

Pension Fund Committee

Dorset County Council



Date of Meeting	9 January 2017
Officer	Pension Fund Administrator
Subject of Report	Proposals for future changes to Employer Contribution rates.
Executive Summary	<p>The results of the Dorset County Pension Fund 2016 valuation were received from the Fund's actuary, Barnett Waddingham in December 2016. Overall the funding level for the Pension Fund has increased from 82% to 83%, with assets valued at £2.249bn and liabilities at £2.701bn, giving a present value deficit of £0.452bn, up from £0.413bn at the March 2013 valuation.</p> <p>Overall the average employers' share of the cost of new benefits has increased from 13.3% of payroll to 15.7% per annum. However, there are variations amongst the different employers on both the funding level and contribution rates.</p> <p>The valuation does mean that in most cases employers will see their contribution rates increase and wherever possible the actuary has provided options to reduce the size of the increase in any one year to allow employers to arrive at an appropriate funding level.</p> <p>The actuary will agree with individual employers as to their exact arrangements and all rates have to be legally certified by 31st March 2017.</p>
Impact Assessment:	<p>Equalities Impact Assessment:</p> <p>N/A</p> <p>Use of Evidence:</p> <p>Pensions data, assets valuations, actuarial report</p>

	<p>Budget: There is no direct budget implication to the pension fund, although scheme employers will have to find additional budget at a time of reduced funding.</p>
	<p>Risk Assessment: The Funding Strategy Statement sets out the most appropriate strategy to minimise risks to the Fund over the long term.</p>
	<p>Other Implications: None.</p>
Recommendation	<p>That the Pension Fund Committee:</p> <ul style="list-style-type: none"> i) Note the report and briefing note from Barnett Waddingham.
Reason for Recommendation	<p>To ensure that the Fund has the appropriate funding arrangements in place.</p>
Appendices	<p>Appendix 1: Briefing Note from the Fund Actuary, Barnett Waddingham.</p>
Background Papers	<p>Scheme valuation 2016.</p>
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