


<b>Essex Pension Fund Strategy Board</b>	<b>PSB 07</b>	
<b>Date: 15 December 2021</b>		

## **2021 Actuarial Interim Review**

Report by the Fund Actuary

Enquiries to Sara Maxey on 03330 138496

**This Report is for noting**

### **Executive Summary**

The Report provides the outcome of the Interim Review undertaken by the Fund's Actuary as at 31 March 2021, and indicates that the Funding Level has improved since the last Review undertaken and now stands at 98.8%, this was mainly due to higher-than-expected investment returns.

No changes are required to contribution rates ahead of the 2022 Valuation.

## **1. Purpose of the Report**

- 1.1 To present to the Board an updated Interim Review undertaken by Graeme Muir, Fund Actuary as at 31 March 2021.

## **2. Recommendations**

- 2.1 That the Board note the content of the report.

### **3. Background**

- 3.1 A Full Actuarial Valuation is undertaken every three years in accordance with the Local Government Pension Scheme (LGPS) Regulations.
- 3.2 The Fund's 2021/22 Business Plan requires the Fund to obtain an Interim Review in the intervening years to ensure no changes to Employer contributions are required.

### **4. Interim Review 31 March 2021**

- 4.1 The Actuary has now completed this Review and the Report is attached at Appendix A. This indicates that the Funding Level has increased from 96.2% to 98.8% in the 12 months to 31 March 2021.
- 4.2 At the 15 December 2021 Board meeting, the Actuary will take Members through a presentation regarding the Interim Funding Review, with the opportunity for questions and discussion.

### **5. Funding Strategy Statement**

- 5.1 The Fund Actuary and Fund Officers do not recommend that any changes to the Funding Strategy Statement (FSS) are required following the outcome of the Interim Review.
- 5.2 A full review of the Funding Strategy will take place alongside the March 2022 Valuation process.

### **6. Link to Essex Pension Fund Objectives**

- 6.1 Prudently set levels of Employer contributions that aim to achieve a fully funded position in the timescales determined in the FSS.
- 6.2 Recognise in drawing up its Funding Strategy the desirability of Employer contribution rates that are as stable as possible.
- 6.3 To manage Employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption, where necessary, of Employer specific funding objectives.

## **7. Risk Implications**

- 7.1 Reviewing both the Interim Funding Review as at 31 March 2021 in conjunction with the FSS are intended to monitor progress towards achieving assets equal to 100% of liabilities.
- 7.2 The risk implications of setting the Funding Strategy are set out within the FSS.

## **8. Finance and Resources Implications**

- 8.1 Maintaining the existing Funding Strategy (as is proposed at 5.1) will mean there is no change to the financial arrangements determined by the 2019 Actuarial Valuation.

## **9. Background Papers**

- 9.1 The published FSS and 2019 Actuarial Valuation can be found at:  
<https://www.essexpensionfund.co.uk/resources/funding-strategy-statement-2020/>  
<https://www.essexpensionfund.co.uk/resources/valuation-report-2019/>
- 9.2 Funding Update Report as at 31 March 2021, Appendix A.
- 9.3 2020 Actuarial Interim Review, PSB 08, 16 December 2020.