Actuarial Valuation Report at 31 December 2022

Church Workers Pension Fund

27 March 2024

As instructed by the Board, we have carried out an actuarial valuation of the Church Workers Pension Fund ("the Fund") as at 31 December 2022. I now present my report which is addressed to the Church of England Pensions Board ("the Board") as Trustee of the Fund.

The main purpose of the report, required by the Pensions Act 2004, is to set out the results of and outcomes from the valuation. Fund members will receive a Summary Funding Statement relating to the valuation in due course. This report consolidates the results and outcomes from the valuation of the three sections of the Fund: Pension Builder Classic ("PB Classic"), Pension Builder 2014 ("PB 14") and the Defined Benefits Section ("DBS"). It also summarises some of the key risks faced by the Fund, as shown in Appendix 1.

The Board is responsible for the choice of assumptions for the valuation, and for then setting an appropriate level of future contributions, both in consultation with the sponsoring employers of the Fund ("the Employers").

The main results for the three sections are summarised in Table 1, with further detail (including details of the agreed contributions) in the following sections, appendices and attached key documents.

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Appointed Scheme Actuary

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Table 1: Main valuation results at 31 December 2022

	£m	Surplus/(Deficit) £m
DBS		
Assets (on technical provisions basis)	401.6	
Technical provisions	328.0	73.6
Assets (on buy-out basis)	400.4	
Buy-out estimate	349.4	51.0
PB Classic		
Assets	149.0	
Ongoing funding	114.2	34.8
Security basis	112.9	36.1
Buy-out estimate (nil bonuses)	120.6	28.4
PB 14		
Assets	49.5	
Technical provisions	41.0	8.5
Security basis	29.2	20.3
Buy-out estimate	31.7	17.8

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Professional standards

This report is part of the work in connection with the valuation of the Fund. The report has been produced for the information of interested readers and not with the intention that it should support any decision that they may make. Our work in preparing this report complies with Technical Actuarial Standard 100: General Actuarial Standards, together with Technical Actuarial Standard 300: Pensions.

The use of our work

This work has been produced by Lane Clark & Peacock LLP under the terms of our written agreement with the Trustee of the Church Workers Pension Fund ("Our Client").

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Benefits, contributions, data and assets

For the valuation we have relied on various sources of information, as shown in Table 2.

Table 2: Sources of information

Item	Source	Summarised
Benefit and contribution structure	Trust deed and Rules dated 5 February 2014. We were provided with a summary of the Individual Employer agreements by the Board staff.	Appendix 2.
Membership data	As provided by the Board staff	Appendix 3
Audited accounts for 3 years to the valuation date	As provided by the Board staff	Assets: Appendix 4

The Fund is divided into three sections:

- The **Defined Benefit Scheme (DBS)**, which covers those members for whom final salary defined benefit scale benefits are being provided. This section is further sub divided into a Life Risk Section (LRS) and separate sub-sections for each Employer with its own defined benefit scale. The Employer sub-sections together make up what is known as the General Fund.
- The **Pension Builder Classic section (PB Classic)**, which covers
  - (i) the majority of pensioners and deferred members who left active service before 1992,
  - (ii) all other members who are on a defined benefit structure under which contributions received are converted to pension payable from normal pension age based on conversion terms which are in force from time to time, and,
  - (iii) additional voluntary benefits of certain DBS members accumulating on the same basis as for ii).
- The **Pension Builder 2014 section (PB 14)** is a cash balance arrangement. Member and employer contributions accumulate and provide a cash sum at normal retirement age.

Together, PB Classic and PB 14 are known as the Pension Builder Scheme or PBS.

The employer sub-sections in the DBS contain active employees and members who have left service and retained entitlement to deferred pensions. However, those who are receiving a pension, have had their benefits transferred to the LRS.

The LRS provides pensions in payment and death in service benefits for all members of the DBS on a pooled basis. It also provides ill-health retirement benefits for those Employers opting to provide such cover and deferred pension benefits for former employees of Employers that have ceased to participate in the Fund.

Funding objective and actuarial assumptions

Principles in setting objective and method

- The Fund's statutory funding objective is to hold sufficient and appropriate assets to cover its technical provisions.
- The Board took advice from me and has determined the method and assumptions to use for the valuation.
- The valuation adopted the "projected unit method", under which the technical provisions are calculated as the amount of assets required as at the valuation date to meet the projected benefit cashflows, based on benefits accrued to the valuation date and the various assumptions made.
- The benefit cashflows projected from the valuation date (including discretionary increase in the case of PB Classic), which are primarily linked to price inflation (along with those arising from all of the future service for the existing members of the DBS) are shown in Charts 1, 2 and 3.

Chart 1: DBS projected cashflows

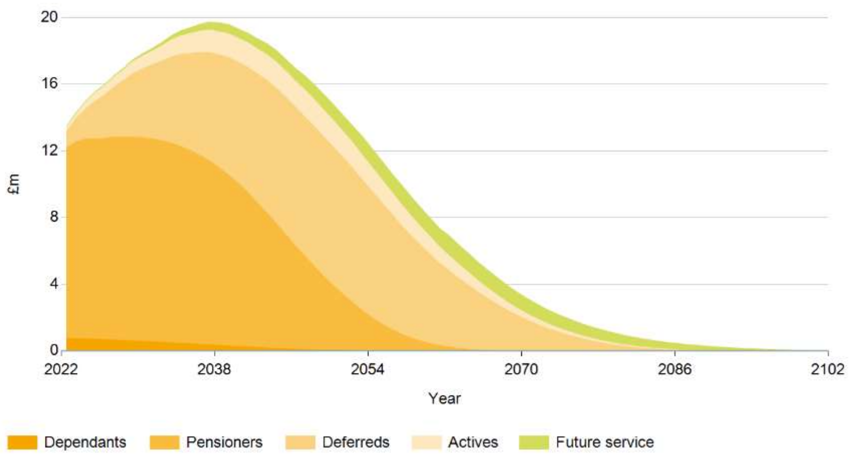


Chart 2: PB Classic projected benefit cashflows

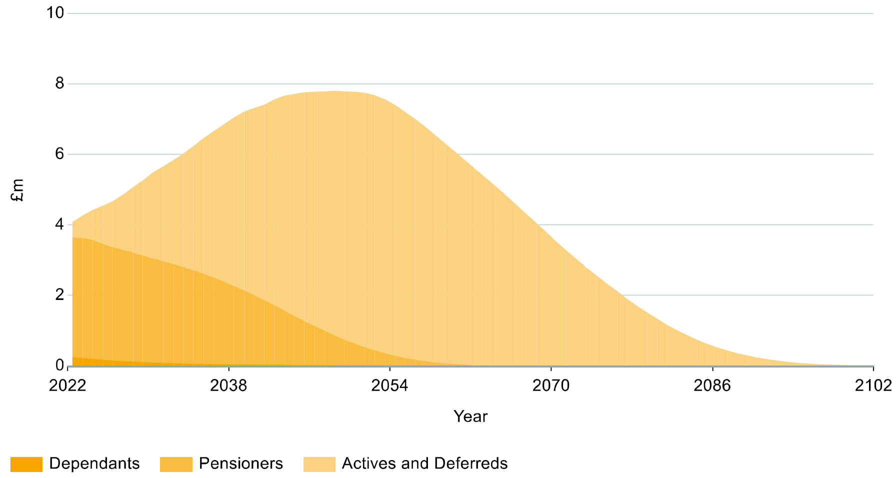
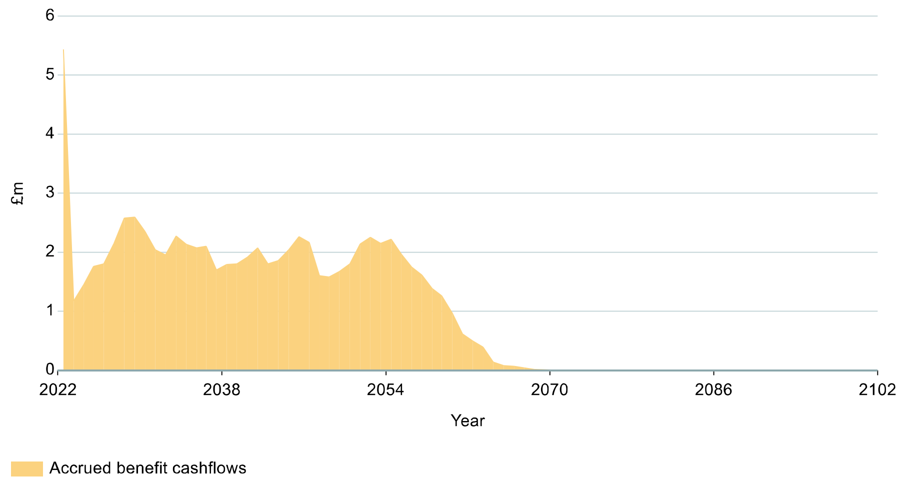


Chart 3: PB 14 projected benefit cashflows



The valuation includes assumptions about future investment strategies. These are described for DBS and PBS below.

2.1 DBS investment strategy

In light of the significant improvement in the funding position of the Fund, the Board has received investment advice regarding the strategic allocation of assets in the DBS and an appropriate long-term strategy for the LRS. In particular:

- The Board took action in December 2022 to introduce a 40% holding of gilts in the General Fund, in order to provide some stability leading into the valuation; and

- The Board has increased further the allocation to gilts and bonds within the General Fund to 65% in February 2023. This effectively covers the non-pensioner liability, with the balancing 35% covering the surplus.

In light of the material surplus, the Board has assumed the current de-risked strategy is retained for the purpose of calculating the technical provisions. This means:

- For pensions in payment, we assume these are backed by bonds (corporate bonds, gilts and the buy-in); and

- For liabilities prior to retirement, we assume these are also backed by bonds (corporate bonds and gilts) with any surplus held in return-seeking assets.

2.2 PBS investment strategy

For the PB Classic section:

- Assets backing pensions in payment that accrued after 6 April 1997 (which have guaranteed pension increases in payment) are assumed to be held in a portfolio comprising 100% liability-matching assets; and
- All other assets are assumed to be held in a portfolio of 100% return-seeking assets.

For the PB 14 section:

- Assets are assumed to be held in a portfolio of 100% return-seeking assets.

All of the chosen assumptions (including those relating to investment strategy) are set out in the Board's statement of funding principles, a copy of which is enclosed.

2.3 Risks

The Fund faces a number of risks, as described in Appendix 1.

In particular, the actual returns on the Fund's assets may prove to be lower than the returns assumed. The higher the assumptions, the greater is the chance that actual returns will be lower, which could lead to:

- the need for additional Employer contributions in the future, within the DBS; or
- lower or no discretionary bonuses granted within the PB Classic and PB 14 sections. There is also a possibility that additional Employer contributions could be required in the PBS.

Similarly, there is the risk that the other assumptions adopted are not borne out by future experience.

Therefore, in determining the assumptions, the Board took account of their assessment of the strength of the employers' overall covenant, and in particular their likely ability to pay additional contributions in the future if future experience proves to be less favourable than the assumptions.

The key differences in the assumptions compared with the previous valuation are as follows:

- The mortality assumption used for this valuation results in a slightly higher assumed life expectancy for women, and a slightly lower assumed life expectancy for men than the assumption adopted at the previous valuation.
- The assumption for CPI inflation has remained at 0.8% pa below RPI inflation until 2030, however after this date the RPI-CPI gap has been reduced from 0.8% pa to 0.1%, reflecting expected changes to RPI from that date.
- The PB Classic bonus assumption has been updated to assume bonuses in line with CPI, previously it was RPI

Full details of the assumptions are set out in the attached Statement of Funding Principles.

Technical provisions, contributions and bonus strategy

Table 3 sets out the technical provisions and funding position at the valuation date.

Table 3: Technical provisions at 31 December 2022

	£m	Surplus/(Deficit) £m
DBS		
Assets	401.6	
Technical provisions	328.0	73.6
PB Classic		
Assets	149.0	
Ongoing funding	114.2	34.8
PB 14		
Assets	49.5	
Technical provisions	41.0	8.5

The surplus/(deficit) figures shown above may not sum due to rounding

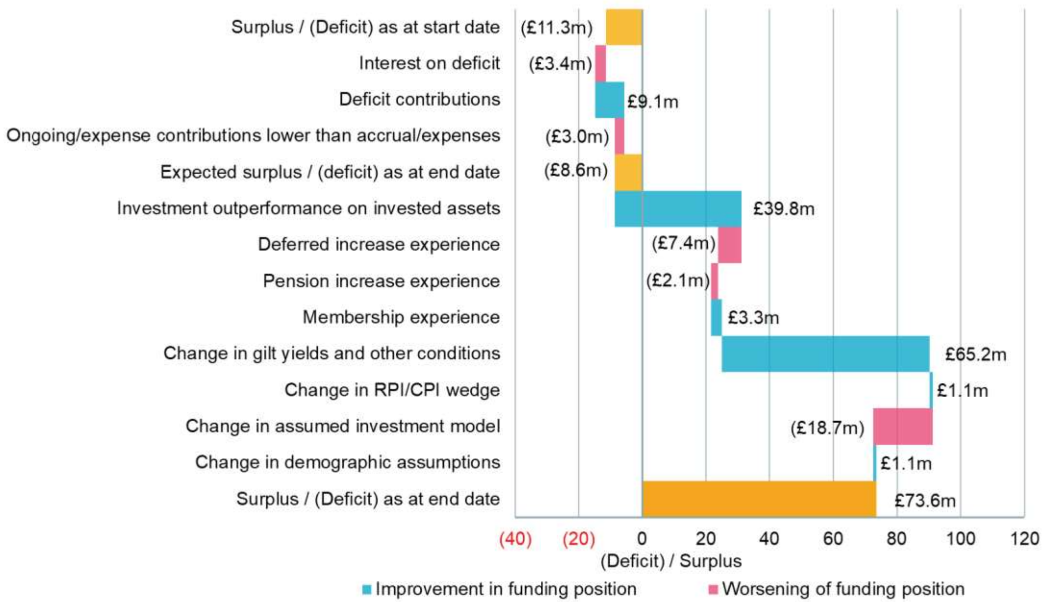
3.1 DBS technical provisions and contributions

In valuing the DBS, the Board:

- considers the position of the LRS;
- makes a levy on the General Fund Employer pools towards the recovery of any deficit within the LRS, if appropriate; and
- values the Employer pools within the General Fund – putting in place contribution arrangements with each individual Employer to make good any shortfall.

The deficit in the DBS as at the previous valuation was £11.3m and the main reasons for the improvement in funding position are shown in Chart 4. Appendix 5 shows the sensitivity of the valuation to changing some of the key assumptions.

Chart 4: DBS experience over three years



The figures shown above may not sum due to rounding

The Board has agreed the following contributions with the employers:

- From 1 April 2024, an average total Future Service Contribution Rate of 27% for the employers that remain open to accrual; and
- For two employers with a deficit in their employer pool, deficit contributions have been set with the aim to recover their deficits by 31 July 2028. The agreed contributions are set out in the attached Schedule of Contributions (note there is no Recovery Plan for this valuation given the overall surplus in the DBS).

3.2 PB Classic technical provisions and bonus strategy

The only guaranteed increases in PB classic are to pensions in payment built up after 6 April 1997. Discretionary bonuses are applicable before payment to all benefits and to pensions in payment built up prior to 6 April 1997. As a result, a key purpose of the valuation is to set an appropriate policy for granting future bonuses.

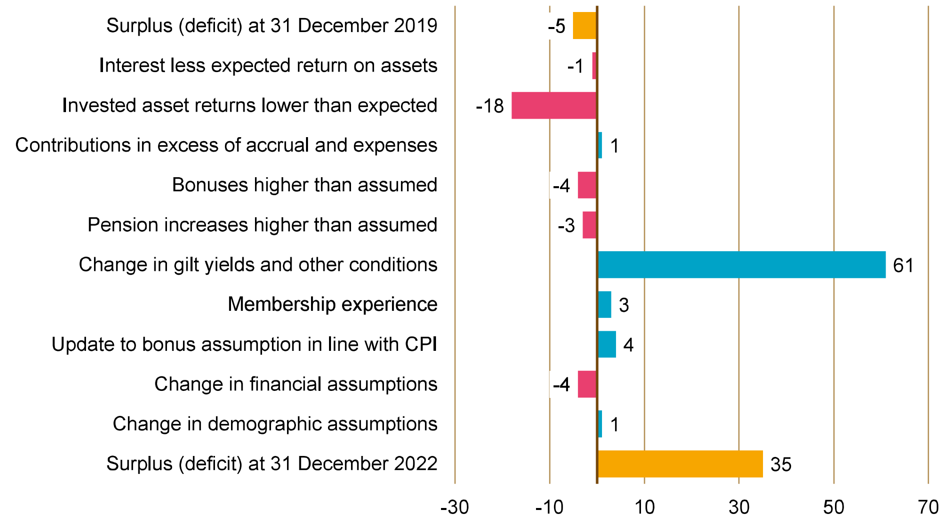
We carry out the valuation in respect of the PB Classic on two bases.

- The technical provisions assume future bonuses are in line with CPI inflation and return-seeking assets deliver 3.1% pa in excess of gilt returns. Given the discretionary nature of the PB Classic pension increases, this assumption is higher than the prudent return assumption used for the DBS. If lower returns are achieved, lower bonuses will be granted, and vice versa. This is known as the “ongoing valuation”.
- We also value the benefits on a “security” basis, making no allowance for future discretionary bonuses and assuming all the assets are switched into gilts. The security valuation is used as a key measure when deciding whether to grant future discretionary bonuses.

The deficit at the previous valuation on an ongoing basis was £4.8m and the main reasons for the improvement in funding position are shown in Chart 5.

Appendix 5 shows the sensitivity of the valuation to changing some of the key assumptions.

Chart 5: PB Classic experience over three years



On the security basis, there was a surplus of £36.1m at 31 December 2022. This is set out in more detail in Table 4.

Table 4: PB Classic security basis

	£m
Security target in respect of:	
Non-pensioners	65.2
Pensioners	46.6
GMP equalisation reserve	1.1
Assets	149.0
Surplus	36.1

Based on the above results, the Board chose to grant a discretionary bonus of 6.7% at 1 January 2024 to all pre-retirement benefits and to benefits in payment that were accrued before 6 April 1997. The Board also decided to grant pensions with guaranteed increases at RPI capped at 2.5% pa a one-off discretionary increase so that those pensions increased by 5% at 1 January 2024 (instead of 2.5%).

3.3 PB 14 technical provisions and bonus strategy

This section was established on 1 January 2014. This is the third valuation to include PB 14 results.

Discretionary bonuses are added to retirement accounts depending on the investment performance of the underlying PB 14 assets. A member's retirement account is guaranteed at normal retirement age to be not less than the total of the contributions paid and bonuses awarded. If a member takes their benefit before normal retirement age, a reduction may be applied.

We carry out the valuation in respect of the PB 14 on three bases.

- The technical provisions assume future bonuses are in line with investment returns, less 1.75% pa, reflecting the bonus policy at the valuation date. The deduction is designed to allow for the cost of the guarantee at age 65 as well as administration expenses (assumed to be at a rate of 0.75% pa).

  Investments are assumed to deliver 3.1% pa in excess of gilt returns. Given the discretionary nature of the PB 14 bonuses, this assumption is higher than the prudent return assumption used for the DBS. If lower returns are achieved, lower bonuses will be granted, and vice versa. This is known as the "ongoing valuation".

  The resulting net discount rate allowing for bonuses and expenses is 1% pa.
- As part of the actuarial valuation, we are required to provide a statutory solvency estimate, known as the "security basis"; this is based on the value of insuring the accrued pools assuming no further discretionary pension increases.
- Finally, the "accrued pools basis" measures the total account values (accrued pools) at the valuation date, without any discounting and with no allowance for future bonuses. The accrued pools measure is referred to in considering whether the reserve held for the guaranteed nature of the benefits on retirement at age 65 is appropriate.

We have shown these three measures in Table 5.

Table 5: PB 14 valuation results

	Total account value	Security valuation	Ongoing funding valuation
Accrued benefit liability £m	47.1	29.2	41.0
Assets £m	49.5	49.5	49.5
Surplus £m	2.4	20.3	8.5

Discontinuance

This section considers the position were the Employers to have ceased sponsoring the Fund on the valuation date. In this situation, the pensionable service of active members would cease and they would become entitled to leaver benefits. The results are shown in Table 6.

Buy-out position

We have considered the discontinuance position of the Fund by estimating the "buy-out" cost as at the valuation date, ie the cost of securing the benefits for all members by the purchase annuity policies from an insurance company and winding up the Fund.

We have not obtained quotations, but have produced our estimate using the assumptions described in Appendix 6. These assumptions differ from those set out in the statement of funding principles and they result in an estimated buy-out cost that is higher than the technical provisions.

In the case of the PB Classic and PB 14, we have excluded discretionary bonuses or increase prior to or after retirement.

In practice, the actual buy-out cost can be determined only by running a selection process and completing a buy-out with an insurer.

The ultimate shortfall on buy-out could be very different from our estimate for various reasons, including:

- additional funding may be available from the Employers;
- market conditions will be different from those applying at the valuation date;
- the insurers will set their terms taking into account their view of the life expectancy of the Fund's members;
- there may have been changes in the level of competition in the insurance market; and
- the actual expenses of winding-up are likely to be different from the allowance made.

Table 6: Buy-out estimates

	£m
DBS	
Assets	400.4
Liabilities	349.4
Surplus/(Deficit)	51.0
PB Classic	
Assets	149.0
Liabilities	120.6
Surplus/(Deficit)	28.4
PB 14	
Assets	49.5
Liabilities	31.7
Surplus/(Deficit)	17.8
Total	
Assets	598.9
Liabilities	501.7
Surplus/(Deficit)	97.2

If the estimated buy-out cost of PB Classic were also to include the future discretionary bonuses in line with CPI, then we estimate there would have been a deficit of £10.3m as at the valuation date.

The total surplus on buy-out of £97.2m compares with a deficit of £169.2m at the previous valuation. This movement is the result of similar factors to those described in section 3, together with changes in the insurance market.

PPF funding level

Where a scheme is discontinued because of the insolvency of the employer, the Pension Protection Fund ("PPF") is required to assess whether the Fund is eligible to enter the PPF. This includes assessing whether the Fund is insufficiently funded.

In broad terms, if the PPF is satisfied that the Fund's assets are insufficient to buy out benefits equal to PPF compensation with an insurance company then the assets would be transferred to the PPF which would then pay members' PPF compensation in place of Fund benefits. IF the assets are sufficient, the Fund can be wound up outside the PPF with the assets first used to secure benefits equal in value to PPF compensation, with the balance being applied to secure benefits above that level in accordance with the Fund's rules.

As a proxy for the financial assessment that would be required by the PPF in these circumstances, we have taken the results of the separate statutory "section 179" valuation of the Fund as at the valuation date, as shown in the table below.

	£m
Total s179 liabilities (excluding expenses)	418.5
Estimated expenses of winding up	2.4
Estimated expenses of benefit installation/payment	13.2
Total protected liabilities	**434.1**
Assets (as reported in audited accounts)	599.4
Value of buy-in in accounts (DBS)	(179.0)
Value of buy-in for s179 purposes (DBS)	166.0
Assets for s179 purposes	**586.5**
S179 surplus/(deficit)	**152.4**

The figures shown above may not sum due to rounding

On this basis, it seems likely that, had the Fund discontinued at the valuation date, the Fund would not have entered the PPF.

Further details relating to the section 179 valuation are set out in Appendices 7 and 8, with the full results set out in my formal section 179 certificate which is enclosed.

Contribution policy and implications for funding

The Board has determined in consultation with the Employers that the Employers will pay contributions as shown in the schedule of contributions (attached to this report).

The projected funding levels three years after the valuation date are shown in Table 7. These projections are on the basis that:

- contributions are paid as set out in the schedule of contributions;
- future experience from the valuation date is in line with the assumptions set out in the statement of funding principles;
- investment returns in each section are in line with the assumptions underlying the technical provisions for that section;
- the PB Classic bonus policy is such that bonuses in line with CPI are anticipated to be granted at 1 January 2025;
- PB 14 bonuses are granted in line with the Board's current policy; and
- there is no change in the annuity market.

Table 7: Approximate projected funding levels

Measure	31 December 2022	31 December 2025
Technical provisions		
DBS	122%	126%
PB Classic	130%	136%
PB 14	121%	125%
Solvency		
DBS	115%	115%
PB Classic	124%	131%
PB 14	156%	159%

Experience from the valuation date is likely to be different from the assumptions made. Therefore, the time taken to pay off the deficit is likely to be shorter or longer than projected.

Experience since the valuation date

The valuation considers the financial position of the Fund as at the valuation date. Since that time there have been significant fluctuations in investment markets which have affected the value of the assets and the technical provisions.

Charts 6 and 7 show an approximate projection of how the deficits of the DBS (against technical provisions) and PB Classic (against the technical provisions and security basis) have varied since the valuation date.

It can be seen that the position improved during 2023, leading to the following estimated positions against the technical provisions at 31 December 2023 of:

- a surplus of £71.2m in DBS allowing for benefit cashflows to 31 December 2023 and assets at this date; and
- a surplus of £40.4m in PB Classic on the ongoing funding basis; and
- a surplus of £11.7m in PB 14 on the funding basis.

We recommend that the position continues to be monitored.

Chart 6: Projection of DBS ongoing funding surplus/(deficit)

Chart 7: Projection of PB Classic ongoing funding and security basis surplus/(deficit)

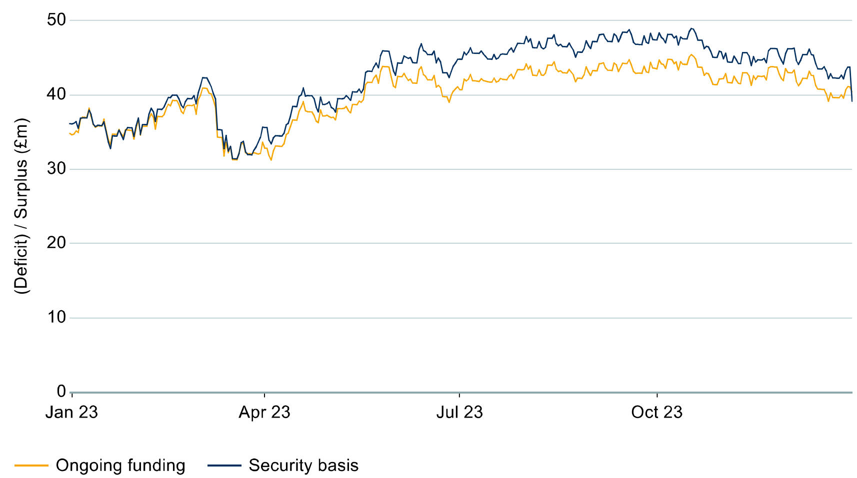
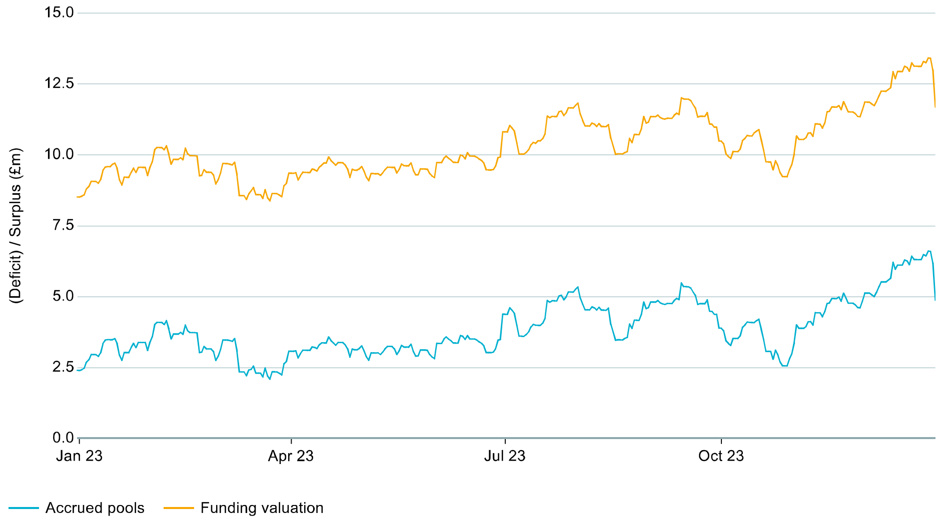


Chart 8: Projection of PB 14 accrued pools and ongoing funding basis surplus/(deficit)



Certification

Certification of technical provisions and contributions

Under the Pensions Act 2004, I am required to certify that the technical provisions have been calculated in accordance with the legislation. My certificate is enclosed.

I am also required to certify, in relation to the Schedule of Contributions, that it is consistent with the Statement of Funding Principles, and that payment of contributions at the agreed rates are such that the statutory funding objective can be expected to continue to be met for the period for which the schedule is to be in force. My certificate forms part of the schedule of contributions and is based on financial conditions at the date of this report, a copy of which is attached.

Appendices

- Some risks faced by the Fund
- Benefits and contributions – DBS, PB Clasisc and PB 14
- Membership details
- Investment strategy and composition of assets
- Sensitivity to assumptions
- Key assumptions used for assessing solvency

Appendix

Key risks faced by the Fund

Risk	Comment
Employer's covenant	A number of Employers are not able to make the required contributions, and in particular are not able to pay increased contributions if experience is unfavourable. If this happened, the Fund may not be able to pay the benefits in full.
Investment strategy	Changes in asset values are not matched by changes in the technical provisions. The technical provisions are linked to gilt yields, but the Fund assets include a holding in return-seeking assets, so the two may move out of line as investment conditions change. For example, if equity values fall with no changes in gilt yields, the surplus would reduce.
Investment returns	Future investment returns are lower than anticipated. The greater the allowance made in the technical provisions for returns on assets other than gilts, the greater the risk that those returns are not achieved. Our expected return for equities, and other asset classes derived from equities, allows for the possible impacts of climate change on future economic growth. While there are many possible pathways that climate change, both physical changes to the climate and the transition to the low carbon economy (and associated technological and policy changes) might follow, we aim to allow for a reduction in growth expectations that is greater than the cost of an orderly transition to an economy consistent with the Paris Agreement (under the United Nations Framework Convention on Climate Change), but less severe than no transition at all. Otherwise, no allowance is made for specific risks, such as cyber-attacks, drug resistance and/or future pandemics, which may have an effect on future investment returns.
Gilt yields	Asset values and the technical provisions do not move in line as a result of changes in the yields available on fixed interest and index-linked gilts. This may arise because of a mismatch between the Fund's holding in gilts and its technical provisions in terms of their nature (ie fixed or inflation-linked) and/or their duration.
Inflation	Actual inflation is higher, or there is a period of deflation, and so benefit payments are higher than anticipated. In addition there is a potential mismatching risk if inflation linked liabilities behave differently to the inflation linked assets held to protect against inflation changes – for example where RPI linked assets are used to match CPI linked liabilities
Mortality	Fund members live longer, and so benefits are paid longer, than anticipated. In particular, no allowance is made for some specific risks, such as antibiotic resistance, so members may live for a different length of time than assumed.
Member options	The incidence of Fund members exercising benefit options which are potentially not "neutral" to the Fund's funding position (such as early retirement or commutation) is different from that anticipated.

Regulatory	In future the Fund may have backdated claims or liabilities arising from equalisation or discrimination issues or from future legislation or court judgments. In particular, the actual impact of any adjustment to benefits required to remove any inequalities arising from Guaranteed Minimum Pensions may well be different to any allowance made.
Climate	Climate-related risks and opportunities are likely to have widespread social and economic effects during the Fund's lifetime. They include physical risks from the climate itself and transition risks from actions which reduce greenhouse gas emissions. They could potentially affect the Fund's investment returns, the financial strength of the employers and mortality rates.
PB Classic and PB 14	Although the PB Classic and PB 14 sections are DC-like in many ways, they are not DC schemes and there is a risk that the benefits (with no further discretionary increases) may not be able to be provided without further contributions from the Employers.

Appendix

Benefits and contributions - DBS

We have taken the benefits provided by the Fund and the contributions required from members to be those set out in the Trust Deed and Rules which were adopted with effect from 5 February 2014. Each Employer in the DBS enters into a participation agreement with the Board, which sets out details of the benefits to be provided to their employees, selected from options for:

1. whether or not Employees' Pensionable Service will be contracted-out by reference to the Fund;
2. a Normal Pension Age, on or after the Member's 60th birthday;
3. Member's Contribution Rate to be either nil or at a specified percentage;
4. the Annual Review Date for the purpose of calculating Member's contributions;
5. an Accrual Rate of 1/100, 1/80, or 1/60, or such other rate agreed with the Board;
6. provisions for survivor's pensions chosen from:

   6.1 a Survivor's Pension Fraction to apply when the Member dies before his or her pension has started. This will be ½ or 2/3;

   6.2 a Survivor's Pension Fraction to apply when the Member dies after his or her pension has started. This will be ½ or 2/3 except that for Members in contracted-in Service the Survivor's Pension Fraction may be nil.

   6.3 whether the death in service pension is to be related to the Member's accrued pension or prospective pension; and

   6.4 any provision for children's pensions;

7. a "State Pension Deduction" from Pensionable Salary of nil or up to 1.5 times the lower earnings limit for National Insurance Contributions;
8. a Lump Sum Death Benefit of two, three or four times the Member's Final Pensionable Salary at the date of death;
9. whether or not pensions for Members who leave Service before Normal Pension Age because of Incapacity will be reduced fro early payment and, if there is to be no reduction, whether or not it will be calculated based on notional service to Normal Pension Age.

We have relied on a summary of these agreements provided by the Board. We are not aware of any other governing documentation.

It is possible that the technical provisions may prove too low on account of any back-dated adjustment to benefits arising from equalisation or discrimination issues or from future legislation or court judgements.

Benefits and contributions – PB Classic

We have taken the benefits provided by the Fund and the contributions required from members to be those set out in the Trust Deed and Rules which were adopted with effect from 5 February 2014. Each Employer in the PB Classic enters into a participation agreement with the Board, which sets out details of the benefits to be provided to their employees, selected from options for:

1. a Normal Pension Age, on or after the Member's 60th birthday;

2. Employer's Contribution Rate;

3. Member's Contribution Rate to be either nil or at a specified percentage;

4. provisions for survivor's pensions chosen from:

   4.1 a Survivor's Pension Fraction of ½ to apply when the Member dies before his or her pension has started.

   4.2 a Survivor's Pension Fraction of ½ to apply when the Member dies after his or her pension has started.

5. a Lump Sum Death Benefit of two times the Member's Salary at the date of death if the member dies in service;

We have relied on a summary of these agreements provided by the Board. We are not aware of any other governing documentation.

Benefits and contributions – PB 14

We have taken the benefits provided by the Fund and the contributions required from members to be those set out in the Trust Deed and Rules which were adopted with effect from 5 February 2014. Each Employer in the PB 2014 enters into a participation agreement with the Board, which sets out details of the benefits to be provided to their employees, selected from options for:

1. Member's Contribution Rate to be either nil or at a specified percentage;

2. Employer's Contribution Rate;

The PB 2014 Section pays a lump sum to the member at retirement. We have relied on a summary of these agreements provided by the Board. We are not aware of any other governing documentation.

Membership details

We have been provided with an updated full membership extract by the Board's staff. We have relied upon this data and have no reason to doubt its overall accuracy for the purposes of this valuation.

DBS membership details as at 31 December 2022 (31 December 2019 in brackets)

	Number		Average age		Pensionable Salaries / Pensions £'000 pa	
Active members	106	*(238)*	55	*(54)*	3,968	*(8,261)*
Deferred members	1,456	*(1,603)*	54	*(54)*	3,746	*(4,064)*
Pensioners and dependants	2,478	*(2,317)*	74	*(73)*	12,354	*(10,544)*
Total	**4,040**	***(4,158)***				

Notes:

- The pension figures for deferred members have been obtained by totalling members' deferred pensions as at the date of leaving service.
- The pension figures for pensioners and dependants have been obtained by totalling members' pensions in payment at the valuation date.
- The data includes increases granted at 1 January 2023. Pensions in payment increased on 1 January 2021 by 1.1%, on 1 January 2022 by 4.9% and on 1 January 2023 by 5.0% (or 2.5% if capped at 2.5%, other than the discretionary increase noted below).
- The Board granted the pension with capped increase of 2.5% pa a one-off discretionary increase of 5% at 1 January 2023.

PB Classic membership details as at 31 December 2022 (31 December 2019 in brackets)

	Number		Average age		Pensions purchased £'000 pa	
Active members	2,019	(2,281)	49	(52)	1,829	(1,695)
Deferred members	3,115	(2,511)	49	(51)	2,860	(2,402)
Pensioners and dependants	2,214	(2,084)	74	(76)	3,390	(3,240)
Total	**7,348**	(6,876)				

Notes:

- The active pension figures are the pensions purchased at the valuation date, payable from normal retirement date.
- The deferred pension figures are the pensions purchased at the valuation date, payable from normal retirement date.
- The pension figures for pensioners and dependants have been obtained by totalling members' pensions in payment at the valuation date.
- Pensions in payment were increased as follows:

Period in which contributions were paid	1 January 2023	1 January 2022	1 January 2021
Prior to April 1997	10.1%	3.0%	0.0%
Between April 1997 and March 2006	10.1%	4.9%	1.1%
From April 2006 onwards	10.1%	2.5%	1.1%

- On 1 January 2022 a discretionary bonus of 3.0% was awarded to pension accrued prior to April 1997. On 1 January 2023 an increase of 10.1% was granted to all tranches of pension.

PB 14 membership details as at 31 December 2022 (31 December 2019 in brackets)

	Number		Average age		Account Value £'000 pa	
Active members	2,621	*(2,402)*	47	*(50)*	29,646	*(18,401)*
Deferred members	1,813	*(935)*	45	*(48)*	14,344	*(5,634)*
Total	**4,434**	*(3,337)*			43,990	(24,035)

Appendix

Investment strategy and composition of assets

The table below sets out the asset allocations as at the valuation date, allowing for the value placed on the DBS buy-in (on a technical provisions basis).

Asset type	DBS market value at 31 December 2022		PB Classic market value at 31 December 2022		PB 14 market value at 31 December 2022	
	£m	%	£m	%	£m	%
Buy-in	179.7	44.7	-	-	-	-
Public equity pool	17.5	4.4	56.6	38.0	17.1	34.5
Diversified growth pool	38.0	9.5	25.5	17.1	9.2	18.6
Diversified income pool	71.4	17.8	47.7	32.0	15.7	31.7
LDI	86.5	21.5	17.1	11.5	-	-
Listed credit pool	2.3	0.6	-	-	-	-
Liquidity pool, cash and net current assets	6.2	1.5	2.1	1.4	7.5	15.2
Total assets	**401.6**	**100**	**149.0**	**100**	**49.5**	**100**

The figures shown above may not sum due to rounding

Appendix

Sensitivity to assumptions

- The valuation results are sensitive to the assumptions chosen and we illustrate here the effects of changes to some of the key assumptions.
- The results are particularly sensitive to the advance credit for future investment returns. By way of illustration, the effect of changing this assumption is shown in the table opposite.
- The results are also sensitive to the pensioner mortality assumption in terms of both life expectancy at the valuation date and how life expectancy may change in the future. To the extent that the mortality assumption under-estimates life expectancies, the technical provisions will be too low, all other things being equal.
- As an illustration, if it were assumed that life expectancies were one year longer than implied by the mortality assumption adopted, the technical provisions would be broadly 3-4% higher.

	DBS Surplus/ (Deficit) £m
Gilt only returns	67.8
Gilts +1% pa pre-retirement	79.7
2019 discount rate methodology retained	91.0
RPI and CPI 0.2% pa lower	73.9

Appendix

Key assumptions used for assessing solvency

- We have based our estimate of the solvency position on our understanding of the principles used by insurance companies in setting their prices, having regard to actual quotations received for other schemes.
- In estimating the position for PB Classic and PB 14, we have made no allowance for future discretionary bonuses.
- We have not obtained an actual quotation for the Fund, and there is considerable volatility in prices. Therefore, were the benefits actually to be bought out, the position could be very different from that illustrated. The basis used has no relevance beyond this estimate of the buy-out cost and my statutory estimate of solvency.
- The demographic assumptions we have used are generally the same as those used for the basis used to calculate the technical provisions (where relevant) except as shown opposite.
- We have included a reserve of 1% of the liabilities in respect of GMP equalisation for both the DBS and PB Classic.
- Additionally, we have included the following provisions for the costs that would be incurred by the Board in winding up the Fund:
  - £7.1m in respect of the DBS
  - £2.7m in respect of PB Classic
  - £4.4m in respect of PB 14
- In practice, the actual winding-up expenses could be very different. This basis has no relevance beyond establishing an estimate of the hypothetical buy-out cost and my statutory estimate of solvency as at the valuation date.

Financial assumptions

Assumption	DBS % pa	PBC % pa
Illustrative single equivalent assumptions		
Discount rate	4.1	3.9
Rate of RPI inflation	3.5	3.3
Rate of CPI inflation (DBS only)	Set equal to the equivalent RPI assumption less 0.8% pre 2030 and RPI less 0.1% post 2030	
Pension increases in payment	Set consistently with market-based pricing for the relevant minimums and maximums	

Differences in demographic assumptions compared to technical provisions basis

Assumption	
Retirement age (DBS only)	At the latest age at which an element of pension is payable unreduced
Proportion with dependants	85% married at the valuation date (for pensioners) or at retirement or earlier death (for non-pensioners)
Mortality assumption	An allowance for pre-retirement mortality in line with post-retirement mortality

Key documents

- Certification of the calculation of the technical provisions
- Statement of funding principles
- Schedule of contributions

LCP powering possibility

Actuary's certification of the calculation of technical provisions

Church Workers Pension Fund

This certificate is provided for the purpose of Section 225(1) of the Pensions Act 2004 and Regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme: **Church Workers Pension Fund**

Calculation of technical provisions

I certify that, in my opinion, the calculation of the scheme's technical provisions as at 31 December 2022 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the trustee of the scheme and set out in the Statement of Funding Principles dated 25 March 2024.

Signature:

Date: 27 March 2024

Name: Aaron Punwani

Qualification: FIA

Address: 95 Wigmore Street, London
W1U 1DQ

Name of employer: Lane Clark & Peacock LLP

Statement of Funding Principles

The Church Workers Pension Fund (“the Fund”)

The Church of England Pensions Board, the Trustee of the Church Workers Pension Fund, has produced this statement of funding principles and it is designed to comply with Section 223 of the Pensions Act 2004.

It sets out:

- our policy for assessing the “technical provisions” – that is the amount of money the Fund should aim to hold from time to time in order to make provision for the Fund’s liabilities; and
- how we intend to achieve the objective of holding this amount of money in the Fund (this is known as meeting the “statutory funding objective”).

This statement has been prepared as part of the Fund’s actuarial valuation as at 31 December 2022. We have taken advice from the scheme actuary, Mr Aaron Punwani FIA, when drawing up this statement and have consulted with the employers who sponsor the Fund.

1. Technical provisions

We have decided that the technical provisions should be calculated using the method and assumptions set out in Appendix 1 to this document.

We chose this method and these assumptions in consultation with the employers, as required by law. In arriving at them, we took advice from the scheme actuary and took account of various relevant factors (in particular the ability of the employers to support the Fund).

2. Schedule of contributions and recovery plan (if there is a failure to meet the statutory funding objective)

If the value of the Fund’s assets is less than the technical provisions, we are required to set a recovery plan, in consultation with the employers, which is designed to eliminate the difference by the payment of additional “deficit” contributions. However, the Fund was fully funded at 31 December 2022 and so no recovery plan is required as part of this actuarial valuation.

We will maintain a schedule of contributions setting out the contributions payable into the Fund. Within this schedule of contributions, additional contributions have been set for a number of individual employers, reflecting the deficit within their individual pool. For these employers, additional contributions are set with the objective of eliminating the deficit within no more than four years and four months from 1 April 2024. The periods have been set after considering the financial strength of the employers and their ability to pay the resulting contributions.

The assumptions underlying the above calculations are the same as those underlying the technical provisions.

3. Discretionary benefits

In the Pension Builder Scheme, increases to benefits are granted through bonus declarations on a discretionary basis.

In setting the technical provisions we allow for:

- future bonuses in line with CPI price inflation, in the case of Pension Builder Classic section benefits; and
- future bonuses in line with future expected investment returns less 1.75% pa, in the case of Pension Builder 2014 section benefits.

Under Rule 10 of the Fund’s rules the Trustee may at their discretion increase, or provide additional, benefits from the Defined Benefit Scheme. In setting the technical provisions we make no allowance for such discretionary awards. To the extent that any were to be granted in future, appropriate arrangements would need to be made at that time to meet the cost of doing so.

4. Payments to the employer

There is no provision under the rules that permits payments to an employer and the rules restrict changes that might introduce such a provision. Such payments are also not permitted under the terms of the Pensions Act 1995 unless very stringent conditions are met. The Trustee does not anticipate making any payments to the employers.

5. Contributions other than from the Employer who sponsors the Fund or the members

There are no arrangements in place for any contributions to be paid to the Fund other than from the employers and members.

6. Cash equivalent transfer values

Under current legislation, the Trustee may reduce transfer values to take account of the funding level of the Fund.

If all members of the Fund (covering all three sections) had requested transfer values at the last valuation date, the assets of the Fund would have been sufficient to pay everyone.

Accordingly we offer full, unreduced transfer values, as required by legislation although we will keep the matter under review.

7. Reviewing the valuation position and this statement

We will normally commission a full actuarial valuation every three years. Under Rule 12.8 we can request full valuations more frequently than every three years and we may do so, for example if, having considered advice from the scheme actuary, we are of the opinion that events have made it unsafe to continue to rely on the results of the previous valuation as the basis for future contributions.

This statement replaces the previous statement, which was dated 25 March 2021.

We will review and, if necessary, revise this statement as part of each valuation. We may review it at other times.

This statement of funding principles was prepared on 25/03/24

Signed on behalf of the Trustee

Signature: …………………………………………………

Name: John Ball

Position: CEO

Date: 25/03/24

The Church Workers Pension Fund
Statement of Funding Principles
Actuarial method and assumptions

Appendix 1

The method and assumptions for calculating the technical provisions and the recovery plan are set out below.

1. Defined Benefits Scheme

Actuarial method

Projected unit method.

Assumptions

The technical provisions are calculated on the following key assumptions.

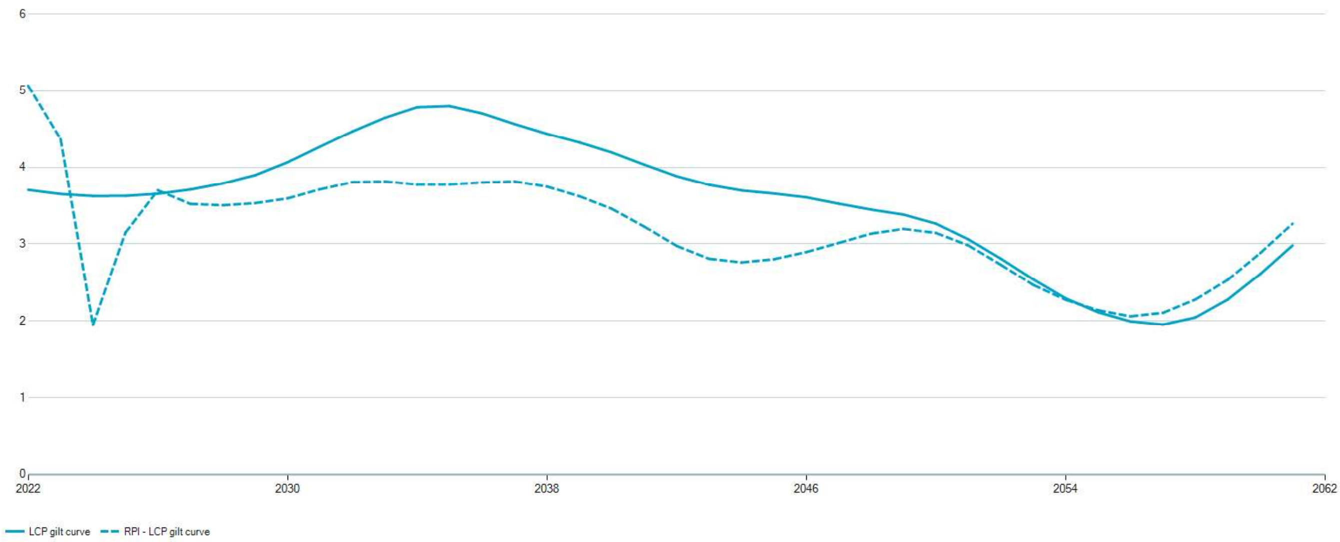
Gilt return and price inflation assumptions

The assumptions for the future return on gilts and price inflation are derived consistently as described below:

- The return from gilts over each future year is taken from the LCP gilt yield curve as at the valuation date for fixed interest gilts.
- Price inflation as measured by the Retail Prices Index ("RPI") over each future year is as derived from the LCP breakeven RPI curve.
- Price inflation as measured by the Consumer Prices Index ("CPI") over each future year is calculated as the corresponding assumption for RPI less 0.8% pa until 2030, and then reducing to a gap of 0.1% pa from 2030 onwards.

For illustration, as at 31 December 2022, the assumptions for the return on gilts and RPI inflation were as shown in the chart below:

Gilt returns and implied RPI inflation as at 31 December 2022



For illustration, as at 31 December 2022 the single equivalent average rates (weighted by reference to the projected future benefit cashflows) were:

	Rate
Gilt returns	*3.90% pa*
RPI inflation	*3.50% pa*
CPI inflation	*2.90% pa*

Investment returns

Projected future benefit payments (as described below) are discounted on rates derived as described below:

- For pensions in payment, we assume these are backed by bonds (corporate bonds, gilts and the buy-in); and
- For liabilities prior to retirement, we assume these are also backed by bonds (corporate bonds and gilts), with any surplus allocated to return-seeking assets; and
- Advance credit is taken for an additional return on the bond portfolio over the return from gilts of 0.2% pa (net of investment management expenses) in each future year.

For illustration, as at 31 December 2022 the single equivalent average discount rates (weighted by reference to the projected future benefit cashflows) are summarised below:

	Discount rate
Employer pools – ie pre-retirement (0.2% pa above gilts)	*4.10% pa*
Life Risk Section – ie post-retirement (0.2% pa above gilts)	*4.10% pa*

Other financial assumptions

Future benefit payments are projected using the assumptions set out below.

Pension increases to pensions in payment

Increase	Assumption
Fixed	At the rate specified in the rules
Inflation-linked	Over each future year at a rate reflecting the provision of the rules, the assumption for RPI inflation in that year and the volatility of RPI inflation of 1.75% pa, to be reviewed at subsequent dates in the light of RPI reform.

For illustration, as at 31 December 2022 the resulting single equivalent average assumed rates of pension increase were:

Pension increase	*Assumption*
RPI subject to a minimum of 0% pa and a maximum of 5% pa	*3.30% pa*
RPI subject to a minimum of 0% pa and a maximum of 2.5% pa	*2.20% pa*

- No allowance for discretionary pension increases.

Revaluation of deferred pensions as follows:

Revaluation rate	Assumption
Guaranteed minimum pensions (GMPs)	At the required statutory rate
Pensions in excess of GMP	Deferred pensions in excess of GMP increase in line with CPI, subject to a maximum of 5% pa for benefits accrued prior to 6 April 2009 and subject to a maximum of 2.5% pa for benefits accrued after 5 April 2009, assessed over the whole period to retirement.

Increases to pensionable salaries

- General increases each year in pensionable salaries at CPI plus 0.5% pa.

Demographic assumptions

- No allowance for the withdrawal of active members.
- All retirements of deferred pensioners to take place at the earliest age at which the pension is payable unreduced.
- Non-pensioners do not choose to commute any of their pension on retirement.
- The mortality assumptions will be based on up-to-date information published by the Continuous Mortality Investigation (CMI) and National Statistics, making allowance for future improvements in longevity. The mortality tables used for the valuation at 31 December 2022 are as follows.
- For pre-retirement mortality:
  - Nil
- For post-retirement mortality:

Mortality	Assumption
Base table	100% of S3NMA tables for males, 100% of S3NFA tables for females;
Future improvements	Projected from 2013 in line with the CMI 2021 extended model with a long-term annual rate of improvement of 1.5%, a smoothing factor of 7, an addition to the initial rates of 0.5% pa, a w2020 parameter of 0% and a w2021 parameter of 10%.

- 80% of members are assumed to be married or have a spouse/civil partner/dependant at retirement or earlier death.
- Spouses/civil partners are assumed to be three years younger (male members) or three years older (female members) than the member.
- Expenses and Pension Protection Fund levies are paid from the assets of the Fund.
- An allowance for the cost of adjusting benefits to remove any inequalities arising from Guaranteed Minimum Pensions has been made by increasing the technical provisions by 1%.

2. Pension Builder Classic

Actuarial method

Projected unit method.

Assumptions

The technical provisions are calculated on the following key assumptions.

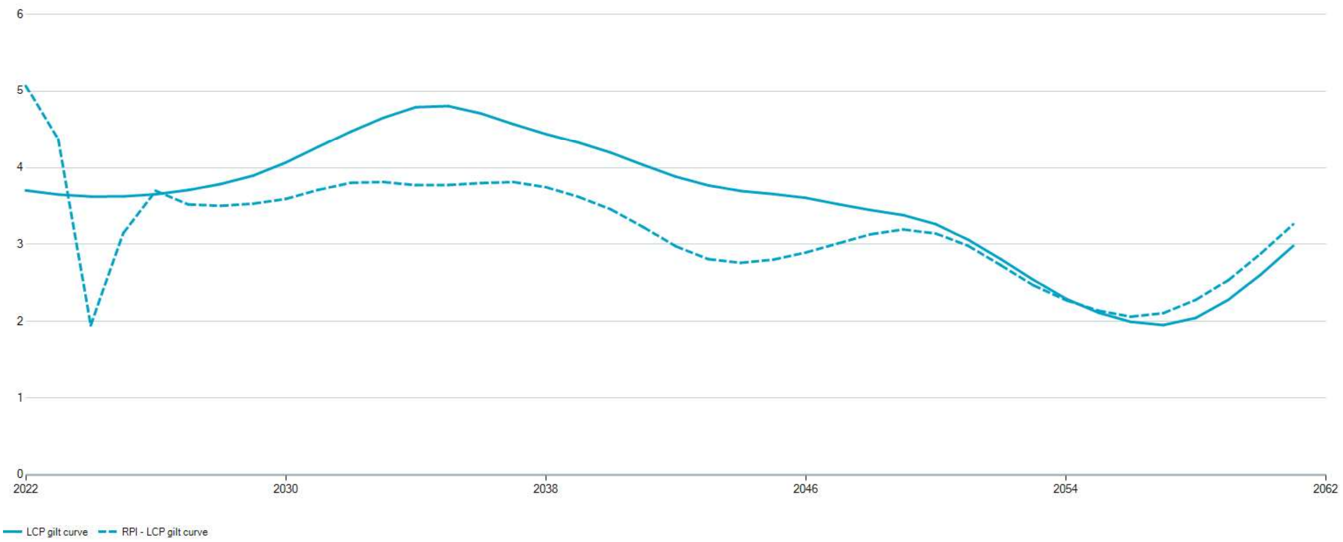
Gilt return and price inflation assumptions

The assumptions for the future return on gilts and price inflation are derived consistently as described below:

- The return from gilts over each future year is taken from the LCP gilt yield curve as at the valuation date for fixed interest gilts.
- Price inflation as measured by the Retail Prices Index ("RPI") over each future year is as derived from the LCP breakeven RPI curve.

For illustration, as at 31 December 2022, the assumptions for the return on gilts and RPI inflation were as shown in the chart below:

Gilt returns and implied RPI inflation as at 31 December 2022



For illustration, as at 31 December 2022 the single equivalent average rates (weighted by reference to the projected future benefit cashflows) were:

	Rate
Gilt returns	*3.90% pa*
RPI inflation	*3.50% pa*

Investment returns

Future benefit payments are discounted on rates derived from the following assumptions:

- the future investment strategy will be at any time to hold a portfolio of gilts to back pensions in payment with guaranteed pension increases (ie those benefits accruing post 5 April 1997). All other benefit payments are backed by a portfolio of return seeking assets; and
- advance credit is taken for an additional return on the return seeking portfolio over the return from gilts of 3.1% pa (net of investment management expenses) in each future year.

For illustration, as at 31 December 2022 the single equivalent average rates (weighted by reference to the projected future benefit cashflows) are summarised below:

	Discount rate
Pre-retirement (3.1% pa above gilts)	*7.00% pa*
Post-retirement for pre 1997 pensions (3.1% pa above gilts)	*7.00% pa*
Post-retirement for post 1997 pensions (0.0% pa above gilts)	*3.90% pa*

Benefit increase assumptions

Future benefit payments are projected using the assumptions set out below:

- future bonuses applicable to non-pensioner benefits and to pensions in payment in respect of contributions before 6 April 1997 will be granted in line with CPI in the Pension Builder Classic section;
- increases to pensions in payment in respect of contributions paid between 6 April 1997 and 6 April 2006 in the Pension Builder Classic section will be RPI subject to a maximum of 5% pa and in respect of contributions paid after 6 April 2006 will be RPI subject to a maximum of 2.5% pa; and
- Inflation-linked increases are modelled over each future year at a rate reflecting the provision of the rules, the assumption for RPI inflation in that year and the volatility of RPI inflation of 1.75% pa.

For illustration, as at 31 December 2022 the resulting single equivalent average assumed rates of pension increase were:

Pension increase	*Assumption*
Bonuses granted prior to retirement	*3.00% pa*
Bonuses granted post retirement for pre 1997 pensions	*3.00% pa*
RPI subject to a minimum of 0% pa and a maximum of 2.5% pa	*2.20% pa*
RPI subject to a minimum of 0% pa and a maximum of 5% pa	*3.30% pa*

Demographic assumptions

- All retirements of deferred pensioners to take place at the earliest age at which the pension is payable unreduced.
- Non-pensioners do not choose to commute any of their pension on retirement.
- The mortality assumptions will be based on up-to-date information published by the Continuous Mortality Investigation (CMI) and National Statistics, making allowance for future improvements in longevity. The mortality tables used for the valuation at 31 December 2022 are as follows.
- For pre-retirement mortality:
    - Nil

- For post-retirement mortality:

Mortality	Assumption
Base table	100% of S3NMA tables for males, 100% of S3NFA tables for females;
Future improvements	Projected from 2013 in line with the CMI 2021 extended model with a long-term annual rate of improvement of 1.5%, a smoothing factor of 7, an addition to the initial rates of 0.5% pa, a w2020 parameter of 0% and a w2021 parameter of 10%.

- 80% of members are assumed to be married or have a spouse/civil partner/dependant at retirement or earlier death.
- Spouses/civil partners are assumed to be three years younger (male members) or three years older (female members) than the member.
- An expense loading of 2.5% of the technical provisions in respect of non-pensioners and 0.5% in respect of pensioners, in the Pension Builder Classic section.
- An allowance for the cost of adjusting benefits to remove any inequalities arising from Guaranteed Minimum Pensions has been made by increasing the technical provisions by 1%.

3. Pension Builder 2014

Actuarial method

Projected unit method.

Assumptions

The technical provisions are calculated on the following key assumptions.

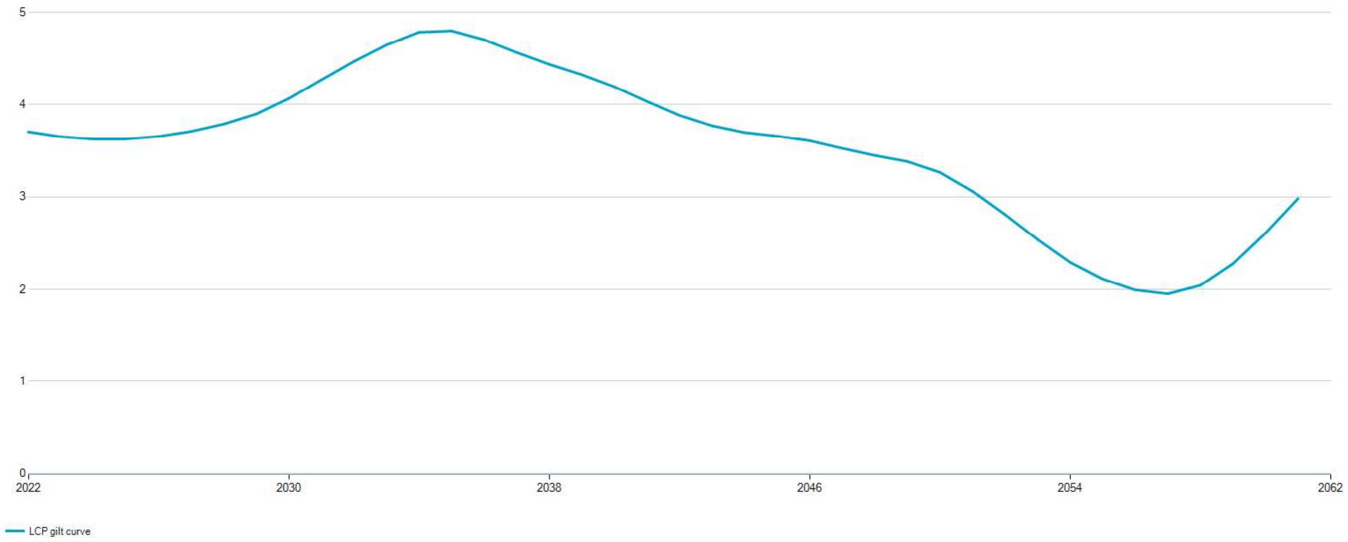
Gilt return and price inflation assumptions

The assumptions for the future return on gilts and price inflation are derived consistently as described below:

- The return from gilts over each future year is taken from the LCP gilt yield curve as at the valuation date for fixed interest gilts.

For illustration, as at 31 December 2022, the assumptions for the return on gilts and RPI inflation were as shown in the chart below:

Gilt returns as at 31 December 2022



For illustration, as at 31 December 2022 the single equivalent average rates (weighted by reference to the projected future benefit cashflows) were:

	Rate
Gilt returns	*3.90% pa*

Investment returns

Future benefit payments are discounted on rates derived from the following assumptions:

- the future investment strategy will be at any time to hold a portfolio of return seeking assets; and
- advance credit is taken for an additional return on the return seeking portfolio over the return from gilts of 3.1% pa (net of investment management expenses) in each future year.

As at 31 December 2022, the resulting discount rate based on the single equivalent average gilt returns was 7.0% pa.

Benefit increase assumptions

Future benefit payments are projected using the assumptions set out below:

- future bonuses will be granted in line with the Board's policy at the valuation date, which is to grant bonuses in line with investment returns less an appropriate deduction in respect of expenses and a provision for the guaranteed nature of the benefits.

As at 31 December 2022, the resulting net discount rate, allowing for bonuses and having regard to expenses was 1% pa.

Demographic assumptions

- Members assumed to retire at normal retirement age (age 65).
- No allowance for pre-retirement mortality.
- An allowance for expenses of 0.75% pa of invested assets, in line with the current policy.

The Church Workers Pension Fund
Statement of Funding Principles
Glossary of terms

Appendix 2

Actuary

The actuary is a professionally qualified person who helps the trustees to manage the financing of the Fund. He does this by providing advice on a range of issues, in particular on the method and assumptions that we adopt to calculate the Fund's technical provisions.

Actuarial valuation

Once every three years, the actuary calculates the technical provisions and provides advice to the trustees to enable us to establish a funding plan with the employer. This process is called an actuarial valuation.

Discontinuance

Cessation of contributions and future accrual of benefits. Discontinuance may, in due course, lead to wind-up of the Fund.

Mortality tables

The published results of actuarial research into life expectancy.

Pension Protection Fund ("PPF")

The PPF provides limited compensation to defined benefit scheme members whose employers become insolvent with insufficient assets in their pension schemes.

The PPF is funded by a levy on all eligible defined benefit schemes.

Transfer value

Instead of having a pension paid from the Fund when they reach retirement age, a member who has left pensionable service may currently request the trustees to pay a cash sum in lieu. This sum is called a transfer value. It must be paid to another suitable pension arrangement.

Winding up

A pension scheme winds up when, following discontinuance, the assets are realised and applied to secure benefits for members as described in the rules, usually by purchasing annuities and deferred annuities from an insurance company.

The Church Workers Pension Fund

Schedule of Contributions

This Schedule of Contributions has been prepared in accordance with Part 3 of the Pensions Act 2004 and the Occupational Pension Schemes (Scheme Funding) Regulations (SI 2005/3377). It sets out the contributions, other than the members' additional voluntary contributions, payable to the Church Workers Pension Fund ("the Fund") over the period of 5 years from the date that the Actuary certifies the Schedule.

All employers with active members in the Fund have nominated the Church of England Pensions Board ("the Pensions Board") to agree this Schedule of Contributions on their behalf. This agreement is indicated below by the authorised signatory.

The following contributions are payable to the two sections of the Fund:

1. The Church of England Pension Builder Scheme

The contributions that will be paid by the employers participating in the Pension Builder Classic and the Pension Builder 2014 sections are shown in Appendix 1. The Appendix also shows the contributions that will be paid by members.

Employers who have agreed with the Pensions Board to use assets from their Defined Benefits Scheme employer pool in lieu of employer contributions are shown with a 'Yes' in the relevant column in Appendix 1. They will have the employer's contributions (including life cover but not the members contributions) deducted monthly from the employer's Defined Benefits Scheme pool assets, up to a total amount agreed with the employer, and transferred across to the Pension Builder Scheme. Members' contributions will be collected as normal.

Contributions are only payable for as long as an employer remains a Participating Employer. For new employers, the contribution rates will be at such a rate as agreed with the Pensions Board.

2. The Church of England Defined Benefits Scheme

The contributions that will be paid by the employers participating in this section are at least those shown in Appendix 2.

Contributions are only payable for as long as an employer remains a Participating Employer.

3. Payment of contributions

Contributions are based on Pensionable Salaries as defined in the Fund's Rules, except for employers' contributions in respect of expenses and the additional contributions agreed with certain Defined Benefit Section employers, as documented in this schedule.

Contributions from employers (including expenses and shortfall contributions, except where indicated otherwise) are payable monthly and are due within one month of the period to which they relate.
Contributions from Fund members are payable monthly and are due within 19 days of the end of each calendar month.

The employers will pay any additional contributions as decided by the Pensions Board, on the advice of the Actuary, and in accordance with the Fund Rules, to meet benefit augmentations. Such contributions will be paid within 28 days of the due date notified by the Pensions Board.

This Schedule of Contributions replaces the Schedule of Contributions dated 5 March 2024.

This Schedule of Contributions is agreed:

on behalf of the Pensions Board

Name : John Ball authorised signatory

Position: CEO

Date: 25/03/24