

Report



meeting

PENSIONS INVESTMENT SUB COMMITTEE

date

8 October 2009

agenda item number

REPORT OF THE SERVICE DIRECTOR (FINANCE)

Proposed Merger of the Pension Funds

1. Purpose

- 1.1 To inform Members of the additional report from Barnett Waddingham, the Funds' actuaries, on the issues associated with a potential merger of the Main and Admitted Bodies funds and to seek approval for the proposed course of action.

2. Information and Advice

- 2.1 In July 2009, Pensions Committee considered an initial report on the issues involved in a potential merger of the two funds and decided that more detailed information was needed on the impact of a merger on contribution rates. A further report was therefore requested from Barnett Waddingham, the funds' actuaries, and this is attached.
- 2.2 The report outlines three options for addressing contribution rates:
- Retain the arrangements currently in the AB Fund (4 separate employers and 1 pooled rate) once in the Main Fund
 - Continue with separate contribution rates for some or all of the 4 AB employers on separate rates and merge the two pooled rates
 - Pool all AB employers with the Small Scheduled Body employers
- 2.3 The preferred option is the first. This is the simplest to implement with no immediate impact on any of the contribution rates and will retain flexibility around the treatment of admitted bodies.

3. Statutory and Policy Implications

- 3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, Crime and Disorder, Human Rights and those using the relevant service. Where such implications are material, they have been described in the text of the report.

4. Recommendations

- 4.1 That the Sub-Committee considers its preferred option from the attached report and recommends that Pensions Committee approves the merger of the main and admitted bodies funds on the basis of that preferred option.

ALAN SUMBY
SERVICE DIRECTOR (FINANCE)

Background Papers Available for Inspection

None