

Strathclyde Pension Fund – Revised Funding Strategy approved.

2 There was submitted a report by the Director of Strathclyde Pension Fund regarding a regulator change relating to funding and the Funding Strategy Statement for Strathclyde Pension Fund, advising

- (1) that Strathclyde Pension Fund's Funding Strategy Statement detailed how Strathclyde Pension Fund ensured that sufficient resources were available to meet all pension liabilities and the funding position was formally assessed every 3 years in the triennial actuarial valuation carried out by the Fund's actuaries, Hymans Robertson;
- (2) that Hymans Robertson funding update as at 28th February 2025, as detailed in an Appendix to the report, showed an improvement in the funding level from 147% at the last formal valuation date of 31st March 2023 to 179% at the end of February 2025;
- (3) that on 9th May 2024, Scottish Ministers had initiated a consultation seeking views on a potential change to the Pension Fund regulations which proposed the creation of a discretion for administering authorities to determine the amount of exit credit which should be payable to an employer leaving the Local Government Pension Scheme, currently the exit credit was calculated by the actuary, with no discretion on the part of the administering authority;
- (4) that the consultation had ran for 3 weeks from 9th to 30th May 2024, however on 1st July 2024, the Scottish Public Pensions Agency (SPPA) advised that they were still considering the larger than expected number of comments received on the consultation and the SPPA then published, on 13th February 2025, their response to the consultation, as detailed in the report;
- (5) of Strathclyde Pension Fund's current policy and practice for exit credits and exit payments;
- (6) that it was proposed that Strathclyde Pension Fund's Funding Strategy Statement be amended, as detailed in the report, however this would be subject to consultation as Regulation 56 (3) of the Local Government Pension Scheme (Scotland) | Regulation 2018 requires Strathclyde Pension Fund to consult with such persons as it considers necessary before making any changes to its Funding Strategy Statement;
- (7) that it was proposed that Strathclyde Pension Fund's revised Funding Strategy Statement be published on its website for open consultation for a period of 4 weeks after the revised regulations which come into force on 2nd April 2025 and that the Funding Strategy Statement be reviewed as part of the 2026 actuarial valuation process; and
- (8) of the current practice for exit credits and exit payments, however in future before any exit credit was paid, this committee would be asked to review and approve any determinations which were required by the regulations.

After consideration, the committee

- (a) noted the report; and
- (b) approved the proposed amendment to Strathclyde Pension Fund's Funding Strategy Statement, subject to consultation as detailed in the report.