dependant females:	125% of S3NFA	n/a
Projection model	CMI 2021 with long-term improvement rate of 1.50% p.a. / sk of 7.0 / A parameter of 0.5% / w 2020 and w 2021 of 0	

Table 9: Sample life expectancies (years from age 65)

	2019 assumptions: Male	2019 assumptions: Female	2022 assumptions: Male	2022 assumptions: Female
Active member age 45 at 31 March 2022	23.4	26.6	23.1	26.0

Pensioner member age 65 at 31 March 2022	22.0	25.2	22.1	24.9

Table 10: Retirement age assumptions

Membership category	Assumed age or date of retirement
Group 1 and 2 members (fully and taper protected)	Valuation date
Group 3 members (Rule of 85 age = 60)	64
Group 3 members (Rule of 85 age > 60)	65
Group 4 members (Joiners pre 1 April 2015)	65
Group 4 members (Joiners post 31 March 2015)	State Pension Age

Information

Any part of member’s pension payable from a later age than the assumed retirement age will be reduced.

Table 11: Other demographic assumptions

Demographic assumption type	Assumption adopted
Ill-health Tier 1/2 proportions	85% / 15%
Commutation	Each member is assumed to surrender pension on retirement, such that the total cash received is 80% of the permitted maximum
Family details (males)	85% of non-pensioners are assumed to have a partner at retirement or earlier death. 85% of pensioners are assumed to have a partner at age 65. Surviving widow assumed to be three years younger
Family details (females)	75% of non-pensioners are assumed to have a partner at retirement or earlier death. 75% of pensioners are assumed to have a partner at age 65. Surviving widower assumed to be one year older
Take up of 50:50 scheme	All members are assumed to remain in the scheme they are in at the date of the valuation
Discretionary benefits	No allowance

Table 12: Sample rates of promotional pay increase over year

Current age	Male	Female
20	3.6%	3.6%
25	3.2%	3.2%
30	2.0%	2.0%
35	1.6%	1.6%
40	0.4%	0.4%
45	0.0%	0.0%
50	0.0%	0.0%
55	0.0%	0.0%

60	0.0%	0.0%
65	0.0%	0.0%

Table 13: Sample rates of withdrawals from service

Current age	Male	Female
20	8.5%	8.5%
25	5.6%	5.6%
30	4.0%	4.0%
35	3.1%	3.1%
40	2.5%	2.5%
45	2.1%	2.1%
50	1.4%	1.4%
55	0.8%	0.8%
60	0.0%	0.0%
65	0.0%	0.0%

Table 14: Sample rates of ill-health retirement

Current age	Male	Female
20	0.00%	0.00%
25	0.02%	0.02%

30	0.03%	0.03%
35	0.07%	0.07%
40	0.09%	0.09%
45	0.14%	0.14%
50	0.33%	0.33%
55	0.88%	0.88%
60	1.73%	1.73%
65	1.73%	1.73%

Membership experience

The demographic assumptions have been informed by an analysis of membership experience of the Fund, as well as recent research and other relevant factors.

The table below shows a comparison of expected membership movements measured by pension amount based on the assumptions adopted for the 2022 valuation with observed membership movements for death after retirement (in normal and ill-health), withdrawal rates and rates of ill-health retirement.

Table 15: Comparison of expected membership movements: Death after retirement in normal health

	Men (£000 of pension)	Women (£000 of pension)
Actual	5,580	3,750
Expected	5,346	3,578

Table 16: Comparison of expected membership movements: Death after retirement in ill-health

	Men (£000 of pension)	Women (£000 of pension)
Actual	2,550	990
Expected	2,484	975

Table 17: Comparison of expected membership movements: Withdrawals (excluding refunds)

	Men (£000 of pension)	Women (£000 of pension)
Actual	4,655	6,880
Expected	6,246	7,495

Table 18: Comparison of expected membership movements: Ill-health retirements

	Men (£000 of pension)	Women (£000 of pension)
Actual	2,493	1,991
Expected	2,473	2,247

Experience analysis undertaken

For death after retirement the experience analysis was undertaken for the period 1 April 2011 to 31 March 2021. For withdrawal rates and ill-health retirement rates our analysis was undertaken for the period 1 April 2015 to 31 March 2021.

The figures in the table are based on our full experience analysis prorated to a 3 year period for ease of comparison.

Dashboard

Following the review by the Government Actuary's Department of all LGPS valuations as at 31 March 2016 under section 13 of the Public Service Pensions Act 2013 for funds in England and Wales, with a separate exercise for the LGPS NI under the Public Service Pensions Act (Northern Ireland) 2014, a standard "dashboard" has been added to the valuation reports for funds in England and Wales to aid comparison between the valuations for those funds. We have included this Dashboard as agreed with the Committee although we note that GAD's Section 13 review of the LGPS NI is quite separate from that in England and Wales and therefore there is no statutory requirement (nor power) to compare the Fund's valuation to that of LGPS funds in England and Wales.

Table 19: Past service funding position – local funding basis

Dashboard metric	LGPS NI 2022 valuation metric results
Funding level (assets/liabilities)	111%
Funding level (change since last valuation)	-1%
Asset value used at the valuation	£10,231.1m
Value of liabilities (including McCloud liability)	£9,226.7m
Surplus (deficit)	£1,004.4m
Discount rate – past service	0.80% - 4.20% pa
Discount rate – future service	0.80% - 4.20% pa
Assumed pension increases (CPI)	2.30% - 3.40% pa

Method of derivation of discount rate, plus any changes since previous valuation: The Funding Strategy Statement describes the approach used to set the funding target and hence the discount rates. The Committee adopts different discount rates depending on employers' circumstances including the likelihood of exit and what would happen to the liabilities on exit.

Table 20: Assumed life expectancies at age 65 (for those retiring in normal health)

Category	Life expectancy
Average life expectancy for current pensioners - men currently age 65	22.1 years
Average life expectancy for current pensioners - women currently age 65	24.9 years

Average life expectancy for future pensioners - men currently age 45	23.1 years
Average life expectancy for future pensioners - women currently age 45	26.0 years

Table 21: Past service funding position – England & Wales SAB basis (for comparison purposes only)

Dashboard metric	LGPS NI 2022 valuation metric results
Market value of assets	£10,231.1m
Value of liabilities	£7,777.6m
Funding level on E&W SAB basis (assets/liabilities)	132%
Funding level on E&W SAB basis (change since last valuation)	8%

Note: This has been calculated using the assumptions prescribed by the England & Wales SAB, and allowing for the 10.1% April 2023 pension increase

Table 22: Contribution rates payable

Dashboard metric	2019 valuation	2022 valuation
Future service contribution rate	20.7%	22.1%
Past service contribution rate (cash amounts in each year in line with CIPFA guidance): 1st year of rates and adjustment certificate	(£8.148m)	(£34.176m)
Past service contribution rate (cash amounts in each year in line with CIPFA guidance): 2nd year of rates and adjustment certificate	(£8.469m)	(£35.508m)
Past service contribution rate (cash amounts in each year in line with CIPFA guidance): 3rd year of rates and adjustment certificate	(£8.799m)	(£36.889m)
Total expected contributions: 1st year of rates and adjustment certificate (£ figure based on assumed payroll below)	£206.871m	£233.794m
Total expected contributions: 2nd year of rates and adjustment certificate (£ figure based on assumed payroll below)	£214.291m	£242.645m
Total expected contributions: 3rd year of rates and adjustment certificate (£ figure based on assumed payroll below)	£221.979m	£251.834m
Total assumed payroll (cash amount each year): 1st year of rates and adjustment certificate (£m)	£1,036.2m	£1,208.7m
Total assumed payroll (cash amount each year): 2nd year of rates and adjustment certificate (£m)	£1,073.5m	£1,254.7m
Total assumed payroll (cash amount each year): 3rd year of rates and adjustment certificate (£m)	£1,112.2m	£1,302.4m

3 year average total employer contribution rate	20.0%	19.3%
Average employee contribution rate (% of pay)	6.3%	6.3%
Employee contribution rate (£ figure based on assumed payroll)	£64.9m	£75.8m in first year of rates and adjustment certificate

Table 23: Deficit recovery plan

Dashboard metric	2019 valuation	2022 valuation
Latest deficit recovery period end date for any employer in deficit in fund	17.0 years	20.0 years
Earliest surplus spreading period end date for any employer in surplus in fund	1.9 years	0.3 years
Where a deficit recovery period or surplus spreading period end date is not provided, the latest time horizon end point for valuation funding plan	n/a	n/a
Where a deficit recovery period or surplus spreading period end date is not provided, the earliest time horizon end point for valuation funding plan	n/a	n/a
Where a deficit recovery or surplus spreading period end date is not provided, please provide, the likelihood of success of valuation funding plan on the 2019 valuation time horizon	n/a	n/a
Percentage of liabilities relating to employers with deficit recovery periods of longer than 20 years	0.0%	0.0%

Additional information

- Percentage of total liabilities that are in respect of current employers that are not included in the Main Group: 4%
- Included climate change analysis/comments in the 2022 valuation report: Yes
- Value of McCloud liability in the 2022 valuation report (on local funding basis): £41.5m

Rates and Adjustments Certificate

Actuarial certificate given for the purposes of Regulation 68 of the Local Government Pension Scheme Regulations (Northern Ireland) 2014.

In accordance with Regulation 68 of the Local Government Pension Scheme Regulations (Northern Ireland) 2014 (‘the 2014 Regulations'), we certify that contributions should be paid by employers at the following rates for the period 1 April 2023 to 31 March 2026.

Future service contribution rates for individual employers as shown below. The common rate for the whole Fund, calculated as a weighted average of the employers’ individual rates, is 22.1% p.a. of Pensionable Pay.

Individual adjustments (i.e. past service contribution rates) which, when added to or subtracted from the future service rate, produce the following minimum employer contribution rates.

Table 24: Employer Rates and Adjustments certificate showing contribution rates

Employer code(s)	Employer	Contributions in year commencing 1 April 2023: % pensionable pay	Contributions in year commencing 1 April 2023: Additional contribution (£s)	Contributions in year commencing 1 April 2024: % pensionable pay	Contributions in year commencing 1 April 2024: Additional contribution (£s)	Contributions in year commencing 1 April 2025: % pensionable pay	Contributions in year commencing 1 April 2025: Additional contribution (£s)
342	Abbey Christian Brothers Grammar School	19.0%	0	19.0%	0	19.0%	0
332	Acorn Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
370	Amey Community Limited	38.2%	0	38.2%	0	38.2%	0
375	Antrim and Newtownabbey Borough Council	19.0%	0	19.0%	0	19.0%	0
239	Apex Housing	43.8%	223,000	43.8%	231,000	43.8%	240,000
359	Apleona HSG Ltd	0.00%	0	0.00%	0	0.00%	0
268	Aquinas Diocesan Grammar School	19.0%	0	19.0%	0	19.0%	0
232	Arbour Housing Limited	27.5%	102,400	27.5%	106,300	27.5%	110,300
344	Arc21	19.0%	0	19.0%	0	19.0%	0
385	Ards and North Down Borough Council	19.0%	0	19.0%	0	19.0%	0
317	Ark Housing Association Northern Ireland Limited	19.0%	0	19.0%	0	19.0%	0
62	Armagh Planetarium & Observatory	19.0%	0	19.0%	0	19.0%	0
376	Armagh, Banbridge and Craigavon District Council	19.0%	0	19.0%	0	19.0%	0
118	Arts Council of Northern Ireland	19.0%	0	19.0%	0	19.0%	0

Employer code(s)	Employer	Contributions in year commencing 1 April 2023: % pensionable pay	Contributions in year commencing 1 April 2023: Additional contribution (£s)	Contributions in year commencing 1 April 2024: % pensionable pay	Contributions in year commencing 1 April 2024: Additional contribution (£s)	Contributions in year commencing 1 April 2025: % pensionable pay	Contributions in year commencing 1 April 2025: Additional contribution (£s)
338	Assumption Grammar School	19.0%	0	19.0%	0	19.0%	0
148	Ballymena Academy	19.0%	0	19.0%	0	19.0%	0
132	Bangor Grammar School	19.0%	0	19.0%	0	19.0%	0
149	Belfast Charitable Society	0.0%	0	0.0%	0	0.0%	0
377	Belfast City Council	19.0%	0	19.0%	0	19.0%	0
138	Belfast High School	19.0%	0	19.0%	0	19.0%	0
353	Belfast Metropolitan College	19.0%	0	19.0%	0	19.0%	0
137	Belfast Royal Academy	19.0%	0	19.0%	0	19.0%	0
395	Belfast Waterfront and Ulster Hall Limited	14.4%	0	14.4%	0	14.4%	0
367	Blackwater Integrated College	19.0%	0	19.0%	0	19.0%	0
279	Braidside Integrated Primary & Nursery School	19.0%	0	19.0%	0	19.0%	0
266	Bridge Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
136	Campbell College	19.0%	0	19.0%	0	19.0%	0
371	Capita Managed IT Solutions Limited	43.0%	7,000	43.0%	7,300	43.0%	7,600
378	Causeway Coast and Glens District Council	19.0%	0	19.0%	0	19.0%	0
288	Cedar Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
386	Choice Housing Ireland Limited	43.7%	206,000	43.7%	214,000	43.7%	222,000
147	Christian Brothers Grammar School	19.0%	0	19.0%	0	19.0%	0
366	City of Derry Airport	0.00%	0	0.00%	0	0.00%	0
179	Citybus Limited	19.0%	0	19.0%	0	19.0%	0
390	Coleraine Grammar School	19.0%	0	19.0%	0	19.0%	0
110	Coleraine Harbour Commissioners	26.6%	0	26.6%	0	26.6%	0
328	Comhairle na Gaelscolaiochta	19.0%	0	19.0%	0	19.0%	0
251	Community Relations Council	19.0%	0	19.0%	0	19.0%	0

Employer code(s)	Employer	Contributions in year commencing 1 April 2023: % pensionable pay	Contributions in year commencing 1 April 2023: Additional contribution (£s)	Contributions in year commencing 1 April 2024: % pensionable pay	Contributions in year commencing 1 April 2024: Additional contribution (£s)	Contributions in year commencing 1 April 2025: % pensionable pay	Contributions in year commencing 1 April 2025: Additional contribution (£s)
319	Connswater Homes Limited	19.0%	0	19.0%	0	19.0%	0
252	Construction Industry Training Board (CITB)	19.0%	0	19.0%	0	19.0%	0
394	Controlled Schools Support Council	19.0%	0	19.0%	0	19.0%	0
362	Corran Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
222	Council for Catholic Maintained Schools	19.0%	0	19.0%	0	19.0%	0
170	Council for the Curriculum, Examinations and Assessment (CCEA)	19.0%	0	19.0%	0	19.0%	0
369	Cranmore Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
192	Dalriada School	19.0%	0	19.0%	0	19.0%	0
379	Derry City and Strabane District Council	19.0%	0	19.0%	0	19.0%	0
208	Dominican College, Belfast	19.0%	0	19.0%	0	19.0%	0
335	Dominican College, Portstewart	19.0%	0	19.0%	0	19.0%	0
349	Drumlins Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
284	Drumragh Integrated College	19.0%	0	19.0%	0	19.0%	0
389	Education Authority	19.0%	0	19.0%	0	19.0%	0
267	Enniskillen Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
396	Enniskillen Royal Grammar School	19.0%	0	19.0%	0	19.0%	0
276	Erne Integrated College	19.0%	0	19.0%	0	19.0%	0
380	Fermanagh and Omagh District Council	19.0%	0	19.0%	0	19.0%	0
216	Foyle and Londonderry College	19.0%	0	19.0%	0	19.0%	0
134	Friends School	19.0%	0	19.0%	0	19.0%	0
337	General Teaching Council for Northern Ireland	41.2%	118,000	41.2%	122,000	41.2%	127,000
364	Graham Asset Management	0.0%	0	0.0%	0	0.0%	0
388	Greenwich Leisure Limited	12.3%	0	12.3%	0	12.3%	0

Employer code(s)	Employer	Contributions in year commencing 1 April 2023: % pensionable pay	Contributions in year commencing 1 April 2023: Additional contribution (£s)	Contributions in year commencing 1 April 2024: % pensionable pay	Contributions in year commencing 1 April 2024: Additional contribution (£s)	Contributions in year commencing 1 April 2025: % pensionable pay	Contributions in year commencing 1 April 2025: Additional contribution (£s)
234	Grove Housing Association Limited	19.0%	0	19.0%	0	19.0%	0
238	Habinteg Housing Association (Ulster) Limited	19.0%	0	19.0%	0	19.0%	0
260	Hazelwood College	19.0%	0	19.0%	0	19.0%	0
261	Hazelwood Integrated Primary School Limited	19.0%	0	19.0%	0	19.0%	0
167	Hunterhouse College	19.0%	0	19.0%	0	19.0%	0
278	Integrated College Dungannon	19.0%	0	19.0%	0	19.0%	0
129	Jordanstown Schools	19.0%	0	19.0%	0	19.0%	0
262	Lagan College	19.0%	0	19.0%	0	19.0%	0
154	Larne Grammar School	19.0%	0	19.0%	0	19.0%	0
361	Libraries NI	19.0%	0	19.0%	0	19.0%	0
213	Linen Hall Library	18.7%	0	18.7%	0	18.7%	0
381	Lisburn and Castlereagh City Council	19.0%	0	19.0%	0	19.0%	0
163	Livestock & Meat Commission for Northern Ireland	19.0%	0	19.0%	0	19.0%	0
219	Local Government Staff Commission	37.6%	0	37.6%	0	37.6%	0
213	Loreto College	19.0%	0	19.0%	0	19.0%	0
215	Loreto Grammar School	19.0%	0	19.0%	0	19.0%	0
330	Loughview Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
287	Lumen Christi College	19.0%	0	19.0%	0	19.0%	0
345	Maine Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
316	Malone College	19.0%	0	19.0%	0	19.0%	0
322	Methodist College	19.0%	0	19.0%	0	19.0%	0
382	Mid and East Antrim District Council	19.0%	0	19.0%	0	19.0%	0
383	Mid Ulster District Council	19.0%	0	19.0%	0	19.0%	0
358	Middletown Centre for Autism Limited	19.0%	0	19.0%	0	19.0%	0

Employer code(s)	Employer	Contributions in year commencing 1 April 2023: % pensionable pay	Contributions in year commencing 1 April 2023: Additional contribution (£s)	Contributions in year commencing 1 April 2024: % pensionable pay	Contributions in year commencing 1 April 2024: Additional contribution (£s)	Contributions in year commencing 1 April 2025: % pensionable pay	Contributions in year commencing 1 April 2025: Additional contribution (£s)
263	Mill Strand Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
321	Millennium Forum	19.0%	0	19.0%	0	19.0%	0
333	Millennium Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
250	Mount Lourdes Grammar School	19.0%	0	19.0%	0	19.0%	0
290	Mourne Heritage Trust	0.0%	0	0.0%	0	0.0%	0
320	New-Bridge Integrated College	19.0%	0	19.0%	0	19.0%	0
236	Newington Housing Association (1975) Limited	19.0%	0	19.0%	0	19.0%	0
384	Newry, Mourne and Down District Council	19.0%	0	19.0%	0	19.0%	0
374	North Belfast Housing Association Limited	19.0%	0	19.0%	0	19.0%	0
324	North Coast Integrated College	19.0%	0	19.0%	0	19.0%	0
356	North West Regional College	19.0%	0	19.0%	0	19.0%	0
372	Northern Community Leisure Trust	0.0%	0	0.0%	0	0.0%	0
391	Northern Community Leisure Trust 2	0.0%	0	0.0%	0	0.0%	0
242	Northern Ireland Co-Ownership Housing Association Limited	19.0%	0	19.0%	0	19.0%	0
275	Northern Ireland Council for Integrated Education	19.0%	0	19.0%	0	19.0%	0
203	Northern Ireland Federation of Housing Associations	19.0%	0	19.0%	0	19.0%	0
114	Northern Ireland Fire & Rescue Service	19.0%	0	19.0%	0	19.0%	0
180	Northern Ireland Fishery Harbour Authority	19.0%	0	19.0%	0	19.0%	0
313	Northern Ireland Hospice	27.0%	0	27.0%	0	27.0%	0
115	Northern Ireland Housing Executive	19.0%	0	19.0%	0	19.0%	0
150	Northern Ireland Local Government Association (NILGA)	19.0%	0	19.0%	0	19.0%	0

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119	Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)	19.0%	0	19.0%	0	19.0%	0
206	Northern Ireland Railway Company Limited	19.0%	0	19.0%	0	19.0%	0
373	Northern Ireland Screen	19.0%	0	19.0%	0	19.0%	0
197	Northern Ireland Transport Holding Company	19.0%	0	19.0%	0	19.0%	0
355	Northern Regional College	19.0%	0	19.0%	0	19.0%	0
273	Oakgrove Integrated College	19.0%	0	19.0%	0	19.0%	0
318	Oakgrove Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
334	Oakwood Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
343	Omagh Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
173	Our Lady & St Patrick's College	19.0%	0	19.0%	0	19.0%	0
289	Our Lady's Grammar School	19.0%	0	19.0%	0	19.0%	0
325	Outdoor Recreation (NI)	23.2%	0	23.2%	0	23.2%	0
387	Phoenix Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
350	Portadown Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
211	Probation Board for Northern Ireland (PBNI)	19.0%	0	19.0%	0	19.0%	0
194	Radius Housing Association	30.2%	1,319,000	30.2%	1,337,000	30.2%	1,356,000
281	Rainey Endowed School	19.0%	0	19.0%	0	19.0%	0
172	Rathmore Grammar School	19.0%	0	19.0%	0	19.0%	0
351	Roe Valley Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
368	Rowandale Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
128	Royal Belfast Academical Institution	19.0%	0	19.0%	0	19.0%	0
157	Royal School, Armagh	19.0%	0	19.0%	0	19.0%	0
218	Royal School, Dungannon	19.0%	0	19.0%	0	19.0%	0

Employer code(s)	Employer	Contributions in year commencing 1 April 2023: % pensionable pay	Contributions in year commencing 1 April 2023: Additional contribution (£s)	Contributions in year commencing 1 April 2024: % pensionable pay	Contributions in year commencing 1 April 2024: Additional contribution (£s)	Contributions in year commencing 1 April 2025: % pensionable pay	Contributions in year commencing 1 April 2025: Additional contribution (£s)
271	Rural Housing Association	19.0%	0	19.0%	0	19.0%	0
221	Sacred Heart Grammar School	19.0%	0	19.0%	0	19.0%	0
336	Saints and Scholars Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
274	Shimna Integrated College	19.0%	0	19.0%	0	19.0%	0
314	Slemish Integrated College	19.0%	0	19.0%	0	19.0%	0
352	South Eastern Regional College	19.0%	0	19.0%	0	19.0%	0
354	South West College	19.0%	0	19.0%	0	19.0%	0
357	Southern Regional College	19.0%	0	19.0%	0	19.0%	0
339	Sperrin Integrated College	19.0%	0	19.0%	0	19.0%	0
326	Spires Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
187	Sports Council for Northern Ireland	19.0%	0	19.0%	0	19.0%	0
363	St Colman's College	19.0%	0	19.0%	0	19.0%	0
142	St Columb's College	19.0%	0	19.0%	0	19.0%	0
188	St Dominic's High School	19.0%	0	19.0%	0	19.0%	0
309	St Joseph's Grammar School	19.0%	0	19.0%	0	19.0%	0
285	St Louis Grammar School	19.0%	0	19.0%	0	19.0%	0
397	St Louis Grammar School Kilkeel	19.0%	0	19.0%	0	19.0%	0
139	St Malachy's College	19.0%	0	19.0%	0	19.0%	0
145	St Mary's Christian Brothers Grammar School	19.0%	0	19.0%	0	19.0%	0
220	St Mary's Grammar School	19.0%	0	19.0%	0	19.0%	0
175	St Mary's University College	19.0%	0	19.0%	0	19.0%	0
241	St Matthew’s Housing Association Limited	19.0%	0	19.0%	0	19.0%	0
209	St Michael's College	19.0%	0	19.0%	0	19.0%	0
196	St Patrick's Academy	19.0%	0	19.0%	0	19.0%	0

Employer code(s)	Employer	Contributions in year commencing 1 April 2023: % pensionable pay	Contributions in year commencing 1 April 2023: Additional contribution (£s)	Contributions in year commencing 1 April 2024: % pensionable pay	Contributions in year commencing 1 April 2024: Additional contribution (£s)	Contributions in year commencing 1 April 2025: % pensionable pay	Contributions in year commencing 1 April 2025: Additional contribution (£s)
160	St Patricks Grammar School	19.0%	0	19.0%	0	19.0%	0
393	St Patrick's Grammar School, Armagh	19.0%	0	19.0%	0	19.0%	0
392	St Ronan's College	19.0%	0	19.0%	0	19.0%	0
329	Strangford College	19.0%	0	19.0%	0	19.0%	0
176	Stranmillis University College	19.0%	0	19.0%	0	19.0%	0
212	Strathearn School	19.0%	0	19.0%	0	19.0%	0
146	Sullivan Upper School	19.0%	0	19.0%	0	19.0%	0
161	Thornhill College	19.0%	0	19.0%	0	19.0%	0
116	Tourism Northern Ireland	19.0%	0	19.0%	0	19.0%	0
327	Ulidia Integrated College	19.0%	0	19.0%	0	19.0%	0
189	Ulsterbus Limited	19.0%	0	19.0%	0	19.0%	0
164	University of Ulster	19.0%	0	19.0%	0	19.0%	0
195	Victoria College	19.0%	0	19.0%	0	19.0%	0
323	Visit Belfast	19.7%	0	19.7%	0	19.7%	0
277	Visit Derry	19.0%	0	19.0%	0	19.0%	0
152	Wallace High School	19.0%	0	19.0%	0	19.0%	0
331	Windmill Integrated Primary School	19.0%	0	19.0%	0	19.0%	0
237	Woodvale and Shankill Co	19.0%	0	19.0%	0	19.0%	0
	Total	**19.2%**	**1,975,400**	**19.2%**	**2,017,600**	**19.2%**	**2,062,900**

Notes

Employer codes for the Education Authority are also 28,29 and 30, and the results have been grouped with code 389.

The contributions shown above represent the minimum contributions to be paid by each employer. Employers may choose to pay additional contributions from time to time subject to the Committee's agreement.

Where payments due from an employer are expressed as monetary amounts, the amounts payable by that employer may be adjusted to take account of any amounts payable, in respect of a surplus or shortfall to which those monetary payments relate, by new employers created after the valuation date which have been credited with proportions of the assets and liabilities of the relevant employer.

Additional contributions may be required in respect of any additional liabilities that arise under the provisions of Regulations 31, 32, 36 and 37 of the 2014 Regulations and employers will be notified of such contributions separately by the Committee.

Additional contributions may be payable by any employers which have ceased to participate in the Fund since 31 March 2022 and these will be certified separately. This includes the following employers:

Belfast Charitable Society

Mourne Heritage Trust

Contribution rates for Employers commencing participation in the Fund after 31 March 2022 will be advised separately.

Regulation 68(9) requires a statement to be made of the assumptions on which the certificate is given as regards the number of members, and the associated amount of liabilities arising, who will become entitled to payment of pensions under the LGPS (NI) regulations during the period covered by the certificate. These assumptions can be found in the Assumptions section of the Further Information of our report on the 2022 valuation dated 28 March 2023. They include assumptions relating to the members who are expected to become entitled to payment of pensions via normal retirement and ill-health retirement. In practice members will also become entitled to payment of pensions via early retirement for reasons of redundancy or efficiency reasons as well as on voluntary early retirement, for which no assumption has been made.

Certificate signed by

Laura Caudwell FIA on 28 March 2023 and Alison Murray FFA on 28 March 2023

Glossary

This glossary explains some common terms used in this document.

Active Member

A person who is employed by an employer participating in the Fund, and is paying (or is treated as paying) contributions to the Fund (includes certain members temporarily absent, e.g. due to family leave or sickness).

Admission Body

An employer admitted to the Fund under an admission agreement or with a "deemed" admission agreement.

Assumptions

We need to make assumptions about the future to calculate how much money we need now to pay for the benefits that have been earned. The key *financial assumptions* include the discount rate and pension increases (inflation) assumptions. The key *demographic assumptions* include how long we expect members to live, which we calculate using mortality rates. We adopt the same demographic assumptions for all employers, which are set based on the experience of the Fund's membership and other factors.

Attained Age Method

This is one of the methods used by actuaries to calculate a future service contribution rate. This method usually applies to employers who employ active members of the Fund but who do not allow new employees to join (i.e. where the employer is closed to new entrants). The future service contribution rate for a closed employer will allow for the future ageing of the members. This usually results in a higher contribution rate than for a younger workforce because there is a shorter period to invest the contributions (and earn investment returns) before benefits need to be paid. See also projected unit method.

Consumer Prices Index (CPI)

This is the price inflation index that increases to pensions, deferred pensions and pension accounts are currently based on. It is published every month by the Office for National Statistics. Our assumption for future salary increases is also set by reference to future CPI inflation.

Cost Management valuations

The process of checking the cost of public service pension schemes against a base cost, which can result in scheme changes being agreed and legislated for if the current assessed cost of the scheme is higher or lower than this base cost. The Government Actuary's epartment has been appointed to carry out these valuations.

Deferred member

A former employee who has left active membership but has not yet received any benefits from the Fund and is entitled to receive a pension from his/her normal pension age.

Deficit (or shortfall)

If the assets are lower than the liabilities, then a deficit exists. Employers will need to pay additional contributions to remove the deficit over an appropriate recovery period. If the value of assets is greater than the liabilities, then the difference is called a surplus.

Dependant member

A dependant of a previous employee who was a member of the Fund but who has died, where benefits are payable to specified dependant(s) under the LGPS regulations.

Discount rate

This is the assumption for the future rate of return on the Fund's assets, based on an assumed investment strategy. It is used to place a present value (in today's terms) on a future payment. The discount rate for the Fund valuation is set prudently, meaning we expect there to be a better than evens chance that the Fund will achieve a rate of return equal to the discount rate.

Fund Actuary

The actuary to the Fund, who provides actuarial advice to the Committee including carrying out the actuarial valuation contained in this report.

Funding level (or funding ratio)

This is the ratio of the value of assets to the funding target. A funding level above 100% means the Fund is in surplus and a funding level below 100% means the Fund is in deficit.

Funding objective

To hold sufficient and appropriate assets to cover the funding target.

Funding strategy

The funding strategy refers to the overall framework for setting employer contributions covering (among other things) the choice of funding target, recovery period, and grouping/pooling arrangements. See Funding Strategy Statement.

Funding Strategy Statement

The LGPS (NI) Regulations require the Committee to prepare (and from time to time review and, if necessary, revise) a written statement setting out its funding strategy. This is referred to as a funding strategy statement. The Fund Actuary must have regard to this statement in preparing this actuarial valuation.

Funding target

See Past service liabilities.

Group (or Pool)

Employers may be grouped (or pooled) with other employers. All of the employers in a group/pool will share some (or all) of the group/pool's pension costs between them. It is common for employers to pay a common future service rate based on the membership of the group/pool. Rules will apply to the attribution of secondary contributions between employers, which will normally be set out in the **Funding Strategy Statement**.

Guaranteed Minimum Pensions (GMPs)

Most Funds that were contracted out of the State Earnings Related Pension Scheme (SERPS) before April 1997 (including the LGPS) have to provide a pension for service before that date at least equal to the Guaranteed Minimum Pension (GMP). This is approximately equal to the SERPS pension that the member would have earned had the Fund not been contracted out. GMPs ceased to accrue on 6 April 1997 when the legislation changed.

Intermediate Funding Target

For employers not deemed by the Committee to meet the criteria for membership of the Main Employer Group, but which the Committee considers to be sufficiently financially secure, the Committee may assume continued investment in a broad range of assets of higher risk than government bonds for a longer period than it would for orphan bodies. The funding target will still consider any likely change in notional or actual investment strategy as regards the assets held in respect of the body's liabilities when the employer exits. This is known as the intermediate funding target and is intended to be an interim step towards moving to the Ongoing Orphan funding target.

The in-service discount rate has been set to be equal to the discount rate for the Main Employer group.

Typically for such employers the left service discount rate will be equivalent to the yield on long-dated fixed interest gilts at a duration appropriate for the Fund's liabilities plus an asset out-performance assumption. Currently this is set so that the discount rate is equal to that used for employers on the Main Employer Group funding target, less 1%.

Liabilities

See past service liabilities.

Long-term cost efficiency

It is a requirement of the Regulations that the actuarial valuation must have regard to the objective of long-term cost efficiency. This term is not defined in the Regulations but Cipfa guidance on preparing the Funding Strategy Statement says:

“The notes to the Public Service Pensions Act (Northern Ireland) 2014 state:

Long-term cost-efficiency implies that the [contribution] rate must not be set at a level that gives rise to additional costs. For example, deferring costs to the future would be likely to result in those costs being greater overall than if they were provided for at the time.

The rate of employer contributions shall be deemed to have been set at an appropriate level to ensure long-term cost efficiency if the rate of employer contributions is sufficient to make provision for the cost of current benefit accrual, with an appropriate adjustment to that rate for any surplus or shortfall in the fund”

Low risk funding target

Funding target used for already orphaned liabilities in the Fund. The discount rate is based on the yield on long-dated fixed interest gilts at a duration appropriate for the Fund's liabilities.

Main Employer Group and subsumption funding target

For secure employers whose participation in the Fund is considered by the Committee to be indefinite and Admission Bodies with a subsumption commitment from such secure employers, the funding target is set assuming indefinite investment in a broad range of assets of higher risk than risk free assets. This is known as the Main Employer Group and subsumption body funding target.

The discount rate underpinning this funding target has been set so there is a 75% chance of achieving the solvency target at the end of a 20 year period.

McCloud/Sergeant

Court cases involving the Judges' and Firefighters' Pension Schemes respectively which found that transitional protections granted to members within 10 years of pension age as part of the reforms to those schemes in 2015 constituted illegal age discrimination. Government subsequently agreed that a remedy to this discrimination would be required in these and the other major UK public service pension schemes such as the LGPS. The legislation to implement this remedy is not yet in place.

Ongoing orphan employer

This is an employer whose participation in the Fund may cease at some future point in time, after which it is expected that the liabilities will become Orphaned liabilities.

Ongoing orphan funding target

For active employers whose liabilities are expected to be orphaned on exit, the Committee will have regard to the potential for participation to cease (or for the body to have no contributing members), the potential timing of such exit, and any likely change in notional or actual investment strategy as regards the assets held in respect of the body's liabilities at the date of exit (i.e. whether the liabilities will become ‘orphaned’ or a guarantor exists to subsume the notional assets and liabilities). This is known as the ongoing orphan funding target

Orphan / orphaned liabilities

Liabilities in the Fund for which no currently contributing employer has responsibility.

Past service liabilities

This is the present value of the benefits to which members are entitled based on benefits accrued to the valuation date, assessed using the assumptions agreed for each employer between the Committee and the Fund Actuary. It generally allows for projected future increases to pay or revaluation as appropriate through to retirement or date of leaving service.

Pensioner member

An individual who has retired and is now receiving a pension from the Fund.

Present value

Actuarial valuations involve projections of pay, pensions and other benefits into the future. To express the value of the projected benefits in terms of a cash amount at the valuation date, the projected amounts are discounted back to the valuation date by a discount rate. This value is known as the present value. For example, if the discount rate was 4% a year and if we had to pay a cash sum of 1 ,040 in one year's time the present value would be £1,000.

Projected unit method

One of the common methods used by actuaries to calculate a contribution rate. This method calculates the present value of the benefits expected to accrue to members over a control period (often one year) following the valuation date. The present value is usually expressed as a percentage of the members' pensionable pay. Provided that the distribution of members remains stable with new members oining to take the place of older leavers, the contribution rate calculated can be expected to remain stable, if all the other assumptions are borne out and there are no changes to the assumptions. If there are no new members however, the average age will increase and the contribution rate can be expected to rise.

Prudent

Prudent assumptions are such that the actual outcome is considered to be more likely to overstate than understate the amount of money actually required to meet the cost of the benefits.

Rates and Adjustments Certificate

A certificate required at each actuarial valuation by the Regulations, setting out the contributions payable by employers for the 3 years from the 1 April that falls in the calendar year following the valuation date.

Recovery period

The period over which any surplus or deficit is to be eliminated. Different recovery periods may apply to individual employers.

Recovery plan

Where a valuation shows a funding shortfall against the past service liabilities for any employer, a recovery plan sets out how the Committee intends the employer to meet the funding objective.

Regulations

The statutory regulations setting out the contributions payable to, and the benefits payable from, the Local Government Pension Scheme NI and how the Funds are to be administered. They currently include the following sets of regulations:

Regulations - Local Government Pension Scheme Regulations (Northern Ireland) 2014 (as amended)

2014 Transitional Regulations - Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014 (as amended)

Shortfall (or deficit)

See deficit.

Shortfall contributions

Additional contributions payable by employers to remove the shortfall by the end of the recovery period.

Solvency

It is a requirement of the Regulations that the actuarial valuation must have regard to the objective to secure the solvency of the Fund. This term is not defined in the Regulations but Cipfa guidance on preparing the Funding Strategy Statement says:

“The notes to the Public Service Pensions Act 2013 state that solvency means that the rate of employer contributions should be set at “such level as to ensure that the scheme’s liabilities can be met as they arise”. It is not regarded that this means that the pension fund should be 100% funded at all times. Rather, and for the purposes of Section 13 of the Public Service Pensions Act 2013, the rate of employer contributions shall be deemed to have been set at an appropriate level to ensure solvency if:

the rate of employer contributions is set to target a funding level for the whole fund (assets divided by liabilities) of 100% over an appropriate time period and using appropriate actuarial assumptions; and either

employers collectively have the financial capacity to increase employer contributions, and/or the fund is able to realise contingent assets should future circumstances require, in order to continue to target a funding level of 100%; or

there is an appropriate plan in place should there be, or if there is expected in future to be, no or a limited number of fund employers, or a material reduction in the capacity of fund employers to increase contributions as might be needed.

If the conditions above are met, then it is expected that the fund will be able to pay scheme benefits as they fall due.”

Solvency Target

For the Main Employer Group and Admission Bodies with a subsumption commitment from a Main Employer Group employer, the Solvency Target uses an assumed rate of return of 2% in excess of the assumed long term annual increase in the Consumer Prices Index.

For Admission Bodies whose liabilities are expected to be orphaned following exit, the required Solvency Target has been set assuming investment in an appropriate portfolio of Government index linked bonds after exit.

State Pension Age (SPA)

Age at which State pensions are payable. Currently age 66, for current retirees.

Current legislation transitions State Pension Age for both men and women to age 67 by 2028 and to age 68 by 2046. The timetable for transitioning State Pension Age to age 68 is currently under review.

Strains

These represent the cost of additional benefits granted to members under a discretion of the employer or the Committee. They include the cost of providing enhanced benefits on retirement or redundancy.

Subsumption (and subsumption body)

An employer which is not a secure long term employer and where the Committee has obtained an undertaking from a related employer that, if and when the employer exits the Fund, they will be a source of future funding should any funding shortfalls emerge on the original employer's liabilities after exit.

In this document the process of taking on the responsibility for future funding at the point of exit is known as ‘subsumption’ of an employer’s liabilities. The employer whose liabilities will be (or are being) subsumed is referred to as a subsumption body.

Surplus

If the assets are higher than the liabilities, then a surplus exists. Depending on its funding strategy, the Committee may allow the employer to pay contributions below the future service rate to remove part or all of the surplus over an appropriate recovery period. If the value of assets is lower than the liabilities, then the difference is called a deficit.

Transfer value

Members generally have a legal right to transfer their benefits to another pension arrangement before they retire. In taking a transfer, members give up their benefits in a fund, and a sum of money (called the transfer value) is paid into another approved pension fund. This is used to provide pension benefits on the terms offered in that fund.

Undecided member

A previous employee of the employer who has yet to decide whether to take a transfer of benefits to another pension arrangement, or a refund of their contributions.

Legal framework

This report was commissioned by and is produced solely for the use of the Committee.

It is produced in compliance with:

Regulation 68 of the Local Government Pension Scheme Regulations (Northern Ireland) 2014.

The terms of the agreement between the Committee and Aon Solutions UK Limited, on the understanding that it is solely for the benefit of the addressee.

This report, and the work relating to it, complies with Technical Actuarial Standard 100: Principles for Technical Actuarial Work ('TAS 100') and Technical Actuarial Standard 300: Pensions ('TAS 300').

Unless prior written consent has been given by Aon Solutions UK Limited, this report should not be disclosed to or discussed with anyone else unless they have a statutory right to see it.

We permit the Committee to release copies of this report to the following parties only:

Any employer which contributes to the Fund, and their guarantors.

The Department for Communities (Northern Ireland)

The Northern Ireland Audit Office

We also permit the Committee to pass our report to the Government Actuary's Department in connection with their statutory duties. None of the above bodies has our permission to pass our report on to any other parties.

Notwithstanding such consent, Aon Solutions UK Limited does not assume responsibility to anyone other than the addressee of this report.