Strathclyde Pension Fund

Funding Strategy Statement

Effective 1st April 2027

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Section A – Purpose of the Fund and the FSS

1. Introduction

Glasgow City Council is the administering authority for the Strathclyde Pension Fund (SPF). The council delegates this responsibility to the Strathclyde Pension Fund Committee. The council and the committee recognise that they have fiduciary duties and responsibilities towards pension scheme members and participating employers that are analogous to those holding the office of trustee in the private sector. This statement sets out the approach to funding which the committee adopts in light of those duties.

Further background details are set out in **Appendix 1** to this statement.

2. Aims and Objectives of the Funding Strategy Statement (FSS)

The Local Government Pension Scheme (LGPS) regulations set out the requirement for an administering authority to publish an FSS. The FSS is prepared in conjunction with the triennial valuation carried out by SPF's actuary. However, the FSS is owned and adopted by SPF.

The FSS plays an integral role in setting out SPF's approach to managing long-term funding requirements and funding risk in LGPS whilst enabling stability and sustainability for participating scheme employers.

The stated purpose of a FSS is to:

- establish a clear and transparent fund-specific strategy that will identify how employers' pension liabilities will be met going forward.
- support the desirability of maintaining as constant and stable primary contribution rate as possible, as defined in Regulation 60 of the Local Government Pension Scheme (Scotland) Regulations 2018
- ensure that the regulatory requirements to set contributions to ensure the solvency and long-term cost efficiency of the fund are met.
- explain how the fund balances the interests of different employers.
- explain how the fund deals with conflicts of interest and references other policies/strategies.

Further details on the purpose of the pension fund are set out in **Appendix 2** to this statement.

Further details on the responsibilities of key parties are set out in **Appendix 3** to this statement.

3. Monitoring and Review of the FSS

The FSS is reviewed in detail every three years in conjunction with triennial actuarial valuations being carried out. The next full review is due to be carried out alongside the actuarial valuation as at 31st March 2029 and completed by 31 March 2030.

The FSS may be reviewed between actuarial valuations but it is expected that this would only occur in light of significant changes to the scheme such as material changes to the scheme regulations and/or its benefits structure.

Section B – Key Funding Principles

1 Funding target

1.1 Funding objective

The funding objective is to ensure that sufficient funds are available to pay all members' pensions now and in the future.

For measurement purposes the funding objective is formulated as: to achieve the funding target over the target funding period with an appropriate degree of probability. Under the 2023 funding strategy:

- the funding target (amount of assets compared to liabilities expressed as a percentage) is **at least 100%** using appropriate actuarial assumptions;
- the target funding period is the weighted average future working lifetime of the active membership – currently around **13 years** for the whole Fund, but longer or shorter for different employers depending on their own membership profile; and
- the probability of achieving the target is at least **83%**, and higher where possible.

For SPF as a whole and for ongoing employers the funding level will be measured on an ongoing actuarial basis, taking advance credit for anticipated investment returns.

For employers whose participation in SPF is to cease the funding level will be measured on a more prudent cessation basis and contribution rates will be set accordingly.

There are many inherent uncertainties in the funding process and a wide range of possible outcomes. It is acknowledged that the actual funding level will fluctuate as a result.

1.2 LGPS Regulations

The LGPS regulations require the actuary's report on the valuation to include a Rates and Adjustments certificate which specifies for each employer:

- the primary rate of the employer's contribution; and
- the secondary rate of the employer's contribution,

for each year of the period of three years beginning with 1st April in the year following that in which the valuation date falls.

1.3 Primary Contribution Rate

The primary rate of an employer’s contribution is defined in the scheme regulations as: the amount in respect of the cost of future accruals which, in the actuary's opinion, should be paid to a fund by all bodies whose employees contribute to it so as to secure its solvency, expressed as a percentage of the pay of their employees who are active members.

1.4 Secondary Contribution Rate

The secondary rate of an employer’s contribution is defined in the scheme regulations as: any percentage or amount by which, in the actuary's opinion, contributions at the primary rate should be increased or reduced by reason of any circumstances peculiar to that employer.

1.5 Actuarial Considerations

In setting rates the actuary must have regard to-

- the existing and prospective liabilities arising from circumstances common to all those bodies;
- the desirability of maintaining as nearly constant a primary rate as possible;
- the current version of the administering authority's funding strategy mentioned in regulation 56 (funding strategy statements); and
- the requirement to secure the solvency of the pension fund and the long term cost efficiency of the Scheme, so far as relating to the pension fund.

1.6 Solvency and Long Term Cost Efficiency

Employer contribution rates are required to be set at an appropriate level to ensure the solvency of the Fund and long term cost efficiency of the scheme.

In this context:

- **solvency** means that the rate of employer contributions should be set at such a level as to ensure that the scheme’s liabilities can be met as they arise; and
- **long-term cost-efficiency** implies that the 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.

These requirements are reflected in the funding objective.

1.7 Risk-Based Contributions

Strathclyde Pension Fund's strategy and the methodology adopted by the Fund actuary incorporate a risk-based approach which allows for thousands of possible future economic scenarios when assessing the likelihood of contributions being sufficient to meet both the accrued and future liabilities over a given time horizon for the Fund and for each employer, recognising that each employer has a different funding profile.

2 Managing risk

Risk management is integral to the governance and management of the Fund at a strategic and operational level. SPF actively manages risk and maintains a detailed risk register which is reviewed on a quarterly basis.

Details of risk management are set out in the Fund's Risk Policy and Strategy Statement which is available at www.spfo.org.uk

The key funding risks are set out in **Appendix 4** to this statement

3 Main actuarial assumptions

The main actuarial assumptions adopted at the 2026 actuarial valuation, and their derivation are summarised as follows.

Assumption	Description	Methodology
Financial Assumptions		
Discount rate	Average annual rate of future investment return that will be earned on the Fund's asset.	Based on actuarial modelling, SPF investment strategy, and SPF-determined level of prudence.
Benefit increases / CARE revaluation	Average annual rate of future benefit increases and CARE revaluation (which are based on CPI inflation in the LGPS).	Based on market observation, actuarial modelling, and SPF views on future inflation.
Salary increases	Average annual rate of future inflationary salary awards.	CPI inflation assumption (as above) plus SPF-determined margin.
Demographic Assumptions		
Baseline longevity	How long members are expected to live based on current observed death rates.	Based on published mortality data and *Club Vita* analysis of SPF-specific characteristics to provide a tailored best estimate.

Future improvements in longevity	How death rates are expected to change in the future (historically life expectancy has improved over time).	Based on latest available CMI (Continuous Mortality Investigation) model with parameters adjusted to reflect SPF's membership and views about future longevity drivers.
Members leaving dependants	Proportion of pensioners leaving a dependant pension at death.	Based on analysis of LGPS-wide demographic experience together with SPF-specific analysis.
Age difference with dependant	Difference in age between member at death and their surviving dependant.	Based on analysis of LGPS-wide demographic experience together with SPF-specific analysis.
Other demographic events	Events such as retirement age, rate of ill health retirement, level of commutation and 50:50 take up.	Based on analysis of LGPS-wide demographic experience together with SPF-specific analysis.

Further details of the actuarial assumptions are set out in the actuary's published report on the 2026 valuation.

4 Links to the Statement of Investment Principles (SIP)

The investment and funding strategies are very closely linked. The objective of the investment strategy is to support the funding strategy in ensuring that all pensions can be paid as they fall due now and into the future. Ultimately, if investment returns are lower than expected SPF may need to set higher contributions from employers to ensure benefits can be paid.

That being the case, the investment returns anticipated by the funding strategy must be compatible with those expected from the investment strategy. This is achieved by using similar asset liability modelling (ALM) as the basis for both strategies.

The investment strategy is set for the long term but is monitored continually and reviewed every 3 years.

The Fund initially applies a single investment strategy for all employers but may apply notional or actual variations where appropriate or after agreement with individual employers. This is most likely to occur when employers are closed to new members and/or are expected to exit SPF in the foreseeable future. In this case a lower-risk investment strategy, which can reduce the employer's exposure to market and funding risk is likely to be more appropriate.

Details of the investment strategy are set out in the Fund's Statement of Investment Principles which is available at www.spfo.org.uk

5 How employer contributions are calculated

SPF uses a risk-based approach to setting employer contributions.

This models thousands of possible future economic scenarios which allows the actuary to quantify the risk of an employer not meeting their funding target given a proposed contribution plan. The approach also seeks to ensure stability and affordability of contributions for employers while providing assurance that employer contributions are sufficient to meet the employer's funding target.

For ongoing employers with a good covenant the Fund adopts measures to stabilise the contribution rate and seeks to limit changes in the rate payable by them as far as possible.

For employers with a less secure covenant or where participation in the Fund may cease, rates are set to minimise risk to the Fund and its other employers.

Details of employers participating in SPF and how they may be grouped for funding purposes are set out in **Appendix 5** to this statement.

The contributions strategy is set out in **Appendix 6** to this statement.

6 Primary rate of the employer contribution

The primary rate of an employer's contribution is defined in the scheme regulations as: the amount in respect of the cost of future accruals which, in the actuary's opinion, should be paid to a fund by all bodies whose employees contribute to it so as to secure its solvency, expressed as a percentage of the pay of their employees who are active members.

The primary contribution rate may also be referred to as the employer's future service rate. It is calculated by the actuary based on the employer's membership profile, ignoring any past service surplus or deficit, and allowing for any employer-specific circumstances. The primary rate also includes the employer's share of administration costs and any insurance arrangements in place where applicable. The primary rate for the whole fund is the weighted average (by payroll) of the individual employers' primary rates.

7 Secondary rate of the employer contribution

The secondary rate of an employer's contribution is defined in the scheme regulations as: any percentage or amount by which, in the actuary's opinion, contributions at the primary rate should be increased or reduced by reason of any circumstances peculiar to that employer.

In practice, the secondary rate is calculated with reference to the employer's current funding position (including any surplus or deficit), and is set to achieve the employer's funding target over the employer's target funding period with an appropriate degree of probability.

For any employer the contributions they are required to pay is the sum of the primary and secondary contribution rates – the total contribution rate.

8 Payment of additional contributions

The actuary's funding basis assumes that members' benefits are payable from the earliest age that the employee could retire without incurring a reduction to their benefit and without requiring their employer's consent to retire. Premature retirement therefore incurs an additional actuarial cost. **Appendix 6** provides details of how costs for early and ill health retirals are managed by SPF.

9 Actuarial valuation

Regulation 60 requires each administering authority to obtain an actuarial valuation of the assets and liabilities of each of its pension funds as at 31st March 2020 and in every third year afterwards. In completing the valuation the actuary must have regard to the current version of the administering authority's FSS.

The actuarial valuation is essentially a measurement of the Fund's current and future liabilities, and the associated funding risk. The funding strategy deals with how the liabilities and the risk will be managed. In practice, review of the FSS and completion of the actuarial valuation are carried out in tandem to ensure that the measurement and management processes are cohesive. Both the FSS and the actuarial valuation are completed within 12 months of the valuation date.

10 Review of employer contributions between valuations

Regulation 61A permit administering authorities to review an employer's contribution rate where there has been a significant change to the liabilities or covenant value of that employer. Changes in funding values due to market movements are not of themselves sufficient to trigger a review and are best managed through the triennial valuation process. SPF would only action such a review in very exceptional circumstances such as a large transfer in or out of an employer's members.

11 Fund approach to managing surpluses and deficits

In managing its funding position SPF adopts flexibility in 4 broad areas of funding strategy:

- retention of surplus (as insurance against future adverse economic conditions)
- changing the investment strategy (to take more / less investment risk)
- increasing / decreasing prudence levels (to take less / more funding risk)
- increasing / reducing employer contribution rates (above / below the primary contribution rate).

12 Employer covenant

Since 2017, *PwC* has been commissioned to complete a high level covenant risk assessment of each of the Fund's employers at each actuarial valuation. The assessment is s based on the employers' published financial statements and produces 3 key performance indicators for each employer:

- a balance sheet KPI
- an earnings KPI and
- an affordability KPI

Each KPI provides a broad measure of the financial cover the employer has available to meet its SPF liabilities. The KPIs are incorporated into the actuarial process.

PwC also carries out deep-dive covenant assessment for a selection of employers, which may involve engagement with the employer and a request for additional, unpublished information.

13 Guarantors

Schedule 2 Part 2 of the scheme regulations require admission bodies to secure a guarantee in certain circumstances. The regulations also implicitly require scheme employers in certain situations, such as outsourcing, to guarantee the liabilities of related admission bodies.

In practice, for more than 20 years, SPF has required all new admission bodies to secure a guarantee. There are though, some admission bodies with longer participation in SPF who were not required to provide a guarantee.

The guarantee may be taken into account in setting employer employer contributions (e.g. by allowing the admission body to participate in the Main Employer Group (MEG)), though this depends on the terms of the guarantee and admission agreement.

All contributions and other payments due to SPF will usually be sought in the first instance from the admission body. This includes any exit payment due. Recourse to the guarantor would be a course of last resort in the event of default by the employer. However, by agreement the guarantee may facilitate an employer exit by allowing the assets and liabilities of the exiting employer to be subsumed into those of the guarantor. This is particularly the case with pass-through admission arrangements where the admission body pays a fixed employer contribution rate and the liabilities remain the responsibility of the guarantor, avoiding the need for any exit payment or any exit credit. This is SPF’s strongly preferred form of admission.

14 Admission bodies

Schedule 2 Part 2 of the scheme regulations requires admission bodies to carry out a risk assessment to the satisfaction of the scheme employer and the administering authority.
SPF’s view is that responsibility for the risk assessment, and the decision as to whether a bond is required is essentially one for the scheme employer. In essence, the bond offers some protection in the event of default by the admission body. In that event, SPF would have recourse to the scheme employer’s guarantee for any exit payment due or any other liabilities. The protection offered by any bond or security therefore primarily affects the scheme employer.

The scheme employer is also better placed to make that decision by merit of diligence carried out as part of letting the contract, and through knowledge of the terms of the contract, to which SPF is not a party.
In SPF's experience it is very unusual for the scheme employer to enforce the bond requirement.
It is much more common for the scheme employer to provide a guarantee as provided for under clause 8 of Part 2 of Schedule 2. That guarantee is, in any event, implicitly provided by regulation 61 (5).

15 Links to administration strategy

SPF's Pension Administration Strategy (PAS) and other policy documents are available on the SPF website. The PAS sets out how SPF works in partnership with employers to provide the LGPS for their employees. It outlines the responsibilities, performance and procedures for employers and SPF. Key to this is member data which underpins all aspects of scheme administration. It is the basis for: annual benefit statements and other member communications and engagement; the Pensions Dashboard; all individual pension calculations; and employer calculations for actuarial and accounting (FRS102/IAS19) purposes. As such, it is critical that employers provide high quality data to SPF to ensure that liabilities can be calculated accurately.

Section C – Employer Events

1 Joining the fund / employer contribution rate setting

Where a new employer will have employees with existing service in SPF, an opening funding position will be established. This may be on a fully funded basis at the point of transfer, a share of Fund or other basis depending on the circumstances and subject to agreement between the parties to the admission agreement. An initial employer contribution rate will be set accordingly. Where a new employer has no members with existing service, the initial employer contribution rate will be the future service rate.

2 Preparing for exit – events which may trigger termination

Employers' participation in the Fund is generally assumed to be open-ended. However, there are circumstances where an employer's participation ceases and it becomes an exiting employer. These include:

- where the employer no longer has an employee contributing towards SPF;
- where either party voluntarily terminates the admission agreement by giving an appropriate period of notice to the other party (or parties);
- the employer ceasing to be eligible under the regulations to participate in SPF;
- the insolvency, winding up or liquidation of the employer;
- any breach by the employer of any of its obligations under the admission agreement that they have failed to remedy to the satisfaction of SPF; or
- a failure by the employer to pay any sums due to the Fund within the period required by SPF.

Appendix 7 sets out SPF's exit policy.

3 Deferred debt agreements or debt spreading arrangements

Regulation 61 makes provision for deferred debt or debt spreading arrangements. SPF may agree these types of arrangements at an employer's request and having taken appropriate actuarial and/or legal advice. This will be addressed on a case by case basis.

4 Suspension notices

Regulation 61 provides discretion for an administering authority to issue a suspension notice and suspend payment of an exit amount for up to three years. SPF may do this at an employer's request, having taken appropriate actuarial and/or legal advice. And where it reasonably believes the exiting employer is likely to take on one or more active members within the period specified in the suspension notice. This will be addressed on a case by case basis.

Where a suspension notice is granted, but the employer fails to employ an active member the administering authority may withdraw the suspension notice and proceed with the exit process conducting an exit valuation in accordance with Regulation 61 and the exit policy set out in **Appendix 7**.

5 Partial terminations

Partial termination is understood as: where an employer seeks to partially exit a fund in respect of the past service liabilities of their deferred and pensioner members but seeks to remain a participating employer for active members and their associated future accrual. There is no explicit provision for this within the scheme regulations, and it is not clear that this is a legitimate option that exists within the LGPS legal framework. In the absence of robust advice to the contrary, SPF will therefore not consider requests of this nature from employers.

6 Bulk transfers to/from LGPS

Transfers of liabilities where members have moved between employers within the Fund occur automatically within the actuarial process. The employer to whom service is transferred becomes responsible for all past service liabilities and receives a notional transfer of assets on a cash equivalent transfer value basis. Individual transfers to and from other schemes within the public sector transfer club are processed at the member's request in accordance with the provisions of the Local Government Pension Scheme regulations and associated guidance.

When a group of employees joins the Fund as part of a bulk transfer from another fund or scheme, the administering authority's objective is to ensure that the Fund does not accept an ongoing funding deficit in respect of the transferring employees, i.e. the Fund will not usually accept a bulk transfer unless the transfer amount is at least sufficient to meet the value of the benefits being transferred, calculated on the ongoing funding basis as set out in this strategy statement. When a group of employees leaves the Fund as part of a bulk transfer to another scheme, the administering authority's objective is to protect the funding position in respect of the remaining members and employers (i.e. the transfer amount offered in respect of the transferring employees should be at most 100% of the transferring liabilities calculated on the transfer date on the ongoing funding basis). A transfer amount of less than 100% of the transferring liabilities may be offered in order to minimise any deficit in the employer's remaining liabilities in the Fund. An additional employer contribution may be required as part of this process.

Appendices

1. Background
2. Scheme, Fund and Funding Objectives
3. Responsibilities of Key Parties
4. Key Funding Risks and Controls
5. Employers
6. Contributions Strategy
7. Exit Policy
8. Key Figures from the Actuarial Valuation

Appendices

Appendices 1

Appendix 1

Background

1.1 Preparation

This Funding Strategy Statement (FSS) has been prepared by the administering authority in collaboration with SPF's actuary, Hymans Robertson LLP, and after consultation with the Fund's employers and other interested parties. This FSS has been prepared in conjunction with the actuarial valuation of the Fund as at 31 March 2026.

1.2 Regulatory Framework

Preparation and publication of a Funding Strategy Statement is a requirement of regulation 56 of the Local Government Pension Scheme (Scotland) Regulations 2018.

The FSS has been prepared in accordance with *Guidance for Preparing and maintaining a Funding Strategy Statement (FSS)* which was issued in January 2025 and has been adopted by the LGPS Scheme Advisory Boards in England & Wales and in Scotland, and endorsed by the Scottish Public Pensions Agency on behalf of Scottish Government.

The FSS forms part of a framework which includes:

- The Public Service Pensions Act 2013;
- the Local Government Pension Scheme (Scotland) Regulations 2018 and other LGPS regulations;
- guidance issued or endorsed by Scottish Ministers or other authoritative sources;
- actuarial factors issued by the Government Actuary's Department (GAD);
- the Rates and Adjustments Certificate, which is appended to the triennial actuarial valuation report; and
- the Fund's Statement of Investment Principles, Pension Administration Strategy and other relevant policy documents.

This is the framework within which the Fund's actuary carries out triennial valuations to set employers' contributions, and provides recommendations to the administering authority when other funding decisions are required, such as when employers join or leave the Fund. The FSS applies to all employers participating in SPF.

1.3 Funding Mechanism

Members' accrued benefits are guaranteed by statute. Members' contributions are set by the regulations at a rate which covers only part of the cost of accruing benefits. Investment income meets a further part of the cost. Employers pay the balance of the cost of delivering the benefits to members. The FSS focuses on the pace at which these benefits are funded and on practical measures to ensure that employers pay for their own liabilities.

1.4 Measurement and Monitoring of Funding Position

The funding position is formally measured every three years in the triennial actuarial valuation. The administering authority has access to Hymans Robertson's client portal which provides daily updates on whole Fund and individual employer funding positions on a roll-forward basis from the triennial valuation.

The administering authority carries out detailed monitoring of investment performance on a quarterly and annual basis via its Investment Advisory Panel. This includes comparison of investment returns relative to the assumed growth in the liabilities, and review of a quarterly funding projection provided by the actuary. Summary monitoring reports are considered by the Strathclyde Pension Fund Committee and are publicly available via the Fund's (www.spfo.org.uk) and the Council's (www.glasgow.gov.uk) websites. Performance is also reported at the Fund's AGM.

1.5 Queries

The FSS is a summary of SPF's approach to funding liabilities. It is not an exhaustive statement of policy on all issues. Queries regarding the FSS should be addressed to Strathclyde Pension Fund Office, email spfo@glasgow.gov.uk or call 0345 890 8999.

Appendices 2

Appendix 2

Scheme, Fund, and Funding Objectives

2.1 Scheme Objectives

The objectives of a funded pension scheme include:

- allocating and safeguarding assets to ensure that pensions can be paid as promised; and
- reducing the level and variability of pension costs over time for employers compared with an unfunded (pay-as-you-go) alternative.

The funding mechanism should also minimise any intergenerational transfer of liabilities.

2.2 Fund Objectives

The Fund is the vehicle for the delivery of scheme benefits.

The purpose of the Fund is to:

- receive monies in respect of contributions, transfer values and investment income;
- invest monies in accordance with policy formulated by the administering authority; and
- pay out monies in respect of scheme benefits, transfer values, costs, charges and expenses.

The aims of the Fund are to:

- ensure that sufficient resources are available to meet all liabilities as they fall due;
- manage employers' liabilities effectively;
- seek investment returns within reasonable risk parameters; and
- enable employer contribution rates to be kept as nearly constant as possible at reasonable cost to the employers while achieving and maintaining fund solvency and long term cost efficiency.

2.3 Funding Strategy Objectives

The objectives of SPF's funding strategy include the following:

- to ensure the solvency of the Fund and the solvency of individual employers' share of the Fund;
- to ensure the long term cost efficiency of the scheme in order to secure as far as possible its affordability to employers;
- to ensure that sufficient funds are available to meet all benefits as they fall due for payment;
- to provide a framework for the investment strategy of the Fund;
- to help employers recognise and manage pension liabilities as they accrue;
- to inform employers of the risks and potential costs associated with pension funding;

- to minimise the degree of short-term change in the level of each employer’s contributions where the administering authority considers it reasonable to do so;
- to use reasonable measures to reduce the risk to other employers from an employer defaulting on its pension obligations; and
- to address the different characteristics of the disparate employers or groups of employers to the extent that this is practical and cost-effective.

Appendices 3

Appendix 3

Responsibilities of Key Parties

1 Administering Authority

The administering authority is responsible for:-

- managing the Strathclyde Pension Fund in accordance with the regulations;
- establishing and maintaining a Pension Board in accordance with the regulations;
- collecting employer and employee contributions;
- investing surplus monies in accordance with the regulations;
- ensuring that cash is available to meet benefit payments when they fall due;
- paying pension benefits in accordance with the regulations;
- managing the valuation process in consultation with the Fund's actuary;
- managing any potential conflicts of interest including those arising from its dual role as scheme manager and scheme employer;
- preparing and maintaining a Funding Strategy Statement (FSS) and a Statement of Investment Principles (SIP), both after proper consultation with interested parties;
- monitoring all aspects of the Fund's performance and funding;
- working with employers to achieve the funding aims and objectives; and
- determining and paying any exit credits due to exiting employers.

2 Employers

Each individual employer is responsible for:-

- contractually enrolling relevant staff into the scheme
- funding all liabilities relating to their employees within the Fund;
- deducting contributions from employees' pay correctly;
- paying all contributions, including their own as determined by the actuary, promptly by the due date;
- exercising discretions within the regulatory framework and in accordance with their own policies;

- making additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits, early retirement strain;
- notifying the administering authority promptly of all actual membership changes including scheme joiners and leavers;
- providing the administering authority with accurate member data including payroll data;
- notifying the administering authority promptly of any proposed changes to membership which may affect future funding; and
- paying any exit payment on ceasing participation in SPF.

3 Fund Actuary

The actuary is responsible for:-

- completing valuations including the setting of employers' contribution rates after advising on and agreeing assumptions with the administering authority and having regard to the regulatory framework;
- producing cash flow data to inform asset liability modelling;
- providing regular inter-valuation monitoring information; and
- preparing advice and calculations in connection with new employers, exiting employers, bulk transfers and individual benefit-related matters as required.

4 Pension Board

The Pension Board is responsible for:-

- assisting SPF in relation to compliance with scheme regulations and the requirements of the Pensions Regulator.

Appendices 4

Appendix 4

Key Funding Risks and controls

RISK			RANKING		
Risk Title	**Risk Description**	**Mitigation / Controls**	**Residual Probability (/5)**	**Residual Impact (/5)**	**Residual Risk (/25)**
Inflation Impact	**RISK:** Pay and price inflation significantly more or less than anticipated for a protracted period. **CAUSE:** Macroeconomic. **EFFECT:** Increase in liabilities; increase in asset price volatility; potential underfunding; potential increase in employer contribution rates	Actuarial valuation; inter-valuation monitoring; asset liability modelling; some inflation protection in assets.	3	3	9
Scheme Employer Statutory Function Failure	**RISK:** Scheme employer failure to carry out statutory functions including submission of member data and contributions to SPFO. **CAUSE:** Under-resourcing/Scheme Complexity. **EFFECT:** Missing, incomplete and incorrect records on pensions administration system; undermines service delivery and causes difficulties in establishing correct benefits at individual member level, and liabilities at employer and whole of Fund level. Potential issues with the Pensions Regulator.	Regular communication with employers and their staff including Pensions in Partnership, Technical Bulletins, Employer Forum, Pension Board, scheme guide, liaison officers, dedicated employer area on SPFO website. Employers' HR and payroll controls. SPFO check individual records at points of significant transaction. Periodic bulk data checking by actuary. Member Records team within SPFO. Administration Strategy. Data improvement plan. I Connect.	3	3	9
Pensioner Mortality	**RISK:** Pensioners living longer than anticipated in actuarial valuation. **CAUSE:** Socio-economic **EFFECT:** Increase in liabilities; underfunding; potential increase in employer contribution rates.	Set mortality assumptions with some allowance for future increases in life expectancy. SPF participates in Club Vita to monitor mortality experience. Cost cap introduced in LGPS 2015 should limit impact.	3	3	9
Discount Rate	**RISK:** Fall in interest rates and risk-free returns on Government bonds. **CAUSE:** Macro-economic. **EFFECT:** Rise in value of liabilities; long-term underfunding; potential increase in employer contribution rates.	Performance of both assets and liabilities is monitored quarterly. Full actuarial valuation is carried out every three years. Funding Strategy includes smoothing measures to provide stability of contributions.	3	3	9

Climate-related financial loss	**RISK:** climate-related financial loss. **CAUSE:** failure of climate change strategy; failure of global economy to address climate change issues. **EFFECT:** obsolescence impairment or stranding of assets; changing consumer demand patterns; changing cost structure (including emissions pricing).	Climate Change Strategy, Climate Transition Plan, Net Zero Investment Framework, Responsible Investment Strategy, diversification of Investments, Direct Impact Portfolio and other positive investment opportunities.	3	3	**9**
Gearing Effect	**RISK:** Fund liabilities grow more quickly than employer payrolls. **CAUSE:** different drivers of growth affecting Fund (inflation, longevity, maturity, investment returns) and employers (public sector financing, budgetary constraints, Public Service Reform). **EFFECT:** Increased volatility; any underfunding may require increase in employer contribution rates disproportionate to payrolls.	Funding Strategy; actuarial valuations; inter-valuation monitoring; asset liability modelling: funding surplus.	3	3	**9**
Fund Investment Impact	**RISK:** Fund's investments fail to deliver returns in line with the anticipated returns underpinning valuation of liabilities over the long-term. **CAUSE:** Macro Economic. **EFFECT:** Long-term underfunding; significant increase in employer contribution rates.	Performance of both assets and liabilities is monitored quarterly. Strategy development is discussed every quarter by the Investment Advisory Panel and reviewed fully every 3 years in line with the actuarial valuation which anticipates long-term returns on a relatively prudent basis. Current strategy targets: - a greater than 80% probability of being 100% funded over the the average future working lifetime of the active membership (the target funding period) and - a less than 10% probability of falling below 80% funded over the next three years. Significant surplus recorded at 2023 and 2026 actuarial valuations.	4	2	**8**
Other Actuarial Loss	**RISK:** Actuarial loss. **CAUSE:** Changing pattern of demographic experience including early retiral, ill health retiral, withdrawal, 50:50 uptake, commutation, marriage/partnership. **EFFECT:** Pressure on cash flow and funding equation.	Monitored in actuarial valuation. Strain on the fund charges. Ill health retirement experience is monitored and insurance is available. Cash flow monitoring.	2	3	**6**
Employer Default	**RISK:** Employer default. **CAUSE:** Employers ceasing to exist with insufficient funding or adequacy of a bond, or with liabilities for unfunded discretionary payments, or administering authority failure to enforce the debt. **EFFECT:** Residual liability falls on remaining employers, potential termination of unfunded payments.	Regulations, Funding Strategy, admissions policy and process, guarantees from existing Scheme employers, covenant review, pre-payment wherever possible, monitoring of contributions, in-depth membership analysis via actuarial valuation, employers required to advise of any structural changes. Funding surplus.	1	3	**3**

Appendices 5

Appendix 5

Employers

1 Employer Risk

Employers vary in size, membership profile, source and security of funding, and length of participation in the Fund. In developing the funding strategy and policies, SPF seeks to address the different funding risks of the different employers or groups of employers.

2 Participating Employers

Employers participating in SPF fall broadly into 3 categories:-

Scheduled Bodies have a statutory right to participate in the scheme by merit of being listed in Schedule 2 of the 2018 scheme regulations. Scheduled bodies include local authorities, joint boards, further education colleges and other statutory bodies.

Community Admission Bodies (CABs) are not-for-profit organisations which participate in the scheme as a result of an admission agreement with the administering authority. They include a diverse range of public sector bodies with some connection or community of interest with a scheme employer.

Transferee Admission Bodies (TABs) are contractors which provide a service for or on behalf of a scheme employer.

3 Employer Groups

For funding purposes employers in the Fund are divided into the following groups of organisations sharing the same broad characteristics and risk profiles.

- scheduled bodies with tax raising powers (and associated bodies),
- colleges and scheduled bodies without tax raising powers,
- transferee admission bodies,
- other admitted bodies open to new entrants,
- other admitted bodies closed to new entrants, and
- employers with no contributing members.

A full list of employers and their grouping is set out in an appendix to the actuarial valuation report.

4 Employer Liabilities and Asset Tracking

Liabilities for each employer are valued every 3 years based on current membership data, the current scheme benefits structure and appropriate financial and demographic assumptions about the future. Assets were apportioned to each employer in 2002 and are tracked on the basis of cash-flows including contributions paid in to the Fund, benefits paid out and other receipts and payments. Actual investment returns achieved on the Fund are applied proportionately across all employers on the basis of their notional share of assets.

5 New Employers - Admissions Policy

New bodies are admitted to participate in the Fund in accordance with the provisions of the regulations and with legal and actuarial advice.

The regulations include specific requirements for a risk assessment, bond, indemnity or guarantee. These are designed to protect the Fund and its employers from the risk of default by a new employer.

In assessing new employers for admission to SPF the interests of existing employers take priority.

Appendices 6

Appendix 6

Contributions Strategy

1 Risk Methodology

Setting contribution rates using a risk-based approach requires SPF and the Actuary to consider the following factors for each employer:

Factor	Assessment
The employer's funding target.	100% for all employers. On the ongoing basis for most, but a cessation basis for employers whose participation in the Fund may cease imminently.
The employer's target funding period. (time horizon)	The weighted average future working lifetime of the employer's active membership.
The employer's covenant.	Since 2017, *PwC* has been commissioned to complete a high level covenant risk assessment of each of the Fund's employers at each actuarial valuation. The assessment is based on the employers' published financial statements and produces 3 key performance indicators for each employer: ▪ a balance sheet KPI ▪ an earnings KPI and ▪ an affordability KPI Each KPI provides a broad measure of the financial cover the employer has available to meet its SPF liabilities. The KPIs are incorporated into the actuarial process. *PwC* also carries out deep-dive covenant assessment for a selection of employers.
An appropriate likelihood of meeting the funding target within the time horizon (*likelihood of success*)	Set at a minimum **83%** probability depending on the factors above together with affordability and stability considerations.

2 Other Risk Factors

SPF aims to achieve stability of contributions as far as possible, but securing solvency and long-term cost efficiency are over-riding regulatory requirements. This may lead to greater variation in rates for some employers, particularly in the following circumstances:

- where the employer is a transferee admission body;
- where the employer does not admit new entrants to the Fund;
- where the employer seems likely to cease participation in the Fund over the short to medium term;
- where the strength of the employer covenant is considered to be weak;

- where there has been a substantial transfer of members and hence liabilities to or from the employer which, in the opinion of the administering authority and the Fund actuary, warrants individual treatment;
- where the employer's underlying membership data is not fit for the purposes of the actuarial valuation; and
- in any other circumstances, where the experience of an employer has been out-of-line with that of the Fund as a whole, and an individual adjustment is deemed to be appropriate by the administering authority and the SPF actuary.

3 Employer Grouping

Certain employers may be grouped together for the purposes of setting contribution rates. Assets and liabilities will still be identified separately but adjustments may be applied to ensure that grouped employers pay a similar total rate (primary rate plus secondary rate). This allows greater stability through shared covenant and actuarial experience. Grouping will usually apply where employers are related or linked by a common guarantee – e.g. a local authority and its arm's length organisations.

4 Main Employer Group (MEG)

The main employer group includes the 12 local authorities which participate in SPF, associated employers such as arm's length external organisations which share their covenant, and other employers which are assessed as having a strong covenant or low risk profile.

5 Individual Adjustments

Individual adjustments or secondary contribution rates, where they apply, are based on the following principles.

- For employers in surplus and not close to cessation any adjustment will usually be expressed as a percentage of pensionable pay.
- For employers in deficit or closed to new membership any adjustment may be expressed in monetary terms.

6 Funding Principles

Given the difficult public finance environment and the gearing effect of the Fund's liabilities in comparison to employer payrolls, any future increases in contribution rates would be extremely difficult for employers to accommodate in budgets, particularly if they are unexpected. To address that, the following principles were adopted at the 2023 actuarial valuation, and remain appropriate for the current valuation.

Employer Type	Funding Principle
Main Employer Group	▪ To ensure that employers factor a realistic long-term cost into future budgets, the contributions strategy will be based on a prudent estimate of the long-term sustainable total employer contribution rate. ▪ Where circumstances allow, reductions below that rate may be applied in the first 2 years of the certification period (2027/28 and 2028/29) but the rate will revert to the long-term rate in the final year (2029/30). ▪ Rates will not reduce to zero. In any year, the employer contribution rate will not be lower than the average member contribution rate. ▪ Rates will continue to be based on each employer's individual characteristics including their membership, risk profile, covenant and time horizon. Reductions will only be applied where the rate achieves an acceptable likelihood of success for the employer's funding target.
Open Employers	Rates for employers in this group follow a similar pattern to the MEG, but the other employers are less homogenous, so there are a small number of variations.
Closed (with guarantor)	Rates for employers in these groups target 100% funding on a cessation basis (**90%** LoS) at point of exit with default 50% LoS rate in interim. **TBC**
Closed (no guarantor)	
Exiting (≤ 7 years)	

7 Phasing in of Adjustments

Adjustments usually apply equally over the 3 years of the intervaluation period. However, at the 2026 actuarial valuation larger adjustments have been applied for most employers in the first 2 years than in the 3rd with a view to achieving a balance between short-term reductions in rates and targeting a long-term sustainable rate. Employers have the option to adjust this, at their request, to provide an even contributions profile over the 3 years, though this does increase the risk of a large increase at the next valuation. Any phasing in of adjustments should not reduce the total amount payable over the 3 years.

8 Conditional Certification

At the 2026 actuarial valuation, an additional mechanism has been introduced: the rate in year 3 will be certified as provisional, but with an option to maintain the lower rate applied in years 1 and 2 if economic conditions remain supportive of that course of action. This mechanism is intended to support the previously adopted principles, but avoid any unnecessary volatility in the employer contribution rate.
The mechanism is summarised as follows.

The provisional results of the 2026 valuation show:

- a funding level of **152%**; and
- a likelihood of success of **89%** at the end of the 13-year funding time horizon associated with paying **6.5%** of pay.

The draft proposed metrics are that one of the following 2 conditions must be met for the **6.5%** rate to apply in year 3:

- a funding level on or above **125%** as at 30 September 2028;
- at least an **83%** likelihood success associated with paying **6.5%** of pay

For the avoidance of doubt, if both metrics are failed (a funding level lower than **125%** and a likelihood of success less than **83%**), the fund is no longer in a sufficiently strong position to set the lower year 3 rate.

9 Rates and Adjustments Certificate

The rates and adjustments set for each employer are detailed in the Rates and Adjustments Certificate which forms an Appendix to the actuary's report on the triennial valuation. These are minimum required payments. Employers may make additional payments or make payment in advance of the due date by prior agreement with the administering authority.

10 Early Retirements

The actuary's funding basis assumes that members' benefits are payable from the earliest age that the employee could retire without incurring a reduction to their benefit and without requiring their employer's consent to retire. Premature retirement therefore incurs an additional actuarial cost.

11 Non ill health retirements ("Strain on the Fund" costs)

Employers are required to pay a "strain on the fund" cost whenever an employee retires before attaining the age at which the valuation assumes that benefits are payable. This is in addition to the contributions described above. Strain on the Fund costs must be paid as a lump sum payment at the time of the employer's decision or by limited instalments shortly after the decision. Strain costs are usually based on standard tables, but individual factors may be applied in certain circumstances.

12 Ill Health Retirement

The actuary's funding basis makes some allowance for premature retirement on grounds of ill health. Each employer's actual ill health retirement experience impacts on their liabilities and net funding calculation. This may be reflected in an employer's contribution rate, particularly if their experience exceeds the allowance made by the actuary. SPF monitors each employer's, or group of employers', ill health experience but does not currently levy additional "strain on the fund" contributions in respect of ill health retirals. This approach may change in future.

13 Ill Health Insurance

Employers may enter into an insurance contract to provide cover for the cost of ill health retirements. With the agreement of the Fund's actuary, the cost of such a contract may be offset against the employer's contributions to the Fund.

14 Security

Whilst all contributions are usually payable in cash, SPF may, in exceptional circumstances, accept alternative forms of security to be held against any funding deficit in lieu of immediate cash contributions. This might include a bond or indemnity, group, parent company or funder guarantee, or some form of contingent asset. Any such arrangement would require to be agreed with the administering authority and fully documented.

Appendices 7

Appendix 7

Exit Policy

1 Scheme Regulations

Employer exits are managed in accordance with the regulations (regulation 61) which require a revised actuarial valuation and certificates to be obtained in respect of the exiting employer.

In managing employer exits SPF will seek to protect its interests and the interests of other employers remaining in the Fund from the likelihood of any material loss emerging in future in respect of the exiting employer’s liabilities.

Members’ interests - their accrued pension rights - are fully protected and are not impacted by the exit policy or by the amount of any exit credit or exit payment.

2 Revised Actuarial Valuation

In carrying out the revised valuation on exit the actuary will generally adopt a valuation assumptions basis which provides a higher probability of achieving the funding target than the basis that is used for ongoing employers where the Fund has ongoing recourse to the employer to make good any future funding shortfall. This approach results in a higher value being placed on the liabilities on a cessation basis than would be the case under a valuation on the ongoing funding basis. The administering authority determines the appropriate assumptions basis having taken advice from the actuary. The current cessation funding basis is summarised in **Appendix 6** to this FSS.

3 Exit Payments

An exiting employer is liable under the regulations to make or receive an exit payment or exit credit after which no further payments are due to or from that employer in respect of its liabilities.

Where the revised actuarial valuation establishes that there is an excess of liabilities in the Fund relating to that employer over the assets, the exit payment due from the employer will be the amount of that excess as at the exit date as calculated and certified by the actuary on the cessation funding basis.

Where the revised actuarial valuation establishes that there is an excess of assets in the Fund relating to that employer over the liabilities, SPF will determine the amount of the exit credit payable to the employer, which may be zero.

4 Exit Payment Arrangements

Any exit payment will initially be calculated as a single capital sum for immediate payment. In the first instance payment of this sum, less any amount recoverable from a bond or indemnity, will be sought from the exiting employer. Alternative payment arrangements will be considered and may be implemented subject to agreement of suitable terms. These include:

- where the exiting employer has a guarantor which is a participating employer in SPF, the assets and liabilities of the exiting employer may be transferred to the account of the guarantor and the exit payment recovered through ongoing contributions by the guarantor;
- where the exiting employer has a guarantor which is not a participating employer in the Fund, payment may be sought from the guarantor;
- payment by instalments spread over a number of years may be agreed; or
- a deferred debt agreement, whereby a suspension notice is issued in respect of the exit payment, the employer continues to pay contributions at an agreed amount, and the debt and contributions are re-assessed at subsequent triennial valuations.

Under any of these arrangements, the administering authority may agree to accept security against the exit debt to facilitate a more flexible payment arrangement.

5 Unpaid Amounts

In the event that SPF is not able to recover the exit payment in full directly from the exiting employer or from any guarantor, bond or indemnity, the unpaid amounts will be shared amongst all of the remaining employers in the Fund. SPF will take all reasonable steps to avoid this situation by enforcing the exit debt on the departing employer and/or guarantor and actively working with employers to manage the exit process.

6 Exit Credits - Determination

The actuarial approach adopted already protects the Fund and its remaining employers against future adverse outcomes. So SPF's default approach will be to determine that the exit credit payable will be the amount of the excess of assets in the Fund relating to that employer over the liabilities as at the exit date as calculated and certified by the actuary on the cessation funding basis.

However, each case will be considered on its own merits and there may be some exceptions. In exercising its discretion to determine the amount of any exit credit the administering authority will have regard to the following factors:

- the extent to which there is an excess of assets in the fund relating to that employer over the liabilities;
- the proportion of this excess of assets which has arisen because of the value of the employer's contributions;
- any representations to the administering authority made by the exiting employer and, where that employer participates in the scheme by virtue of an admission agreement, any related body as listed in the regulations;
- any other relevant factors, which might include:
- the terms of any admission agreement or guarantee;
- the exiting employer's obligations to SPF and the extent of its exposure to investment and funding risks while participating in SPF;
- the methodology used to calculate the employer's funding position during the period of its participation – including on admission and exit;
- whether the employer's participation in SPF has resulted from a transfer of staff from another employer;
- whether another employer has been exposed to funding risk by providing a guarantee for the exiting employer;
- whether the exiting employer's participation in SPF has been of short duration;
- whether the employer's participation commenced before the exit credit regulations became effective in 2018;
- whether the employer's termination has terminated earlier than anticipated, and if so the reason for termination;
- any outstanding amounts due to SPF, which may be deducted from any exit credit before payment.

7 Exit Credits – Process

The process to be followed will as far as possible be as follows:

- once exit has been confirmed, SPF will notify the employer, and any other relevant body of its intention to make a determination;
- SPF will determine the proposed amount of the exit credit (which may be zero) as soon as possible after the exit date and will notify the employer and any other relevant body;

- the employer and any other relevant body will have a period of one month after notification to make any representations unless otherwise agreed between the parties;
- SPF will then make a determination of the final amount of the exit credit;
- in the event of any remaining disagreement, the employer or other relevant body should request that SPF review the decision in the first instance, or may seek to have the determination reconsidered under any appropriate provisions contained in the relevant regulations;
- the exit and the amount of the exit credit will be recorded in a minute of agreement; and
- SPF will then arrange payment within 6 months of the exit date or such longer period as may be agreed.

8 Exit Management and Planning

SPF will actively manage the exit process by:

- seeking to identify exiting employers ahead of the likely exit date;
- setting contribution rates to anticipate any imminent exit;
- providing employers with details of their individual funding position, including exit debt/credit figures, at each actuarial valuation or at other times on request; and
- engaging with employers on the exit payment and other arrangements.

Employers are encouraged to contact SPF well in advance of any planned or potential exit.

Appendices 8

Appendix 8

Key Figures from the Actuarial Valuation

For a detailed explanation of the figures in this Appendix, see the actuary's report on the valuation of the Fund as at 31st March 2026.

Fund Valuation

	31 Mar 2017 (£m)	31 Mar 2020 (£m)	31 Mar 2023 (£m)	31 Mar 2026 (£m)
Past Service Liabilities	**18,761**	**19,744**	**18,970**	**22,067**
Market Value of Assets	**19,699**	**20,941**	**27,872**	**33,436**
Surplus/(Deficit)	**939**	**1,197**	**8,902**	**11,369**
Funding Level	**105%**	**106%**	**147%**	**152%**

Fund Contribution Rates

	Primary Rate	Secondary Rate
2017 Valuation	***27.1%***	***-7.5%***
2020 Valuation	***26.7%***	***-7.1%***
2023 Valuation	**21.8%**	
2024/25		**-15.1%**
2525/26		**-15.2%**
2026/27		**-4.7%**
2026 Valuation	**c24%**	**tbc**

Notes:
This is the whole Fund (or average) employer contribution rate. Rates for each employer are calculated individually. Individual employer contribution rates are set out in the actuary's report on the valuation.

Funding Period

	31 Mar 2017	31 Mar 2020	31 Mar 2023	31 Mar 2026 (%)
Average Future Working Lifetime	**14 years**	**13 years**	**13 years**	**tbc**

Note: this is the whole Fund (or average) funding period. Employer contribution rates are based on each employer's own funding period.

Financial Assumptions

	31 Mar 2017 (%)	*31 Mar 2020 (%)*	*31 Mar 2023 (%)*	31 Mar 2026 (%)
Discount rate				
Pre-retirement	***3.7***	***3.0***	***5.0***	**5.3**
Post-retirement	***3.3***	***3.0***	***5.0***	**5.3**
Salary Increases	***3.6***	***2.6***	***3.4***	**3.5**
Pensions Increase (CPI)	***2.4***	***1.9***	***2.7***	**3.0**

Required Investment Return

	31 Mar 2020	31 Mar 2023	31 Mar 2026 (%)
Required Return to be 100% Funded	**2.7% p.a.**	**2.6% p.a.**	**2.6% p.a.**
Likelihood of Achieving Required Return	**77%**	**94%**	**>95%**

Investment Returns

	Expected Return (% p.a.)	Volatility (1-year) (%)
Index Linked Gilts	**5.0**	**6.7**
Fixed Interest Gilts	**6.1**	**5.4**
Corporate Bonds	**6.7**	**6.3**
Listed Equity	**7.8**	**18.6**

Private Equity	**9.4**	**27.0**
Property	**6.8**	**15.9**
Absolute Return Bonds	**4.8**	**2.7**
Multi Asset Credit	**7.6**	**6.1**
Private Debt	**8.9**	**9.1**
Infrastructure Equity	**7.7**	**14.6**
Cash	**4.0**	**0.3**

Note: these are illustrative figures from Hymans Robertson's proprietary financial model as at 31st March 2026. They show median projected returns over 20 years.

Assumed Life Expectancy at Age 65

	Actives & Deferreds		Pensioners	
	Male (Years)	Female (Years)	Male (Years)	Female (Years)
2017 Valuation	***23.4***	***25.8***	***21.4***	***23.7***
2020 Valuation	***21.3***	***24.7***	***19.9***	***22.6***
2023 Valuation	**20.6**	**24.2**	**19.8**	**22.5**
2026 Valuation	**21.2**	**24.8**	**20.2**	**22.9**

Note: figures for non-pensioners assume they are aged 45 at the valuation date.

Membership

	31 Mar 2017	*31 Mar 2020*	31 Mar 2023	31 Mar 2026
Employers	***183***	***168***	**152**	**132**
Employees	***93,481***	***107,828***	**114,178**	**113,788**
Deferred Pensioners	***55,848***	***65,516***	**72,811**	**81,646**

Pensioners	*73,802*	*81,382*	90,102	101,852
Total	*223,131*	*254,726*	277,091	297,286

Maturity

	Liabilities			
	31 Mar 2017	*31 Mar 2020*	*31 Mar 2023*	31 Mar 2026
	(%)	*(%)*	*(%)*	
Employees	*48.3*	*45.3*	*43.0*	40.6
Deferred Pensioners	*11.9*	*12.4*	*11.3*	11.1
Pensioners	*39.8*	*42.3*	*45.7*	48.3
Total	*100*	*100*	*100*	100

Payroll

	31 Mar 2017	*31 Mar 2020*	*31 Mar 2023*	31 Mar 2026
Employees				
Number	*93,481*	*107,677*	*114,937*	113,788
Pensionable Pay (£000)	*1,924,038*	*2,375,355*	*2,820,162*	3,243,878
Average (£)	*20,582*	*22,060*	*24,537*	28,508
Deferred Pensioners				
Number	*55,848*	*65,516*	*74,235*	81,646
Deferred Pension (£000)	*102,072*	*125,719*	*153,106*	187,908
Average (£)	*1,828*	*1,919*	*2,062*	2,301
Pensioners				
Number	*73,802*	*81,382*	*90,085*	101,852
Pension (£000)	*414,454*	*496,897*	*613,987*	768,333
Average (£)	*5,616*	*6,106*	*6,816*	7,544

Liabilities/ Employee Payroll	***9.75***	***8.3***	***6.7***	**6.8**
Assets/ Pensions Payroll	***47.5***	***42.1***	***45.4***	**42.7**

Strathclyde Pension Fund

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