

Actuarial valuation as at 31 March 2013

Northern Ireland Local Government Officers' Pension
Fund



Prepared for	Northern Ireland Local Government Officers' Superannuation Committee
Prepared by	Timothy Lunn FIA and Christine Rice FIA Aon Hewitt Ltd
Date	31 March 2014

Disclaimer

This report and any attachments and enclosures were prepared under the terms of our Agreement with the Northern Ireland Local Government Officers' Superannuation Committee and on the understanding that it is solely for the benefit of the Northern Ireland Local Government Officers' Superannuation Committee. Unless we provide express prior written consent no part of this report may be reproduced, distributed or communicated to anyone else and, in providing this report we do not accept or assume any responsibility for any purpose other than that described herein or to anyone other than the addressees of the report.

At the request of the addressees, we have consented to their releasing a copy of this report to certain parties and/or via certain communication routes. We consent on the basis that there is no duty of care established toward, and Aon Hewitt disclaims any responsibility or liability arising from, any person having access to the report either directly from the Northern Ireland Local Government Officers' Superannuation Committee, indirectly from a third party or through any other means. No recipients of the report as a result of that consent are permitted to reproduce, distribute or communicate any part of this report to any other party.

Any third party using this report does so entirely at its own risk and no third party is entitled to rely on this report for any purpose whatsoever.

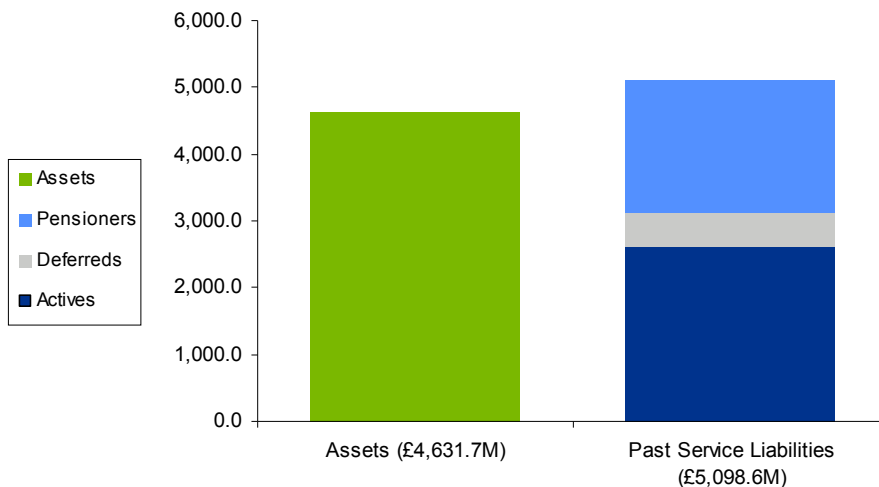
No decisions should be taken on the basis of this report by any party other than our client, the Northern Ireland Local Government Officers' Superannuation Committee, and nothing in this report removes the need for readers to take proper advice in relation to their specific circumstances.

Executive Summary

The key results of the valuation as at 31 March 2013 are set out below.

There was a shortfall of £466.9M relative to the past service liabilities

(i.e. relative to the amount of assets agreed with the Committee as being appropriate to meet members' benefits, assuming the Fund continues as a going concern.). This corresponds to a funding ratio of 91%.



The aggregate Employer future service contribution rate in respect of the benefits provided by the 2015 Scheme will be 17.0% of Pensionable Pay.

The contributions required to restore the funding ratio to 100% using a recovery period of 20 years from 1 April 2014 are equivalent to 3.6% of Pensionable Pay (if the membership remains broadly stable and pay increases are in line with our assumptions) based on the 2015 Scheme being effective from 1 April 2014. This gives an aggregate contribution rate of 20.6% of Pensionable Pay.

The contributions payable by each Employer or group of Employers may differ because they allow for each Employer's or group's particular membership profile and funding ratio, and assumptions and recovery periods appropriate to their circumstances. The minimum contributions to be paid by each Employer from 1 April 2014 to 31 March 2017 are set out in the Rates and Adjustments Certificate in Appendix 11.

Actuarial valuation as at 31 March 2013

Northern Ireland Local Government Officers' Pension Fund

Contents

Introduction	4
Update since the previous valuation	5
Membership data	7
Benefits valued	9
Asset data	10
Funding objective	11
Summary of method and assumptions	12
Past service results	14
Reasons for change in past service position	15
Addressing the shortfall	16
Cost to the Employers of future benefits	17
Low risk funding measure	18
Risks and uncertainties	19
Individual Employer contribution rates	21
Final comments	22
Appendix 1: Legal framework	23
Appendix 2: Membership data	24
Appendix 3: Membership data by Employer	25
Appendix 4: Benefits	34
Appendix 5: Consolidated revenue account	39
Appendix 6: Employer funding strategies	40
Appendix 7: Assumptions used to value the liabilities	41
Appendix 8: Assumptions for low risk measure	44
Appendix 9: Membership experience	45
Appendix 10: Current contribution rates	46
Appendix 11: Rates and Adjustments Certificate	47
Appendix 12: Glossary	57

Introduction

This report has been prepared for the Committee. It sets out the results and conclusions of the valuation as at 31 March 2013.

This is our actuarial valuation report. It draws together other pieces of work and advice from throughout the valuation process. Appendix 1 sets out the legal framework within which the valuation has been completed.

Throughout this report, assets and liabilities in respect of defined contribution additional voluntary contributions (or AVCs) have been excluded.

Some shorthand used in this report is explained opposite. Some technical pensions terms are explained in the Glossary in Appendix 12.

Shorthand

Fund

Northern Ireland Local Government Officers' Pension Fund

Committee

Northern Ireland Local Government Officers' Superannuation Committee

Employers

Northern Ireland Local Government Officers' Superannuation Committee and other Employers with employees participating in the Fund

Regulations

The Local Government Pension Scheme Regulations (Northern Ireland) (see Appendix 12)

Pensionable Pay

As defined in the Regulations

Pensionable Service

Periods of total membership, as defined in the Regulations

Snapshot view

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, the Fund's financial position could have changed significantly.

Update since the previous valuation

The key results from the previous valuation as at 31 March 2010 were:

The Fund's assets were £3,540M and the past service liabilities were £4,323M which corresponded to a shortfall of £783M and a funding ratio of 82%.

The employer future service contribution rate was 17.7% of Pensionable Pay.

The Committee agreed Employer contributions from 1 April 2011 designed to restore the funding ratio to 100% over a period not exceeding 20 years.

The resulting aggregate Employer contributions were:

Year	Contribution rate % of Pensionable Pay	Additional monetary amounts £M
2011/12	18.0%	0.9
2012/13	19.0%	0.9
2013/14	20.0%	1.0

In addition Employers paid contributions in respect of additional costs arising on early retirement or due to increases in benefits.

Members also paid contributions as required under the Regulations.

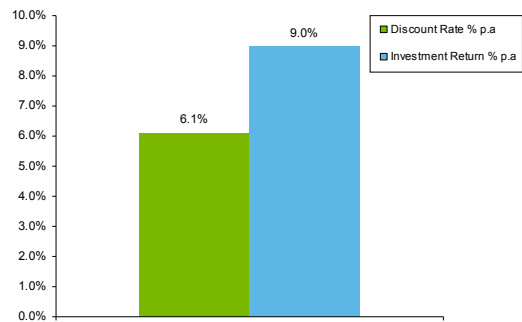
The formal report signed on 31 March 2011 by Peter Summers FFA and Gemma Sefton FFA of Hymans Robertson LLP includes further information.

Financial development

To illustrate the Fund's financial development since the previous valuation, we compare below key financial assumptions made at the previous valuation with what actually happened.

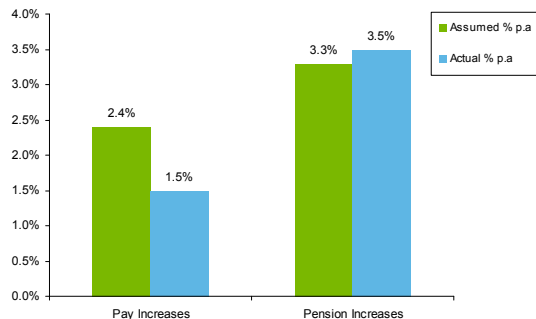
Investment return (or discount rate)

The investment return has been higher than the discount rate assumed.



Inflationary pay and pension increases

Increases to pay were lower than assumed, while increases to pensions in payment were higher than assumed.



Where material we show the financial impact of the above developments later in this report.

Other key developments since the previous valuation

As well as the contributions paid to the Fund since the previous valuation and the returns achieved on the Fund's assets, there have been the following material developments since the previous valuation:

▪ **Change to pension increases**

The Government announced in 2010 that pension increases in deferment and payment for public sector pension schemes should be determined by reference to the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) for all benefits in excess of Guaranteed Minimum Pensions.

This change was reflected in the previous valuation.

▪ **Changes to State Pension Age**

State Pension Age is currently transitioning from age 65 (60 for women) to age 68. The Chancellor recently announced proposals for how further changes in State Pension Age will be linked to future changes in longevity. This will affect the age at which pensions will normally commence in the 2015 Scheme. This valuation does not allow for these latest proposals. We comment later in this report on the potential effect.

▪ **Investment strategy**

Following a review of the asset allocation strategy in October 2012, the Committee agreed to reduce its allocation to UK equities, increase its allocation to index-linked lease property and make a provisional allocation to alternative asset classes, including infrastructure and local investments in the Northern Ireland region. These changes will be implemented over the medium term as suitable opportunities are identified.

▪ **2015 Scheme**

A new scheme is proposed for Pensionable Service from 1 April 2015. The key proposed features are:

- Career average structure
- Accrual rate of 49ths
- Pensions revalued by CPI before retirement
- Normal Pension Age linked to State Pension Age
- Changes to member contribution rates, and in particular member contribution rates increased for those earning above £43,000 p.a.
- Member contribution rates will be based on actual (previously full time equivalent) pay;
- Introduction of a 50/50 option, with member contribution rate and pension accrual rate both half rate
- An underpin to pensions for members within 10 years of age 65 in April 2012.

Benefits for Pensionable Service before 1 April 2015 will be protected, and calculated by reference to current retirement ages. The link to final pay will remain for active members.

These benefit changes were originally due to apply for Pensionable Service from 1 April 2014 in line with the Local Government Pension Scheme in England and Wales. In January 2014, the Northern Ireland Assembly announced that the implementation date for the reformed Local Government Pension Scheme (Northern Ireland) will be delayed from 1 April 2014 to 1 April 2015.

Draft regulations for the Local Government Pension Scheme (Northern Ireland) 2014 are currently subject to consultation and the latest consultation closed on 28 February 2014.

This valuation reflects our current understanding of the proposed benefits to be provided by the new 2015 Scheme.

Membership data

This valuation is based on membership data as at 31 March 2013 supplied to us by the Committee.

Summaries of the membership data are included in Appendices 2 and 3.

The chart below shows how the membership profile of the Fund has changed over the last three valuations. During this period, the Fund has become slightly more mature.



Membership data

We have carried out some general checks to satisfy ourselves that:

- The information used for this valuation is sensible compared with the information used for the previous valuation and also with that shown in the Fund's Annual Report and Accounts.
- The results of this valuation are consistent with the results of the previous valuation.

However, the results in this report rely entirely on the accuracy of the information supplied. If you believe the data we have used may be incomplete or inaccurate, please let us know.

Pensionable Pay in the 2015 Scheme

We have been provided with Pensionable Pay for the year ended 31 March 2013, as defined for the 2009 Scheme. A different definition will apply for benefits building up after 1 April 2015. In particular certain elements of pay, which were previously not pensionable, will be included.

In this valuation, we have assumed that members have not received significant non pensionable pay, and hence that Pensionable Pay for membership before and after 1 April 2015 will be broadly similar.

If this is not the case, total Pensionable Pay after 1 April 2015 will be higher than allowed for. The impact on the results of our valuation would be as follows:

- We do not expect this to affect the cost of benefits building up as a percentage of Pensionable Pay, although the payroll to which the contribution rate is applied will be higher, increasing the cost in monetary terms.
- We do not expect this to affect liabilities in respect of service prior to 31 March 2015 which will continue to be based on the current definition.
- Any shortfall contributions expressed as a percentage of pay will be applied to a higher payroll than anticipated. The shortfall might then be expected to reduce faster than assumed (if experience is otherwise as expected).

Benefits valued

Members are entitled to benefits defined in the Regulations. Different benefits apply to Pensionable Service before 1 April 2009, between 1 April 2009 and 31 March 2015, and after 1 April 2015. A summary of the benefits allowed for in our valuation is given in Appendix 4.

Discretionary benefits

Employers have discretion over payment of certain benefits and it is not practical to allow for the policies of each Employer. Most discretionary benefits are financed as they occur, so the financial impact on this valuation is minimal. No specific allowance has therefore been made for discretionary benefits which are granted at the discretion of the Employer.

GMP equalisation

The Government issued a consultation in 2012 on equalising Guaranteed Minimum Pensions (GMPs) between men and women. However, there remains considerable uncertainty about exactly how this will be carried out in practice. Therefore, at this stage, we have made no allowance for the equalisation of GMPs in the valuation.

State Pension Age changes

Normal Pension Age for Pensionable Service on or after 1 April 2015 will be State Pension Age. This is currently transitioning from age 65 (60 for women) to age 68 by 2046. Legislation to bring forward the increase to age 67 to 2028 is expected to be enacted in Spring 2014.

We have reflected these known increases in State Pension Age in this valuation. No allowance has been made for the Chancellor's recent announcement that State Pension Age might be linked to future increases in longevity. We comment further on this later in this report.

2014 Local Government Pension Scheme (Northern Ireland) Regulations

The Local Government Pension Scheme Regulations (Northern Ireland) 2014 are due to come into force on 1 April 2015 and are currently subject to consultation.

The draft Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014 are also currently subject to consultation.

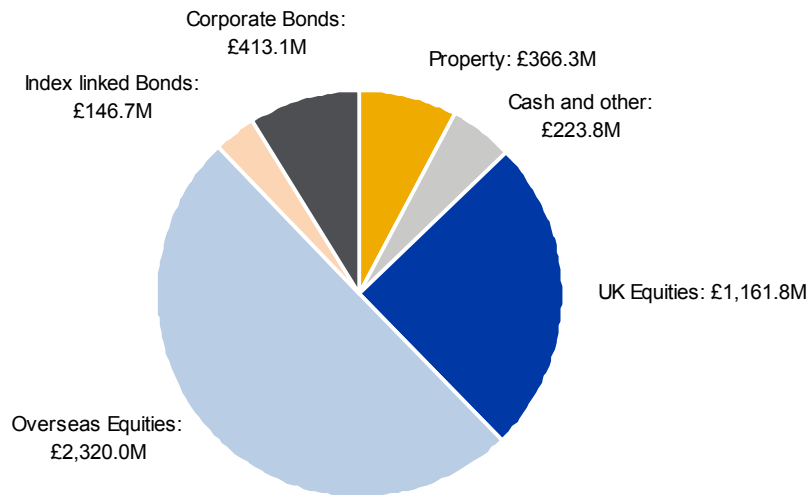
Our valuation reflects our understanding of the draft Regulations currently available. Any future changes may affect the conclusions in this report.

It is proposed that a cost management mechanism will be introduced, designed to control future increases in Employer costs. Details of the proposed mechanism have not yet been published. This valuation makes no allowance for any cost management mechanism that might be put in place.

Asset data

The audited accounts for the Fund for the year ended 31 March 2013 show the assets were £4,650.7M at the valuation date, including defined contribution AVCs of £19.0M. Assets net of defined contribution AVCs were therefore £4,631.7M.

The Committee has provided the following breakdown of the assets of £4,631.7M:



The Statement of Investment Principles describes the Fund's investment strategy as follows:

'The Committee aims to invest the assets of the Scheme prudently to ensure that the benefits promised to members are provided, and to provide reasonable stability in contribution rates for the employers.

To meet this aim the Committee's overall investment objective is to exceed price inflation and general salary growth over long periods.'

The Statement of Investment Principles set out the following target asset allocation as at 30 April 2013:

Asset class	Target weighting (%)
UK equities	17.5
Overseas equities	50.0
Index-linked gilts	3.5
Fixed interest bonds	9.0
Property – core	10.0
Property – index linked	5.0
Alternatives	5.0

Funding objective

Terminology

Past service liabilities

The funding target for the Fund agreed as part of the actuarial valuation.

Funding objective

To hold sufficient and appropriate assets to meet the past service liabilities.

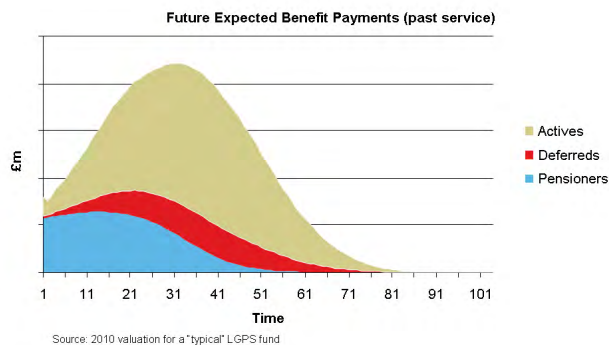
Funding strategy statement

Sets out the Committee's strategy for meeting the funding objective.

The Committee's funding objective is to hold assets which are at least equal to the past service liabilities.

In order to calculate the past service liabilities and the cost to the Employers of future benefit accrual, 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.

The benefit payments from the Fund are expected to be made for a very long period – the chart below shows the cashflow pattern for the current membership of a typical Fund. Some cashflows will be fixed but others will be linked to future levels of salary growth and inflation.



The discount rate

The funding strategy statement describes the risk based approach used to set the funding strategy and hence the discount rate. Under this risk based approach:

- The discount rate for long term employing authorities and other employers that have an indefinite participation period in the Fund assumes indefinite future investment in assets similar to the Fund's holdings at the valuation date (allowing for any known planned changes to the long term investment strategy).

The Fund assets are considered to have a better than evens chance of delivering investment returns in excess of the discount rate adopted for these long term bodies.

These employers have been grouped together for the purposes of setting minimum employer contribution rates at each actuarial valuation of the Fund.

- For employers that have a finite expected participation period in the Fund (for example those employers that are closed to new entrants or employers which display characteristics that are not in line with the group), the discount rate has regard to the possibility that participation might cease at any time and anticipates a move to a lower risk investment portfolio made up of long dated Government bonds (of appropriate nature and term) at cessation.

These employers have been set an individual contribution rate appropriate to their specific circumstances and membership characteristics.

An explanation of employing authorities and admission bodies is given in the Glossary in Appendix 12.

Summary of method and assumptions

The Committee agreed the assumptions used to calculate the past service liabilities and the cost of future benefit accrual. The table below summarises the key assumptions, together with those used for the previous valuation, and the reasons for any change. Further details of all of the assumptions are set out in Appendix 7.

Assumption	This valuation	Previous valuation	Rationale for change
Average in-service discount rate	5.2% pa	6.1% pa	Updated to reflect the Committee's attitude to risk and financial conditions at 31 March 2013.
Average left-service discount rate	5.1% pa	6.1% pa	Updated to reflect the Committee's attitude to risk and financial conditions at 31 March 2013.
Rate of revaluation of pension accounts	2.4% pa	n/a	Not required in the 2010 valuation.
Pension increases (on pension in excess of GMPs)	2.4% pa	3.3% pa	Updated to reflect the outlook for CPI inflation at 31 March 2013.
Pensionable Pay increases	3.9% pa	1% pa increasing to 5.3% pa from April 2012	Updated to reflect financial conditions at 31 March 2013.
Post-retirement mortality assumption – base table	SAPS Normal Health tables with scaling factors of: Men: 110% Women: 110%	SAPS Normal Health tables with various scaling factors for each class of member and their dependants	Updated to reflect recent research and our analysis of the Fund's own pensioner mortality experience over the three years since the last valuation.
Post-retirement mortality assumption – future improvements	CMI 2012 core projections with long-term improvement rate of 1.5% pa for men and women	Medium cohort projections with 1% pa minimum improvements from 2007	Updated to reflect recent research

We show below the assumed life expectancies for current members resulting from these mortality assumptions:

Assumed life expectancy at age 65	Member currently aged 65		Member currently aged 45	
	This valuation	Previous valuation	This valuation	Previous valuation
Men	22.0	22.9	24.2	24.9
Women	24.5	25.7	26.8	27.7

We believe the assumptions summarised in this section are appropriate for the purposes of the valuation, and setting Employer contributions to the Fund.

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 permit new employees to join the Fund.

The costs of providing the cash sum on death in service in the period since the previous valuation have been pooled across all Employers in the Fund.

We have assumed that there are no changes to the benefits provided by the 2015 Scheme as set out in the draft Local Government Pension Scheme Regulations (Northern Ireland) 2014 and Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014 issued for consultation in December 2013. Any changes may affect the future service contribution rate for the 2015 Scheme and the contributions payable by Employers from April 2017.

Past service results

A comparison of the Fund's past service liabilities with the assets is shown below. The past service liabilities have been calculated using the assumptions described in the previous section.

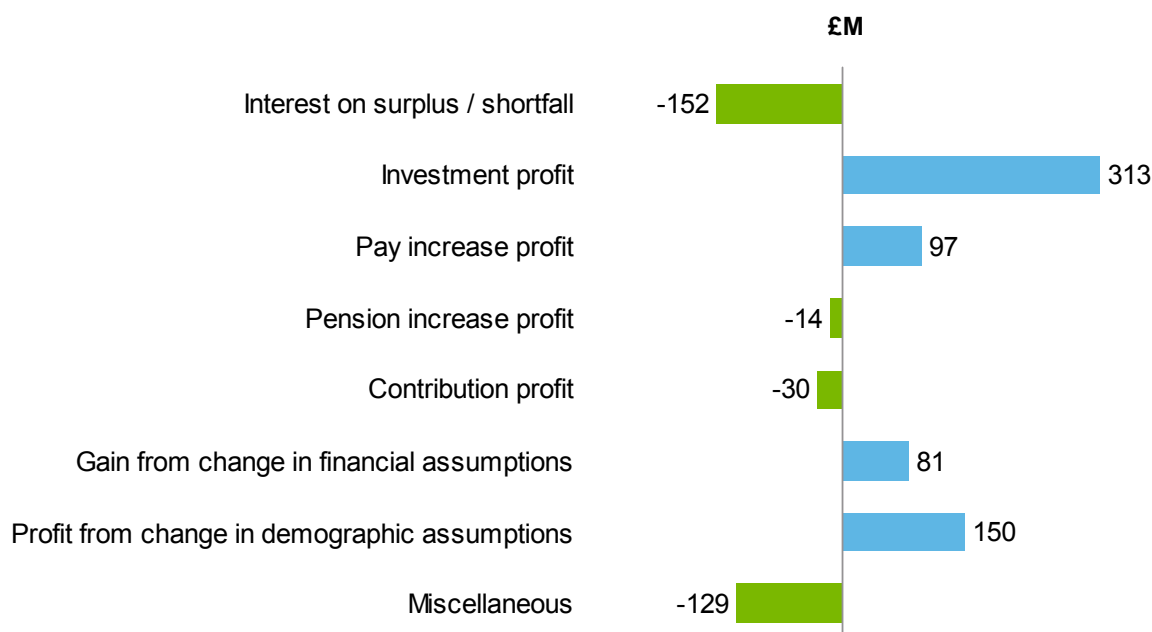
	£M
Value of past service benefits for	
Actives	2,619.4
Deferred members	489.2
Pensioners	1,990.0
Total past service liabilities	5,098.6
Value of assets	4,631.7
Past service surplus / (shortfall)	(466.9)
Funding ratio	91%

Employers will need to pay additional contributions to remove this shortfall. This is considered later.

Reasons for change in past service position

At the previous valuation, the Fund had a shortfall of £783M. The funding position has therefore improved by £316M over the period.

The chart below shows the key reasons for the change in funding position.



The analysis shows that the main factors affecting the funding position since the previous valuation have been:

- Investment returns on the Fund's assets above those previously assumed
- Pay increases below those previously assumed
- Changes in financial assumptions
- Changes to demographic assumptions (in particular life expectancy)

which have all improved the position; and

- Interest on the shortfall at the previous valuation

which has worsened the position.

The miscellaneous item includes the effect of membership movements.

Addressing the shortfall

Employers will need to pay additional contributions to remove the shortfall.

We have agreed with the Committee a recovery plan such that the shortfall will be removed by payment of additional contributions by the Employers over a range of different recovery periods not exceeding 20 years.

The recovery period used for each Employer is set out in Appendix 6. For some Employers, contribution increases will be phased in over a number of years (or 'steps'). These stepping periods are also shown in Appendix 6.

The assumptions used to calculate the recovery plan are the same as those used to calculate the Employer's past service liabilities.

The aggregate contributions required to remove the shortfall by the end of 20 years from 1 April 2014 are £27.7M pa, increasing at 3.9% pa. This is equivalent to approximately 3.6% of Pensionable Pay assuming the membership remains broadly stable and pay increases follow our assumptions.

Terminology

Recovery plan

A plan for making good any shortfall relative to the past service liabilities.

Recovery period

The period for which any contributions to remove the shortfall are to be paid.

Shortfall contributions

The additional contributions to remove the shortfall by the end of the recovery period.

Cost to the Employers of future benefits

The table below shows the calculated cost to Employers at the valuation date of benefits in the 2015 Scheme that members will earn in future. This rate of Employer contribution would be appropriate if the Fund had no surplus or shortfall and the 2015 Scheme applied from 1 April 2013.

The rates have been calculated using the same assumptions as used to calculate the past service liabilities.

	% of Pensionable Pay
Value of benefits building up	22.7
Death in service cash sum	0.3
Administration expenses	0.3
Less member contributions	(6.3)
Net cost to the Employers	17.0

Employers will also pay additional contributions to remove the shortfall for past service liabilities.

The cost of future benefits has decreased since the previous valuation and the main factors contributing to the change in cost are:

- An increase in the average age of the active members which has increased the cost; and
- The introduction of the 2015 Scheme, and
- Changes to the demographic assumptions (in particular life expectancy)

which have reduced the cost.

The net cost to the Employers shown above is based on benefits that members will earn in the 2015 Scheme from 1 April 2015.

The announcement that the implementation date of the new scheme will be delayed to 1 April 2015 occurred after contribution rates had been communicated to all employers and means that benefits will continue to build up in the 2009 Scheme over the period to 1 April 2015, rather than to 1 April 2014 as implicit in the contribution rates communicated to employers. We comment on the impact on Employer contribution rates later in this report.

Low risk funding measure

The low risk measure shown below considers the position if no allowance is made in the discount rate for returns on the Fund assets to exceed the yields available on long dated UK government bonds as at 31 March 2013.

Comparing the low risk measure with the past service result provides an indication of the level of reliance of the valuation past service results on future assumed investment returns on the Fund's asset holdings which are uncertain, and may not be achieved. Details of the assumptions used to calculate this low risk measure are summarised in Appendix 8.

	£M
Value of past service benefits for	
Actives	4,131.8
Deferred members	741.8
Pensioners	2,494.7
Low risk value of liabilities	7,368.3
Value of assets	4,631.7
Low risk surplus / (shortfall)	(2,736.6)
Low risk funding ratio	63%

Risks and uncertainties

The Fund faces a number of key risks which could affect its funding position.

These risks include:

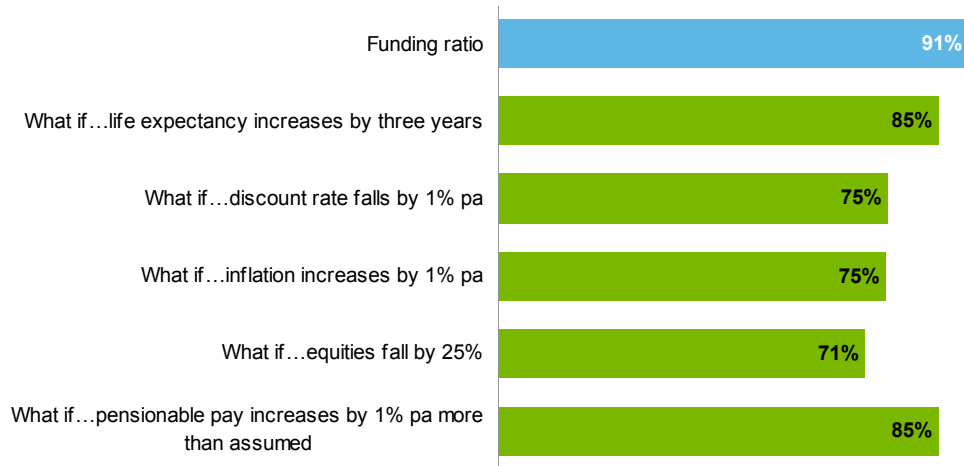
- Funding risk – the risk that the value placed on the past service liabilities is set too low and proves insufficient to meet the payments as they fall due.
- Employer risk – the risk that an Employer is no longer able to meet its liabilities in the Fund.
- Investment risks – the risk that investment returns are lower than allowed for in the valuation, and that investment returns and assets move out of line with the liabilities, so the funding position is not stable.
- Longevity risk – the risk that Fund members live for longer than assumed and that pensions would therefore need to be paid for longer resulting in a higher cost for the Fund.
- Inflation risk – the risk that inflation is higher than assumed, increasing the pensions that need to be paid.
- Options for members (or other parties) – the risk that members exercise options resulting in unanticipated extra costs. For example, members could swap less of their pension for cash than allowed for.

To quantify some of these risks, the chart on the following page shows the approximate impact of the following one-off step changes on the Fund's funding position (all other elements of the valuation basis being unchanged):

- Life expectancy at age 65 is three years longer than anticipated (with corresponding increases at other ages).
- A 1% pa fall in long term expected investment returns (the discount rate) with no change in asset values.
- A 1% pa increase in expected price inflation (measured by CPI).
- A 25% fall in the market value of equities (with no change in bond markets).
- A 1% pa increase in expected Pensionable Pay increases.

Risks and uncertainties

The chart below shows the approximate impact on the funding ratio of the Fund under a number of different scenarios. Note that the scenarios considered are not 'worst case' scenarios, and could occur in combination (rather than in isolation as is shown in the table below).



The analysis demonstrates that on the approach used the Fund is susceptible to:

- Falls in expected investment returns, or the market value of equities
- Rising inflation and pay increase expectations
- Members living longer than expected

The low risk measure is also highly sensitive to these factors.

Individual Employer contribution rates

Employers, or groups of Employers, are set their own contribution rate which reflects their specific circumstances.

The Employer contribution rates are set by the Actuary taking into account a number of factors including:

- Administration Regulation 31 – which requires the Actuary to have regard to
 - The existing and prospective liabilities
 - The desirability of maintaining as nearly constant a common rate as possible and
 - The current version of the Committee's funding strategy statement.
- The results of the valuation.
- Developments since the valuation date.
- Discussions between the Actuary, the Committee and Employers.

Contribution rates for Employers which contribute to the Fund are set out in the Rates and Adjustments Certificate in Appendix 11.

Rates of contributions payable by individual Employers, or groups of Employers, differ because they take into account Employers' particular membership profiles and funding ratios and, in some cases, the assumptions and recovery periods are specific to the Employers' circumstances. We have agreed with the Committee that increases in contribution rates for some Employers can be phased in over periods not exceeding 3 years. Details are given in Appendix 6.

We have agreed with the Committee that we will certify contribution rates for the 3 years from 1 April 2014 to 31 March 2017 based on benefits in the 2015 Scheme. It has been agreed that the additional cost of benefits accruing in the 2009 Scheme until 31 March 2015 will be met by additional contributions from 1 April 2017. The impact will vary depending on the circumstances of each Employer, and will emerge at the next formal actuarial valuation of the Fund as at 31 March 2016.

Terminology

Rates and Adjustments Certificate

Specifies the contributions payable by the Employers until March 2017.

The aggregate Employer contributions certified for the 3 years from 1 April 2014 can be summarised as follows:

Year from 1 April	% of Pensionable Pay	Additional monetary amounts (£M)
2014	20.0	3.5
2015	20.0	3.6
2016	20.0	3.8

- The contributions payable by individual Employers are set out in Appendix 11.
- Payments, as required by the Regulations, to meet additional costs arising from early retirements and other increases in benefits are payable in addition.
- At the end of the period shown above, the additional monetary amounts for each Employer or group are anticipated to increase by approximately 3.9% pa until the end of the relevant recovery period. Thereafter, aggregate contributions are anticipated to be in line with the future service contribution rate of 17.0% of Pensionable Pay. These contributions will be subject to review at future actuarial valuations.
- Member contributions are payable in addition to the Employer contributions set out above and in Appendix 11. These are set out in the Regulations. AVCs may be payable in addition.
- Contributions by active members and Employers should be paid to the Fund at such time and at such frequency as required by the Regulations. Any monetary shortfall contributions have been calculated on the basis that they are payable uniformly over the relevant year.

Final comments

The key results from this valuation are:

The Fund's assets were £4,631.7M and the past service liabilities were £5,098.6M which correspond to

- a shortfall of £466.9M and
- a funding ratio of 91%.

The cost to the Employers of future benefits building up in the 2015 Scheme is 17.0% of Pensionable Pay.

If the shortfall is removed over 20 years from 1 April 2014, the aggregate Employer contributions needed would be equivalent to about 20.6%* of Pensionable Pay until 31 March 2034, reverting to 17.0% of Pensionable Pay thereafter.

** If the membership remains broadly stable and pay increases in line with our assumptions.*

Developments since the valuation date

▪ State Pension Age changes

The Chancellor has recently announced proposals for how State Pension Age will be linked to future changes in longevity, and indicated that these might result in State Pension Age increasing

- To age 68 by the mid 2030s
- To age 69 by the late 2040s.

Normal Pension Age in the Fund is linked to State Pension Age so this will affect Normal Pension Age for benefits building up after 1 April 2015 for younger members in the Fund. As indicated earlier in this report no allowance has been made in this valuation for these possible further changes to State Pension Age.

We estimate that anticipating these further possible changes in this valuation might reduce the future service contribution rate by about 0.2% of Pensionable Pay, if no other changes were made. In practice, however, we would expect this to be offset by the cost of improvements in members' longevity so the overall impact might be expected to be negligible.

▪ Market movements since 31 March 2013

Since 31 March 2013, equity markets have generally risen, although this has been offset by falls in bond markets and in the risk-based discount rate that would be used for employing authorities and other long term bodies. Therefore, overall, we believe that market movements since the valuation date have had little impact on the funding ratio.

Abolition of contracting-out

The Government is due to enact legislation in Spring 2014 to abolish contracting out from the State Second Pension from 6 April 2016. As a result the rebate in employee and employer National Insurance contributions will cease from that date.

At this stage there are no proposals to amend the Local Government Pension Scheme (Northern Ireland) to mitigate these additional costs for employers and employees.

Monitoring the Fund

In light of the volatility inherent in situations where investments do not match liabilities, as for this Fund, we suggest the Committee monitors the financial position in an appropriate manner on a quarterly basis.

Next actuarial valuation

The next formal actuarial valuation is due to take place as at 31 March 2016.

If actual experience before the next actuarial valuation is in line with the assumptions in this report, we expect the Fund's funding ratio to increase to about 92%. This would be mainly due to continuing contributions to eliminate the shortfall.

Appendix 1: Legal framework

It is a legal requirement to carry out a full valuation at least once every three years.

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

It is produced in compliance with:

- Regulation 31 of the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009.
- The terms of the agreement between the Committee and Aon Hewitt Limited, on the understanding that the report is solely for the benefit of the addressees.

Unless prior written consent has been given by Aon Hewitt 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.
- The Department of Environment (Northern Ireland)

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 have our permission to pass our report on to any other parties.

Notwithstanding such consent, Aon Hewitt Limited does not assume responsibility to anyone other than the addressees of this report.

Appendix 2: Membership data

Membership data was provided by the Committee.

Active members		Number	Average age	Total pensionable pay (£M pa)	Average pensionable pay (£000 pa)	Average service (years)
Men	2013	15,893	47.4	354.8	22.3	13.9
	2010	16,236	46.3	359.5	22.1	13.4
Women	2013	28,482	45.8	387.1	13.6	8.4
	2010	27,450	44.7	385.8	14.1	8.3
Total	2013	44,375	46.4	741.9	16.7	10.4
	2010	43,686	45.3	745.3	17.1	10.2

Note: 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. There were also 382 Councillors and suitable allowance has been made for these in our calculations.

Deferred members		Number	Average age	Total pension (£M pa)	Average pension (£000 pa)
Men	2013	7,816	46.8	13.7	1.8
	2010	7,473	46.1	12.4	1.7
Women	2013	14,466	45.1	15.8	1.1
	2010	11,854	44.7	12.4	1.1
Total	2013	22,282	45.7	29.5	1.3
	2010	19,327	45.3	24.8	1.3

Note: The deferred pension amounts shown above include increases up to and including April 2013 (2010: April 2010). These figures include a number of members who had yet to decide whether to take a transfer payments and suitable allowance has been made for these in our calculations.

Pensioners		Number	Average age	Total pension (£000 pa)	Average pension (£000 pa)
Men	2013	12,417	70.1	78.7	6.3
	2010	11,594	69.8	63.1	5.4
Women	2013	11,080	68.9	42.2	3.8
	2010	9,304	68.8	31.0	3.3
Dependants	2013	5,113	70.9	11.0	2.2
	2010	4,734	70.9	9.1	1.9
Total	2013	28,610	69.8	131.9	4.6
	2010	25,632	69.6	103.2	4.0

Note: The pension amounts shown above include the increase awarded in April 2013 (2010: April 2010). This includes 390 children who are in receipt of pensions (2010: 338). Suitable allowance has been made for these in our calculations.

Appendix 3: Membership data by Employer

The distribution of membership by Employer, as indicated by the data, is shown below.

Employer (Shown in numerical order)	Number of active members	Total Pensionable Pay ⁽¹⁾ (£M)	Number of deferred members ⁽²⁾	Number of pensioners and dependants ⁽³⁾
Antrim Borough Council (1)	294	6.1	127	136
Ards Borough Council (2)	349	6.7	228	215
Armagh City And District Council (3)	302	6.9	120	143
Ballymena Borough Council (4)	276	6.2	134	216
Ballymoney Borough Council (5)	119	2.5	49	62
Banbridge District Council (6)	223	4.5	69	78
Belfast City Council (7)	2,277	53.3	1,070	1,990
Carrickfergus Borough Council (8)	194	4.5	64	122
Castlereagh Borough Council (9)	344	7.0	195	169
Coleraine Borough Council (10)	288	6.3	114	197
Cookstown District Council (11)	191	4.3	68	80
Craigavon Borough Council (12)	480	11.1	206	295
Down District Council (13)	311	6.6	131	182
Dungannon And South Tyrone Borough Council (14)	234	4.9	117	119
Fermanagh District Council (15)	298	5.9	145	168
Larne Borough Council (16)	164	3.4	72	108
Limavady Borough Council (17)	159	3.4	54	86
Lisburn City Council (18)	476	9.8	280	223
Derry City Council (19)	521	11.3	186	334
Magherafelt District Council (20)	132	3.0	65	82
Moyle District Council (21)	96	2.2	31	60
Newry And Mourne District Council (22)	445	9.9	157	260
Newtownabbey Borough Council (23)	341	7.3	181	262
North Down Borough Council (24)	346	6.9	178	268

Employer <i>(Shown in numerical order)</i>	Number of active members	Total Pensionable Pay ⁽¹⁾ (£M)	Number of deferred members ⁽²⁾	Number of pensioners and dependants ⁽³⁾
Omagh District Council (25)	278	6.4	101	143
Strabane District Council (26)	173	3.6	65	104
Belfast Education And Library Board (27) ⁽⁴⁾	2,427	33.1	431	235
South Eastern Education and Library Board (28) ⁽⁴⁾	4,495	44.1	946	404
North Eastern Education and Library (29) ⁽⁴⁾	4,514	46.5	676	460
Southern Education And Library Board (30) ⁽⁴⁾	4,963	52.0	705	467
Western Education And Library Board (31) ⁽⁴⁾	3,928	47.4	598	425
Armagh Planetarium (62)	9	0.3	21	7
Armagh County Education Committee (72)	-	-	1	-
Armagh County Health Committee (82)	-	-	-	1
Down County Health & Welfare (83)	-	-	3	1
Fermanagh County Health & Welfare (84)	-	-	-	2
Tyrone County Health Committee (87)	-	-	-	1
Armagh County Welfare Committee (89)	-	-	1	-
Down County Health & Welfare Committee (90)	-	-	-	1
Lough Bradan (C.Tyr) W'works JB (99)	-	-	2	-
Coleraine Harbour Commissioners (110)	3	-	3	6
Northern Ireland Fire And Rescue Service (114)	264	6.0	115	157
Northern Ireland Housing Executive (115)	2,549	58.0	1,016	3,333
Northern Ireland Tourist Board (116)	129	3.7	68	65
Royal College Of Nursing For Northern Ireland (117)	1	-	-	18
Arts Council Of Northern Ireland (118)	58	1.6	53	44
Northern Ireland Local Government Officers' Superannuation Committee (119)	49	1.2	46	16
Seapark House Management Committee (122)	-	-	4	24
Linen Hall Library (123)	16	0.3	18	9
Pigs Marketing Board for Northern Ireland (125)	-	-	11	52
United Dairy Farmers (126)	68	1.5	325	657
Royal Belfast Academical Institution (128)	49	0.7	14	21

Copyright © 2014 Aon Hewitt Limited. All rights reserved.

This report was prepared for the sole and exclusive benefit of the Northern Ireland Local Government Officers' Superannuation Committee. Aon Hewitt does not accept or assume any duty of care, nor any responsibility or liability, to any third party in respect of the contents of this report

Employer <i>(Shown in numerical order)</i>	Number of active members	Total Pensionable Pay ⁽¹⁾ (£M)	Number of deferred members ⁽²⁾	Number of pensioners and dependants ⁽³⁾
Jordanstown Schools (129)	3	-	12	30
Glenmona Resource Centre (131)	86	2.6	71	92
Bangor Grammar School (132)	37	0.5	10	27
Friends School (134)	32	0.4	22	14
Campbell College (136)	56	1.0	19	24
Belfast Royal Academy (137)	39	0.6	17	48
Belfast High School (138)	33	0.4	14	23
St Malachy's College (139)	18	0.3	22	28
Seed Potato Marketing Board, Northern Ireland (140)	-	-	2	8
St Columb's College (142)	30	0.6	8	28
St Mary's Christian Brothers (145)	27	0.4	14	8
Sullivan Upper School (146)	51	0.7	19	22
Christian Brothers Grammar School (147)	21	0.4	11	11
Ballymena Academy (148)	32	0.4	15	28
Belfast Charitable Society (149)	29	0.5	46	94
Northern Ireland Local Government Association (150)	14	0.4	20	4
Wallace High School (152)	45	0.7	21	20
Northern Ireland Training Executive (153)	-	-	9	95
Larne Grammar School (154)	25	0.4	9	16
Agricultural Research Institute Northern Ireland (156)	-	-	56	72
Royal School, Armagh (157)	42	0.5	11	16
Northern Ireland Council For Educational Research (158)	-	-	-	3
St Patrick's Grammar School (160)	15	0.2	9	8
Thornhill College (161)	26	0.6	6	25
Armagh Observatory (162)	16	0.6	12	7
Livestock And Meat Commission (163)	13	0.3	64	38
University Of Ulster (164)	841	15.8	599	901

Employer <i>(Shown in numerical order)</i>	Number of active members	Total Pensionable Pay ⁽¹⁾ (£M)	Number of deferred members ⁽²⁾	Number of pensioners and dependants ⁽³⁾
Northern Ireland Agricultural Trust (165)	-	-	-	5
Bloomfield Collegiate School (166)	18	0.3	9	11
Hunterhouse College (167)	17	0.3	16	16
Council for the Curriculum, Examination and Assessment (170)	235	6.1	103	77
Rathmore Grammar School (172)	28	0.5	13	11
Our Lady and St Patrick's College (173)	26	0.5	18	18
Victoria Voluntary Homes For Girls (174)	-	-	1	-
St Mary's University College (175)	79	1.9	55	51
Stranmillis University College (176)	88	2.0	66	81
Citybus Limited (179)	697	15.5	357	686
Northern Ireland Fishery Harbour Authority (180)	21	0.4	5	26
Enterprise Ulster (181)	-	-	325	465
Staff Commission for Education and Library Boards (185)	5	0.1	2	5
Sports Council for Northern Ireland (187)	104	3.2	64	35
St Dominic's High School (188)	22	0.3	4	14
Ulsterbus Limited (189)	2,129	46.0	950	1,769
Northern Ireland Development Agency (190)	-	-	2	9
Dalriada School (192)	38	0.5	9	29
Fold Housing Association (194)	394	6.3	326	125
Victoria College (195)	29	0.6	16	17
St Patrick's Academy (196)	38	0.5	22	17
Northern Ireland Transport Holding Company (197)	28	1.3	42	36
Northern Ireland Consumer Council (198)	-	-	1	-
St Joseph's Training School (202)	-	-	22	22
Northern Ireland Federation of Housing Associations (203)	7	0.2	9	10
Ulster American Folk Park (204)	-	-	6	11
Northern Ireland Railway Company Limited (206)	872	24.3	332	555

Employer <i>(Shown in numerical order)</i>	Number of active members	Total Pensionable Pay ⁽¹⁾ (£M)	Number of deferred members ⁽²⁾	Number of pensioners and dependants ⁽³⁾
Dominican College, Belfast (208)	20	0.3	19	21
St Michael's College (209)	28	0.4	15	7
Probation Board for Northern Ireland (211)	383	10.5	161	175
Strathearn School (212)	23	0.4	16	20
Loreto College (213)	14	0.3	5	9
Coleraine Academical Institution (214)	26	0.4	13	24
Loreto Grammar School (215)	13	0.3	8	13
Foyle and Londonderry College (216)	40	0.5	10	15
Royal School, Dungannon (218)	23	0.4	6	13
Local Government Staff Commission (219)	10	0.3	2	3
St Mary's Grammar School (220)	35	0.5	21	10
Sacred Heart Grammar School (221)	27	0.4	11	12
Council for Catholic Maintained Schools (222)	46	1.4	39	38
Northern Ireland Legal Services Commission (223)	128	2.9	108	18
Youthnet (224)	8	0.2	8	4
Association of Northern Ireland Education & Library Boards (225)	-	-	-	1
Laganside Corporation (226)	-	-	20	9
Helm Housing Limited (227)	86	1.9	62	30
Trinity Housing (229)	54	1.3	27	10
Hearth Housing Association Limited (230)	4	0.1	-	1
South Ulster Housing Association Ltd (232)	11	0.2	1	3
Grove Housing Association Limited (234)	4	0.1	2	1
Filor Housing Association Limited (235)	5	0.1	5	1
Newington Housing Association (1975) (236)	8	0.2	3	-
Woodvale and Shankill Housing Association (237)	2	-	1	4
Habinteg Housing Association (Ulster) Limited (238)	46	1.0	22	10
Apex Housing (239)	153	3.0	152	25

Employer (Shown in numerical order)	Number of active members	Total Pensionable Pay ⁽¹⁾ (£M)	Number of deferred members ⁽²⁾	Number of pensioners and dependants ⁽³⁾
Covenanter Residential Association Limited (240)	1	-	-	1
St Matthew's Housing Association Limited (241)	4	0.1	-	4
Northern Ireland Co-ownership Housing (242)	42	1.1	17	12
Ulidia Housing Association Limited (243)	20	0.5	15	1
Oaklee Housing Association (244)	117	2.4	175	70
Dungannon and District Housing Association (245)	-	-	3	-
Flax Housing Association Limited (246)	9	0.2	8	2
Mount Lourdes Grammar School (250)	25	0.4	7	9
Community Relations Council (251)	38	1.1	56	5
Construction Industry Training Board (252)	28	0.7	49	42
Road Transport Industrial Training Board (253)	-	-	2	14
Engineering Training Council For Northern Ireland (254)	8	0.3	6	3
Youth Council for Northern Ireland (255)	14	0.5	8	9
Northern Ireland Open Learning Centre (256)	-	-	2	-
Clothing & Industrial Training Services Limited (257)	-	-	4	5
Hazelwood College (260)	32	0.5	5	5
Hazelwood Integrated Primary School (261)	54	0.4	13	2
Lagan College (262)	28	0.4	10	7
Mill Strand Integrated Primary School (263)	17	0.2	4	2
Rural Development Council for Northern Ireland (265)	17	0.5	29	8
Bridge Integrated Primary School (266)	34	0.2	2	1
Enniskillen Integrated Primary School (267)	5	0.1	-	2
Aquinas Diocesan Grammar School (268)	17	0.4	3	4
Rural Housing Association (271)	8	0.2	3	-
Oakgrove Integrated College (273)	40	0.6	11	1
Shimna Integrated College (274)	37	0.5	15	2

Employer <i>(Shown in numerical order)</i>	Number of active members	Total Pensionable Pay ⁽¹⁾ (£M)	Number of deferred members ⁽²⁾	Number of pensioners and dependants ⁽³⁾
Northern Ireland Council for Integrated Education (275)	12	0.3	18	4
Erne Integrated College (276)	6	0.1	2	1
Derry Visitor and Conventional Bureau (277)	7	0.2	2	2
Integrated College Dungannon (278)	28	0.3	11	1
Braidside Integrated Primary and Nursery School (279)	15	0.1	-	4
Citizens' Advice (280)	6	0.2	44	1
Rainey Endowed School (281)	6	0.1	3	3
Ards Citizens' Advice Bureau (282)	6	0.1	2	1
Down District Citizens' Advice Bureau (283)	1	-	5	-
Drumragh Integrated College (284)	13	0.2	5	2
St Louis Grammar School (285)	23	0.3	3	9
Gosford Housing Association (286)	4	0.1	0	0
Lumen Christi College (287)	21	0.3	17	2
Cedar Integrated Primary School (288)	9	0.1	1	-
Our Lady's Grammar School (289)	26	0.4	8	7
Mourne Heritage Trust (290)	11	0.2	8	-
St Joseph's Grammar School (309)	17	0.2	14	6
Northern Ireland Hospice (313)	66	1.5	38	22
Slemish Integrated College (314)	19	0.3	11	1
Malone College (316)	32	0.5	14	4
Ark Housing Association Northern Ireland Ltd (317)	17	0.3	18	0
Oakgrove Integrated Primary School (318)	10	0.1	7	3
Connswater Homes Ltd (319)	12	0.4	5	1
New-Bridge Integrated College (320)	16	0.3	8	1
Millennium Forum (321)	10	0.3	5	2
Methodist College (322)	58	0.9	57	22
Belfast Visitor and Convention Bureau (323)	33	0.8	16	2
North Coast Integrated College (324)	16	0.2	2	4

Employer <i>(Shown in numerical order)</i>	Number of active members	Total Pensionable Pay ⁽¹⁾ (£M)	Number of deferred members ⁽²⁾	Number of pensioners and dependants ⁽³⁾
Countryside Recreation Northern Ireland (325)	15	0.4	15	-
Spires Integrated Primary School (326)	16	0.1	1	-
Ulidia Integrated College (327)	26	0.3	14	2
Comhairle na Gaelscolaíochta (328)	11	0.3	9	3
Strangford College (329)	25	0.3	10	5
Loughview Integrated Primary School (330)	13	0.1	7	-
Windmill Integrated Primary School (331)	10	0.1	7	-
Acorn Integrated Primary School (332)	10	0.1	2	-
Millennium Integrated Primary School (333)	8	0.0	13	-
Oakwood Integrated Primary School (334)	19	0.1	13	-
Dominican College, Portstewart (335)	14	0.2	5	2
Saints and Scholars Integrated Primary School (336)	16	0.1	5	5
General Teaching Council for Northern Ireland (337)	15	0.4	5	2
Assumption Grammar School (338)	14	0.3	6	4
Sperrin Integrated College (339)	17	0.2	7	2
Youth Justice Agency For NI (340)	229	7.3	104	251
Armagh & Down Tourism Partnership (341)	-	-	3	1
Abbey Christian Brothers Grammar (342)	25	0.3	6	7
Omagh Integrated Primary School (343)	2	0.0	3	-
Arc21 (344)	9	0.4	2	-
Maine Integrated Primary School (345)	8	0.1	1	2
Sports Institute Northern Ireland (346)	35	1.1	17	3
Armagh Integrated College (347)	-	-	3	1
Ilex Urban Regeneration Company Limited (348)	17	0.7	5	-
Drumlins Integrated Primary School (349)	15	0.1	6	-
Portadown Integrated Primary School (350)	19	0.1	9	-
Roe Valley Integrated Primary School (351)	5	-	-	-
South Eastern Regional College (352)	270	5.2	167	76
Belfast Metropolitan College (353)	319	6.8	196	138

Employer (Shown in numerical order)	Number of active members	Total Pensionable Pay ⁽¹⁾ (£M)	Number of deferred members ⁽²⁾	Number of pensioners and dependants ⁽³⁾
South West College (354)	148	2.7	86	45
Northern Regional College (355)	207	3.9	136	99
North West Regional College (356)	149	3.0	85	36
Southern Regional College (357)	249	4.9	116	70
Middletown Centre for Autism (358)	14	0.5	2	1
HSG Zander (359)	4	0.1	-	1
ELB (360) ⁽⁴⁾	-	-	6,483	8,576
Libraries NI (361) ⁽⁴⁾	656	11.3	27	162
Corran Integrated Primary School (362)	20	0.1	6	-
St Colman's College (363)	23	0.4	6	2
Graham Asset Management (364)	9	0.2	-	-
Alpha Housing Association (365)	7	0.1	5	9
City of Derry Airport (366)	47	1.3	6	3
Blackwater Integrated College (367)	35	0.3	9	2
Rowandale Integrated Primary School (368)	13	0.1	2	-
Cranmore Integrated Primary School (369)	7	0.1	2	-
Amey Community Limited (370)	6	0.1	-	1
Capita Managed IT Solutions Limited (371)	16	0.3	-	-
Northern Community Leisure Trust (372)	52	0.5	-	-
Craigavon Development Commission (903)	-	-	-	1
Londonderry Development Commission (904)	-	-	1	6

Notes:

(1) 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. The breakdown above excludes Councillors.

(2) Deferred members include the number of members who are yet to decide whether to take transfer payments.

(3) For Employers with three or fewer members, Pensionable Pay is not shown for data privacy reasons.

(4) The liabilities of ELB (360) are shared between the five Education and Library Boards (27, 28, 29, 30, 31) and Libraries NI (361).

Appendix 4: Benefits

The benefits of the Local Government Pension Scheme (Northern Ireland) are set out in Regulations, the principal Regulations currently being

- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations (Northern Ireland) 2009 (as subsequently amended) for membership before April 2015
- the draft Local Government Pension Scheme Regulations (Northern Ireland) 2014 for membership from 1 April 2015

A broad summary of the benefits payable to active members is given below. This reflects our understanding of the Regulations at the time of writing. This may however be subject to change and readers should refer to the Regulations for further details.

	2009 Scheme	2015 Scheme
Type of scheme	Final salary	Career average revalued earnings (CARE)
Normal Retirement / Pension Age	65	Linked to State Pension Age (or age 65 if higher)
Member contributions	Between 5.5% of pay and 7.5% of full time equivalent Pensionable Pay dependent on contribution band the member is in. Special provisions apply for certain categories of former manual workers.	Between 5.5% of pay and 10.5% of actual Pensionable Pay dependent on contribution band the member is in.
50:50 option	Not applicable	Members can opt to pay 50% contributions for 50% of member's pension benefit (dependants' benefits not affected)
Pensionable Pay	Generally total pay (excluding non contractual overtime)	Generally total pay (including non contractual overtime)

Copyright © 2014 Aon Hewitt Limited. All rights reserved.

This report was prepared for the sole and exclusive benefit of the Northern Ireland Local Government Officers' Superannuation Committee. Aon Hewitt does not accept or assume any duty of care, nor any responsibility or liability, to any third party in respect of the contents of this report.

	2009 Scheme	2015 Scheme
Final Pay	Generally Pensionable Pay over the 12 months prior to retirement or earlier exit or, if higher, in one of the preceding two years.	Not applicable
Pensionable service	Membership of Fund (years and days), plus periods of credited service	Not applicable
Normal retirement pension	<p>1/60 of Final Pay for each year of Pensionable Service on or after 1 April 2009.</p> <p>For each year of Pensionable Service before 1 April 2009:</p> <ul style="list-style-type: none"> ▪ a pension of 1/80 of Final Pay, plus ▪ a cash sum of 3/80 of Final Pay 	<p>1/49 of revalued Pensionable Pay received during membership from 1 April 2015.</p> <p>The resulting accumulated pension is called the 'pension account'.</p>
Retirement cash sum	<p>Pension can be surrendered for additional cash sum to a maximum cash sum of one quarter of the total capital value of benefits.</p> <p>Conversion rate is £12 for each £1 pa of pension given up.</p>	<p>Pension can be surrendered for cash sum to a maximum cash sum of one quarter of the total capital value of benefits.</p> <p>Conversion rate is £12 for each £1 pa of pension given up.</p>

	2009 Scheme	2015 Scheme
Early retirement pension	<p>Reduced pension payable on retirement after age 60, or after age 55 with Employer consent.</p> <p>Pension calculated as for normal retirement but based on Pensionable Service to early retirement date, and reduced for early payment.</p> <p>Certain categories of member eligible for protection can retire on unreduced pension if their age plus Pensionable Service is greater than or equal to 85 years, with Employer consent required if under age 60.</p>	<p>Reduced pension payable on retirement after age 55.</p> <p>Pension calculated as for normal retirement but based on revalued Pensionable Pay up to early retirement date, and reduced for early payment.</p> <p>Certain categories of member eligible for protection can retire on unreduced pension if their age plus Pensionable Service is greater than or equal to 85 years.</p>
Incapacity and ill-health pensions	<p>In each case members must</p> <ul style="list-style-type: none"> ▪ be permanently incapable of efficiently discharging their current duties to qualify, and ▪ have a reduced likelihood of obtaining gainful employment before reaching Normal Retirement Age. <p>Tier 1</p> <ul style="list-style-type: none"> ▪ Payable to members with more than 1 year of Pensionable Service. ▪ Immediate payment of benefits based on Final Pay at exit and potential Pensionable Service that would have been completed to Normal Retirement Age. ▪ To qualify for this benefit there must be no reasonable prospect of the member being capable of gainful employment before reaching Normal Retirement Age. 	<p>In each case members must</p> <ul style="list-style-type: none"> ▪ be permanently incapable of efficiently discharging the duties of the employment they were engaged in to qualify, and ▪ have a reduced likelihood of being capable of undertaking any gainful employment before reaching Normal Pension Age. <p>Tier 1</p> <ul style="list-style-type: none"> ▪ Payable to members with more than 2 years of Pensionable Service. ▪ Immediate payment of accrued pension, plus an enhancement equal to the amount of earned pension the member would have accrued between the date of leaving and Normal Pension Age, based on Pensionable Pay at retirement. ▪ To qualify for this benefit the member must be unlikely to be capable of undertaking any gainful employment before reaching Normal Pension Age.

	2009 Scheme	2015 Scheme
Incapacity and ill-health pensions (continued)	<p>Tier 2</p> <ul style="list-style-type: none"> Payable to members with more than 1 year of Pensionable Service Immediate payment of benefits based on Final Pay at exit and Pensionable Service completed to date of exit plus 25% of the period from date of exit to Normal Retirement Age. To qualify for this benefit the member must have a reasonable prospect of being capable of gainful employment before reaching Normal Retirement Age. 	<p>Tier 2</p> <ul style="list-style-type: none"> Payable to members with more than 2 years' of Pensionable Service. Immediate payment of accrued pension, plus an enhancement equal to 25% of the Tier 1 enhancement. To qualify for this benefit the member must have a reduced likelihood of being capable of undertaking any gainful employment before reaching Normal Pension Age.
Leaving Pensionable Service	<p>Pension payable on retirement at Normal Retirement Age based on Final Pay at exit and Pensionable Service to date of exit.</p> <p>Certain categories of member can retire early on unreduced pension if aged 60 or over and their age plus service is greater than or equal to 85 years. Service in this case includes the period between date of exit and date pension commences.</p>	<p>Pension payable on retirement at Normal Pension Age calculated as for normal retirement based on revalued Pensionable Pay during period of membership.</p>
CARE revaluation in service	Not applicable	In line with increases in the Consumer Prices Index (CPI)
Deferred pension revaluation after leaving	<ul style="list-style-type: none"> Guaranteed Minimum Pensions (GMPs) increase in deferment in line with State revaluation factors. Deferred pensions in excess of GMPs increase in line with CPI 	In line with CPI
Pension increases in payment	<ul style="list-style-type: none"> GMPs accrued after 6 April 1988 increase at the lower of 3% pa and CPI 	In line with CPI

Copyright © 2014 Aon Hewitt Limited. All rights reserved.

This report was prepared for the sole and exclusive benefit of the Northern Ireland Local Government Officers' Superannuation Committee. Aon Hewitt does not accept or assume any duty of care, nor any responsibility or liability, to any third party in respect of the contents of this report.

	2009 Scheme	2015 Scheme
	<ul style="list-style-type: none"> Pensions in payment in excess of GMPs increase in line with CPI 	
Death benefits	<ul style="list-style-type: none"> A cash sum of 3 x Final Pay at exit. A partner's pension of 1/160 of Final Pay at exit for each year of Pensionable Service, including a service enhancement that would have applied had retirement due to ill-health under Tier 1 occurred at the date of death. Partners are spouses, civil partners and nominated co-habitees. Children's pensions may be payable. 	<ul style="list-style-type: none"> A cash sum of 3 x Pensionable Pay at exit. A partner's pension of 1/160 of revalued Pensionable Pay received during membership to date of death plus an enhancement to pension of 1/160 of Pensionable Pay at death for each year between death and Normal Pension Age. Partners are spouses, civil partners and nominated co-habitees. Children's pensions may be payable.
State pension scheme	The Scheme is contracted out of the State Second Pension Scheme.	The Scheme is contracted out of the State Second Pension Scheme. Note that the Government proposes abolishing contracting out from April 2016.
Protections /underpins	Pre 2009 benefits protected. Rule of 85 retained for members aged over 60 on 31 March 2016. Partial protection of Rule of 85 for members aged over 60 on 31 March 2020.	Pre 2015 benefits protected (including link to eventual Final Pay). Underpin of benefits on 2009 Scheme structure for members aged over 55 in April 2012. Rule of 85 protections where applicable will continue to apply in the 2015 Scheme.
Vesting period	A refund of member contributions is paid for members leaving membership with qualifying service of less than 3 months.	A refund of member contributions is paid for members leaving membership with qualifying service of less than 2 years.

Appendix 5: Consolidated revenue account

We show a summary of the income and outgo of the Fund since the previous valuation below.

	Total £000s
Fund as at 31 March 2010	3,540,141
Income	
Contributions Employer normal	402,482
Employer additional	0
Employer special	28,665
Employee	155,188
Transfers-in	23,294
Investment income	205,104
Other	391
Total income	815,124
Outgo	
Pensions paid	348,399
Retirement cash sums	145,883
Transfers-out	12,550
Refunds of contributions on leaving	52
Expenses Investment	35,068
Administration	7,199
State Scheme premiums	1
Death benefits	11,996
Other outgo	5,862
Total outgo	567,010
Change in market value	843,398
Fund as at 31 March 2013	4,631,653

Copyright © 2014 Aon Hewitt Limited. All rights reserved.

This report was prepared for the sole and exclusive benefit of the Northern Ireland Local Government Officers' Superannuation Committee. Aon Hewitt does not accept or assume any duty of care, nor any responsibility or liability, to any third party in respect of the contents of this report.

Appendix 6: Employer funding strategies

An Employer's funding strategy depends on its own circumstances. Key details for each Employer are set out below. See the sections on Funding Objective and the Glossary in Appendix 12 for more details.

Employer	Recovery period	Stepping period (if any)
Grouped employers	20.0	
Non-grouped employers		
United Dairy Farmers (126)	11.0	-
Livestock and Meat Commission (163)	16.0	-
Fold Housing Association (194)	10.8	-
Trinity Housing Association (229)	10.5	
Oaklee Housing Association (244)	10.0	-
Rural Development Council for NI (265)	10.2	3
Citizens' Advice (280)	11.0	-
Ards Citizens' Advice Bureau (282)	8.4	-
Youth Justice Agency for NI (340)	11.6	-
HSG Zander (359)	3.4	-
Graham Asset Management (364)	5.1	-
Alpha Housing Association (365)	8.0	-
Amey Community Limited (370)	10.3	-
Capita Managed IT Solutions Limited (371)	14.8	-
Northern Community Leisure Trust (372)	12.9	-

Appendix 7: Assumptions used to value the liabilities

The assumptions used for calculating the past service liabilities and the cost of future benefit accrual are summarised below. Different assumptions are used for the low risk measure, as set out in Appendix 8.

Financial assumptions

In service discount rate	5.2% pa
<i>Grouped employers</i>	5.2% pa
<i>Non-grouped employers</i>	5.2% pa
Left service discount rate	5.1% pa
<i>Grouped employers</i>	5.2% pa
<i>Non-grouped employers</i>	3.9% pa
Rate of Pensionable Pay increases (service up to 1 April 2015 only) (in addition to promotional increases)	3.9% pa
Rate of RPI price inflation	3.3% pa
Rate of CPI price inflation	2.4% pa
Rate of revaluation of pension accounts	2.4% pa
Rate of pension increases	
on non GMPs	2.4% pa
on post 88 GMPs	2.0% pa
Rate of deferred pension increases	
non GMP	2.4% pa
GMP	3.9% pa
Administration expenses	0.3% of Pensionable Pay

Further information on the grouped and non-grouped employers is set out in the section on Funding Objective section and Appendix 6.

Demographic assumptions

Pre-retirement base mortality	Males: 65% of Standard SAPS Normal Health tables Females: 65% of Standard SAPS Normal Health tables	
Post-retirement base mortality	Males: 110% of Standard SAPS Normal Health tables Females: 110% of Standard SAPS Normal Health tables	
Ill-health retirement base mortality	Males: 100% of Standard SAPS Ill Health tables Females: 100% of Standard SAPS Ill Health tables	
Improvements to base mortality	An allowance for improvements between 2002 and 2013 and an allowance for future improvements have been made in line with the CMI 2012 Core Projections assuming a long-term annual rate of improvement in mortality rates of 1.5% pa for men and women.	
Promotional salary increases	Allowance has been made for age-related promotional increases (see sample rates below).	
Withdrawals	Allowance has been made for withdrawals from service (see sample rates below). On withdrawal, members are assumed to leave a deferred pension in the Fund.	
Retirement age	Members were assumed to retire at the following ages:	
	Member group	Assumed age at retirement
	Active members with protected Rule of 85 age (joined LGPS before 1 October 2006 and attained age 60 before 1 April 2020)	Rule of 85 age (or age 60 if higher). Any part of their pension payable from a later age will be reduced.
	All other active members	Age 65. Post 2015 pensions will be reduced if the member's State Pension Age is projected to be over age 65 at that point.
	Deferred members who left the Fund before 1 April 2013 with protected Rule of 85 age	Rule of 85 age (or age 60 if higher). Any part of their pension payable from a later age will be reduced.
	Deferred members who left the Fund before 1 April 2013 with no protected Rule of 85 age	Age 65.
Retirement cash sum	Each member was assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2009 service) is 75% of the permitted maximum.	

Family details	<p>A man was assumed to be three years older than his wife/partner.</p> <p>90% of non-pensioners were assumed to be married or have a spouse, civil partner or nominated co-habitee ('partner') at retirement or earlier death.</p> <p>90% of pensioners were assumed to be married or have a partner at age 65 or younger.</p> <p>Partners were assumed to exhibit the same mortality as pensioners of the same sex who retired in normal health.</p> <p>No allowance for children's pensions.</p>				
Retirement due to ill-health	<p>Allowance has been made for retirements due to ill-health (see below). Proportions assumed to fall into the different benefit tiers are:</p> <table border="1"> <tr> <td>Tier 1</td> <td>55%</td> </tr> <tr> <td>Tier 2</td> <td>45%</td> </tr> </table>	Tier 1	55%	Tier 2	45%
Tier 1	55%				
Tier 2	45%				
Take up of 50:50 scheme	<p>An allowance consistent with that used by the Government Actuary's Department in the costing of the 2014 Local Government Pension Scheme based on an assumption of 10% of members earning less than £21,000 electing to join the 50:50 scheme.</p>				

Sample rates

The table below illustrates the allowances made for withdrawals from service and ill-health retirement at various ages. Also shown is the allowance included for promotional pay increases, which is shown as the percentage increase over the next year.

Current age	Percentage promotional pay increase over year	Percentage leaving the Fund each year as a result of withdrawal from service	Percentage leaving the Fund each year as a result of ill-health retirement
20	3.6	10.5	0.00
25	3.2	6.9	0.03
30	2.0	4.9	0.04
35	1.6	3.9	0.09
40	0.4	3.1	0.12
45	0.0	2.5	0.19
50	0.0	2.0	0.44
55	0.0	1.7	1.17
60	0.0	1.0	2.31

Appendix 8: Assumptions for low risk measure

The low risk measure considers the position if no allowance is made in the discount rate for returns on the Fund assets to exceed the yields available on long dated UK government bonds as at 31 March 2013, as shown below.

All other assumptions are the same as shown in Appendix 7.

Financial Assumptions

In service discount rate	3.2% pa
Left service discount rate	3.2% pa

Appendix 9: Membership experience

We have compared the actual numbers of deaths, retirements and other exits since the previous valuation with the numbers expected on the assumptions used for the current valuation:

Type of exit	Men	Women
Death in service		
Actual	69	66
Expected	69	93
Withdrawals (excluding refunds)		
Actual	1,361	4,412
Expected	1,267	2,375
Normal and voluntary retirements		
Actual	845	854
Expected	1,986	1,956
Ill-health retirements		
Actual	335	393
Expected	316	451
Severance and redundancy retirements		
Actual	444	581
Expected	0	0

Appendix 10: Current contribution rates

Employers have paid contributions at the following levels in the year ended 31 March 2014.

Employer	Pensionable Pay %	Additional amount £000
Grouped employers	20.0	-
Non-grouped employers		
Royal College of Nursing for Northern Ireland (117)	23.7	220
United Dairy Farmers (126)	23.3	649
Livestock And Meat Commission (163)	18.4	-
Rural Development Council for Northern Ireland (265)	20.0	-
Citizens' Advice (280)	18.7	15
Ards Citizens' Advice Bureau (282)	22.4	5
HSG Zander (359)	25.2	-
Graham Asset Management (364)	20.0	-
Alpha Housing Association (365)	33.2	-
Blackwater Integrated College (367)	17.7	-
Rowandale Integrated Primary School (368)	17.7	-
Amey Community Limited (370)	23.0	-
Capita Managed IT Solutions Limited (371)	23.7	-
Northern Community Leisure Trust (372)	22.3	-

Appendix 11: Rates and Adjustments Certificate

Actuarial certificate given for the purposes of Regulation 31 of the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009

In accordance with Regulation 31 of the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009 (the 'Administration Regulations'), we certify that contributions should be paid by Employers at the following minimum rates for the period 1 April 2014 to 31 March 2017.

- A common rate of 17.0% of Pensionable Pay.
- Individual adjustments which, when added to or subtracted from the common rate, produce the following minimum Employer contribution rates

Employer (Shown in numerical order)	Contribution rate 1 April 2014 to 31 March 2017 % of Pensionable Pay	Additional monetary amount Year commencing 1 April		
		2014 £	2015 £	2016 £
Antrim Borough Council (1)	20.0	-	-	-
Ards Borough Council (2)	20.0	-	-	-
Armagh City And District Council (3)	20.0	-	-	-
Ballymena Borough Council (4)	20.0	-	-	-
Ballymoney Borough Council (5)	20.0	-	-	-
Banbridge District Council (6)	20.0	-	-	-
Belfast City Council (7)	20.0	-	-	-
Carrickfergus Borough Council (8)	20.0	-	-	-
Castlereagh Borough Council (9)	20.0	-	-	-
Coleraine Borough Council (10)	20.0	-	-	-
Cookstown District Council (11)	20.0	-	-	-
Craigavon Borough Council (12)	20.0	-	-	-
Down District Council (13)	20.0	-	-	-
Dungannon And South Tyrone Borough Council (14)	20.0	-	-	-
Fermanagh District Council (15)	20.0	-	-	-
Larne Borough Council (16)	20.0	-	-	-
Limavady Borough Council (17)	20.0	-	-	-
Lisburn City Council (18)	20.0	-	-	-
Derry City Council (19)	20.0	-	-	-
Magherafelt District Council (20)	20.0	-	-	-

Employer (Shown in numerical order)	Contribution rate 1 April 2014 to 31 March 2017 % of Pensionable Pay	Additional monetary amount Year commencing 1 April		
		2014 £	2015 £	2016 £
Moyle District Council (21)	20.0	-	-	-
Newry And Mourne District Council (22)	20.0	-	-	-
Newtownabbey Borough Council (23)	20.0	-	-	-
North Down Borough Council (24)	20.0	-	-	-
Omagh District Council (25)	20.0	-	-	-
Strabane District Council (26)	20.0	-	-	-
Belfast Education And Library Board (27)	20.0	-	-	-
South Eastern Education and Library Board (28)	20.0	-	-	-
North Eastern Education and Library (29)	20.0	-	-	-
Southern Education And Library Board (30)	20.0	-	-	-
Western Education And Library Board (31)	20.0	-	-	-
Armagh Planetarium (62)	20.0	-	-	-
Coleraine Harbour Commissioners (110)	20.0	-	-	-
Northern Ireland Fire And Rescue Service (114)	20.0	-	-	-
Northern Ireland Housing Executive (115)	20.0	-	-	-
Northern Ireland Tourist Board (116)	20.0	-	-	-
Arts Council Of Northern Ireland (118)	20.0	-	-	-
Northern Ireland Local Government Officers' Superannuation Committee (119)	20.0	-	-	-
Linen Hall Library (123)	20.0	-	-	-
United Dairy Farmers (126)	28.2	629,000	654,000	679,000
Royal Belfast Academical Institution (128)	20.0	-	-	-
Jordanstown Schools (129)	20.0	-	-	-
Glenmona Resource Centre (131)	20.0	-	-	-
Bangor Grammar School (132)	20.0	-	-	-
Friends School (134)	20.0	-	-	-
Campbell College (136)	20.0	-	-	-
Belfast Royal Academy (137)	20.0	-	-	-
Belfast High School (138)	20.0	-	-	-
St Malachy's College (139)	20.0	-	-	-

Employer (Shown in numerical order)	Contribution rate 1 April 2014 to 31 March 2017 % of Pensionable Pay	Additional monetary amount Year commencing 1 April		
		2014 £	2015 £	2016 £
St Columb's College (142)	20.0	-	-	-
St Mary's Christian Brothers (145)	20.0	-	-	-
Sullivan Upper School (146)	20.0	-	-	-
Christian Brothers Grammar School (147)	20.0	-	-	-
Ballymena Academy (148)	20.0	-	-	-
Belfast Charitable Society (149)	24.9	99,000	102,861	106,873
Northern Ireland Local Government Association (150)	20.0	-	-	-
Wallace High School (152)	20.0	-	-	-
Larne Grammar School (154)	20.0	-	-	-
Royal School, Armagh (157)	20.0	-	-	-
St Patrick's Grammar School (160)	20.0	-	-	-
Thornhill College (161)	20.0	-	-	-
Armagh Observatory (162)	20.0	-	-	-
Livestock And Meat Commission (163)	16.0	98,000	102,000	106,000
University Of Ulster (164)	20.0	-	-	-
Hunterhouse College (167)	20.0	-	-	-
Council for the Curriculum, Examination and Assessment (170)	20.0	-	-	-
Rathmore Grammar School (172)	20.0	-	-	-
Our Lady and St Patrick's College (173)	20.0	-	-	-
St Mary's University College (175)	20.0	-	-	-
Stranmillis University College (176)	20.0	-	-	-
Citybus Limited (179)	20.0	-	-	-
Northern Ireland Fishery Harbour Authority (180)	20.0	-	-	-
Staff Commission for Education and Library Boards (185)	20.0	-	-	-
Sports Council for Northern Ireland (187)	20.0	-	-	-
St Dominic's High School (188)	20.0	-	-	-
Ulsterbus Limited (189)	20.0	-	-	-
Dalriada School (192)	20.0	-	-	-
Fold Housing Association (194)	23.2	614,000	637,946	662,826

Employer (Shown in numerical order)	Contribution rate 1 April 2014 to 31 March 2017 % of Pensionable Pay	Additional monetary amount Year commencing 1 April		
		2014 £	2015 £	2016 £
Victoria College (195)	20.0	-	-	-
St Patrick's Academy (196)	20.0	-	-	-
Northern Ireland Transport Holding Company (197)	20.0	-	-	-
Northern Ireland Federation of Housing Associations (203)	20.0	-	-	-
Northern Ireland Railway Company Limited (206)	20.0	-	-	-
Dominican College, Belfast (208)	20.0	-	-	-
St Michael's College (209)	20.0	-	-	-
Probation Board for Northern Ireland (211)	20.0	-	-	-
Strathearn School (212)	20.0	-	-	-
Loreto College (213)	20.0	-	-	-
Coleraine Academical Institution (214)	20.0	-	-	-
Loreto Grammar School (215)	20.0	-	-	-
Foyle and Londonderry College (216)	20.0	-	-	-
Royal School, Dungannon (218)	20.0	-	-	-
Local Government Staff Commission (219)	20.0	-	-	-
St Mary's Grammar School (220)	20.0	-	-	-
Sacred Heart Grammar School (221)	20.0	-	-	-
Council for Catholic Maintained Schools (222)	20.0	-	-	-
Northern Ireland Legal Services Commission (223)	20.0	-	-	-
Youthnet (224)	20.0	-	-	-
Helm Housing Limited (227)	20.0	-	-	-
Trinity Housing (229)	22.4	229,000	237,931	247,210
Hearth Housing Association Limited (230)	20.0	-	-	-
South Ulster Housing Association Ltd (232)	20.0	-	-	-
Grove Housing Association Limited (234)	20.0	-	-	-
Filor Housing Association Limited (235)	20.0	-	-	-
Newington Housing Association (1975) (236)	20.0	-	-	-
Woodvale and Shankill Housing Association (237)	20.0	-	-	-

Employer (Shown in numerical order)	Contribution rate 1 April 2014 to 31 March 2017 % of Pensionable Pay	Additional monetary amount Year commencing 1 April		
		2014 £	2015 £	2016 £
Habinteg Housing Association (Ulster) Limited (238)	20.0	-	-	-
Apex Housing (239)	20.6	378,000	392,742	408,059
Covenanter Residential Association Limited (240)	20.0	-	-	-
St Matthew's Housing Association Limited (241)	20.0	-	-	-
Northern Ireland Co-ownership Housing (242)	20.0	-	-	-
Ulidia Housing Association Limited (243)	20.0	-	-	-
Oaklee Housing (244)	23.0	380,000	394,820	410,218
Flax Housing Association Limited (246)	20.0	-	-	-
Mount Lourdes Grammar School (250)	20.0	-	-	-
Community Relations Council (251)	20.0	-	-	-
Construction Industry Training Board (252)	20.0	-	-	-
Engineering Training Council For Northern Ireland (254)	20.0	-	-	-
Youth Council for Northern Ireland (255)	20.0	-	-	-
Hazelwood College (260)	20.0	-	-	-
Hazelwood Integrated Primary School (261)	20.0	-	-	-
Lagan College (262)	20.0	-	-	-
Mill Strand Integrated Primary School (263)	20.0	-	-	-
Rural Development Council for Northern Ireland (265)	16.5	50,000	80,000	110,000
Bridge Integrated Primary School (266)	20.0	-	-	-
Enniskillen Integrated Primary School (267)	20.0	-	-	-
Aquinas Diocesan Grammar School (268)	20.0	-	-	-
Rural Housing Association (271)	20.0	-	-	-
Oakgrove Integrated College (273)	20.0	-	-	-
Shimna Integrated College (274)	20.0	-	-	-
Northern Ireland Council for Integrated Education (275)	20.0	-	-	-
Erne Integrated College (276)	20.0	-	-	-
Derry Visitor and Conventional Bureau (277)	20.0	-	-	-
Integrated College Dungannon (278)	20.0	-	-	-

Employer (Shown in numerical order)	Contribution rate 1 April 2014 to 31 March 2017 % of Pensionable Pay	Additional monetary amount Year commencing 1 April		
		2014 £	2015 £	2016 £
Braidside Integrated Primary and Nursery School (279)	20.0	-	-	-
Citizens' Advice (280)	23.1	51,000	52,989	55,056
Rainey Endowed School (281)	20.0	-	-	-
Ards Citizens' Advice Bureau (282)	26.2	6,000	6,234	6,477
Down District Citizens' Advice Bureau (283)	20.0	-	-	-
Drumragh Integrated College (284)	20.0	-	-	-
St Louis Grammar School (285)	20.0	-	-	-
Lumen Christi College (287)	20.0	-	-	-
Cedar Integrated Primary School (288)	20.0	-	-	-
Our Lady's Grammar School (289)	20.0	-	-	-
Mourne Heritage Trust (290)	20.0	-	-	-
St Joseph's Grammar School (309)	20.0	-	-	-
Northern Ireland Hospice (313)	20.0	-	-	-
Slemish Integrated College (314)	20.0	-	-	-
Malone College (316)	20.0	-	-	-
Ark Housing Association Northern Ireland Ltd (317)	20.0	-	-	-
Oakgrove Integrated Primary School (318)	20.0	-	-	-
Connswater Homes Ltd (319)	20.0	-	-	-
New-Bridge Integrated College (320)	20.0	-	-	-
Millennium Forum (321)	20.0	-	-	-
Methodist College (322)	20.0	-	-	-
Belfast Visitor and Convention Bureau (323)	20.0	-	-	-
North Coast Integrated College (324)	20.0	-	-	-
Countryside Recreation Northern Ireland (325)	20.0	-	-	-
Spires Integrated Primary School (326)	20.0	-	-	-
Ulidia Integrated College (327)	20.0	-	-	-
Comhairle na Gaelscolaíochta (328)	20.0	-	-	-
Strangford College (329)	20.0	-	-	-
Loughview Integrated Primary School (330)	20.0	-	-	-
Windmill Integrated Primary School (331)	20.0	-	-	-

Employer (Shown in numerical order)	Contribution rate 1 April 2014 to 31 March 2017 % of Pensionable Pay	Additional monetary amount Year commencing 1 April		
		2014 £	2015 £	2016 £
Acorn Integrated Primary School (332)	20.0	-	-	-
Millennium Integrated Primary School (333)	20.0	-	-	-
Oakwood Integrated Primary School (334)	20.0	-	-	-
Dominican College, Portstewart (335)	20.0	-	-	-
Saints and Scholars Integrated Primary School (336)	20.0	-	-	-
General Teaching Council for Northern Ireland (337)	20.0	-	-	-
Assumption Grammar School (338)	20.0	-	-	-
Sperrin Integrated College (339)	20.0	-	-	-
Youth Justice Agency For NI (340)	23.3	894,000	928,866	965,092
Abbey Christian Brothers Grammar (342)	20.0	-	-	-
Omagh Integrated Primary School (343)	20.0	-	-	-
Arc21 (344)	20.0	-	-	-
Maine Integrated Primary School (345)	20.0	-	-	-
Sports Institute Northern Ireland (346)	20.0	-	-	-
Ilex Urban Regeneration Company Limited (348)	20.0	-	-	-
Drumlins Integrated Primary School (349)	20.0	-	-	-
Portadown Integrated Primary School (350)	20.0	-	-	-
Roe Valley Integrated Primary School (351)	20.0	-	-	-
South Eastern Regional College (352)	20.0	-	-	-
Belfast Metropolitan College (353)	20.0	-	-	-
South West College (354)	20.0	-	-	-
Northern Regional College (355)	20.0	-	-	-
North West Regional College (356)	20.0	-	-	-
Southern Regional College (357)	20.0	-	-	-
Middletown Centre for Autism (358)	20.0	-	-	-
HSG Zander (359)	30.5	-	-	-
Libraries NI (361)	20.0	-	-	-
Corran Integrated Primary School (362)	20.0	-	-	-
St Colman's College (363)	20.0	-	-	-
Graham Asset Management (364)	27.7	-	-	-

Employer (Shown in numerical order)	Contribution rate 1 April 2014 to 31 March 2017 % of Pensionable Pay	Additional monetary amount Year commencing 1 April		
		2014 £	2015 £	2016 £
Alpha Housing Association (365)	24.2	12,000	13,000	14,000
City of Derry Airport (366)	20.0	-	-	-
Blackwater Integrated College (367)	20.0	-	-	-
Rowandale Integrated Primary School (368)	20.0	-	-	-
Cranmore Integrated Primary School (369)	20.0	-	-	-
Amey Community Limited (370)	26.2	12,900	13,403	13,926
Capita Managed IT Solutions Limited (371)	21.3	-	-	-
Northern Community Leisure Trust (372)	20.0	-	-	-

	Contribution rate in year from 1 April % of Pensionable Pay		
	2014	2015	2016
Northern Ireland Screen (373)	18.8	17.0	17.0

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.

Additional contributions may be required in respect of any additional liabilities that arise under the provisions of Regulations 12, 13, 18, 19, 20 and 30 of the Benefits Regulations (or Regulations 31 and 32 of the 2014 Regulations as currently drafted) 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 2013 and these will be certified separately.

Contribution rates for Employers commencing participation in the Fund after 31 March 2013 will be advised separately.

This certificate should be read in conjunction with the notes overleaf.

Signed on behalf of Aon Hewitt Limited



Timothy Lunn FIA
Fellow of the Institute and Faculty of Actuaries



Christine Rice FIA
Fellow of the Institute and Faculty of Actuaries

31 March 2014

Aon Hewitt Limited
25 Marsh Street
Bristol
BS1 4AQ

Notes to Actuary's certificate

The contribution rates certified in the attached certificate have been assessed using the actuarial methods and assumptions detailed in our report dated 31 March 2014.

These assumptions imply the following levels of new retirement liabilities from active membership status:

Type of Retirement	Anticipated retirements over 4 year period from 1 April 2013 to 31 March 2017	
	Number	New Pension £'000
Normal, late and voluntary under Regulations 31(1), 31(3) and 31(5) of the 2014 Regulations or Regulation 16 or 30 of the Benefits Regulations	5,256	41,001
Comments on Funding	Such retirements are generally 'cost neutral'. Additional funding would not normally be required if actual retirements exceed the number anticipated, unless retirements occur before Normal Pension Age and no reduction for early payment applies. The Committee requires separate funding of any additional liabilities arising from such retirements and, as such, the financial impact of these retirements is neutral.	
Ill-health under Regulation 36 of the 2014 Regulations or Regulation 20 of the Benefits Regulations	1,058	6,694
Comments on Funding	Such retirements increase costs due to the early payment of enhanced benefits. If actual retirements exceed the number anticipated, and no action is taken before the next valuation, this would be identified as a source of loss at the next valuation. The Committee should monitor the number of ill-health retirements arising over each Fund year and refer the position to the Actuary if numbers exceed the levels implied above.	

Type of Retirement	Anticipated retirements over 4 year period from 1 April 2013 to 31 March 2017	
	Number	New Pension £'000
Severance and redundancy under Regulation 31(7) of the 2014 Regulations or Regulation 19 of the Benefits Regulations	Nil	Nil
Comments on Funding	<p>Such retirements increase costs due to the early payment of benefits. Any enhancement of benefits through the Fund would increase costs further. If actual retirements exceed the number anticipated, and no action is taken before the next valuation, this would be identified as a source of loss at the next valuation.</p> <p>The Committee requires separate funding of liabilities arising from such retirements and, as such, the financial impact of these retirements is neutral.</p>	
Flexible retirement under Regulation 31(6) of the 2013 Regulations or Regulation 18 of the Benefits Regulations	Nil	Nil
Comments on Funding	<p>Such retirements are generally 'cost neutral'. Additional funding would not normally be required if actual retirements exceed the number anticipated, unless retirements occur before Normal Pension Age and no reduction for early payment applies.</p> <p>The Committee requires separate funding of any additional liabilities arising from such retirements and, as such, the financial impact of these retirements is neutral.</p>	

In this certificate references to

- the 2014 Regulations mean the draft Local Government Pension Scheme Regulations (Northern Ireland) 2014 as issued for consultation in December 2013.
- the Benefits Regulations mean the Local Government Pension Scheme (Benefits, Membership, and Contributions) Regulations (Northern Ireland) 2009
- the Administration Regulations mean the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009

Appendix 12: Glossary

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, eg due to family leave or sickness).

Admission Body

An employer admitted to the Fund under an admission agreement.

Attained age method

This is one of the methods used by actuaries to calculate a contribution rate to the Fund. This method calculates the present value of the benefits expected to build up over members' expected remaining membership of the Fund expressed as a percentage of their expected future pensionable pay. It allows for projected future increases to pension accounts through to retirement or date of leaving service. The method is based on the current membership and takes no account of the possibility of further members joining the Fund. If there are no new members, this method would be expected to result in a stable contribution rate as a percentage of pay, once surpluses or shortfalls are taken into account, and if all the other assumptions are borne out. However, if more members join the Fund to replace older leavers, the contribution rate can be expected to fall.

Best estimate

Best estimate assumptions are such that the eventual outcome is considered equally likely to be higher or lower than the best estimate.

Consumer Prices Index (CPI)

This is the price inflation index that increases to pensions and deferred pensions paid by the Fund are based on. It is published every month by the Office of National Statistics.

Deferred member

A former employee who has left active membership, but has not yet received any benefits from the Fund and is prospectively entitled to receive a deferred pension from his/her Normal Pension Age.

Discount rate

This is used to place a present value on a future payment. A 'low risk' discount rate is usually derived from the investment return achievable by investing in UK government bonds. A discount rate higher than the 'low risk' rate is often used to allow for some of the extra investment return that is expected by investing in assets other than UK government bonds.

Employing authority

A body employing an employee who is eligible to be a member or is a local authority as defined in the Regulations.

Funding objective

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

Funding ratio

This is the ratio of the value of assets to the funding target.

Funding strategy statement

A document prepared by the Committee in accordance with the Administration Regulations which sets out the funding strategy adopted for the Fund. The Actuary must have regard to this statement in preparing this actuarial valuation.

Funding target

An assessment of the present value of the benefits that will be paid from the Fund in the future, normally based on pensionable service prior to the valuation date. Under the current Funding Strategy Statement the funding target is equal to the past service liabilities calculated using a prudent set of assumptions.

Future service contribution rate

The contribution rate (expressed as a percentage of Pensionable Pay) required to meet the cost of benefits which will accrue to members in future.

Guaranteed Minimum Pensions (GMPs)

Most Funds that were contracted out of the State Earnings Related Pension Scheme (SERPS) before April 1997 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.

Past service liabilities

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

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 6% a year and if we had to pay a cash sum of £1,060 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 to a Fund.

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. It allows for projected future increases to benefits through to retirement or date of leaving service. Provided that the distribution of members remains stable with new members joining 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. 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 following the valuation date.

Recovery period

The period over which any surplus or shortfall is to be eliminated.

Recovery plan

Where a valuation shows a funding shortfall against the past service liabilities, a recovery plan sets out how the Committee intends 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 (Northern Ireland) and how the Funds are to be administered. They currently include the following sets of regulations:

- Administration Regulations Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009 (as subsequently amended)
- Benefits Regulations Local Government Pension Scheme (Benefits, Membership, and Contributions) Regulations (Northern Ireland) 2009 (as subsequently amended)
- Transitional Regulations Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2009 (as subsequently amended)

From April 2015 the following will set out the new 2015 Scheme:

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

Shortfall

Where the assets are less than the funding target, the shortfall is the funding target less the value of assets.

Shortfall contributions

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

State Pension Age (SPA)

Age at which State pensions are payable. Current legislation specifies the following ages:

- Currently age 65 for men; transitioning to age 65 for women by 2018.
- Current legislation transitions State Pension Age for both men and women to age 68 by 2046, as follows:
 - to age 66 by 2020
 - to age 67 by 2036
 - to age 68 by 2046

Legislation to bring forward the increase to age 67 to 2028 is expected to be enacted in Spring 2014.

The Government has announced further proposed changes to link changes to the State Pension Age to improvements in longevity.

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.

Surplus

Where the assets are more than the Funding Target, the surplus is the value of assets less the Funding Target.

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.