

NOTTINGHAMSHIRE COUNTY COUNCIL PENSION FUND

Actuarial Valuation as at 31 March 2001

FORMAL REPORT

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Summary

1. Funding Plan

Using the valuation basis that I have agreed with the Administering Authority:

- At the valuation date the liabilities of the Fund exceeded the assets by £139.4 million, giving a funding level of 91%.

- The Common Contribution Rate (i.e. the rate in respect of future service only) is 11.2% of Pensionable Pay. This rate allows for administrative expenses to be paid from the Fund. Employee contributions are payable in addition to this rate.

- The recommended employer contribution rates for the period 1 April 2002 to 31 March 2005 are set out in the Certificate attached to this report.

- The next required actuarial valuation will be as at 31 March 2004, following which contribution rates will be revised with effect from 1 April 2005. Contribution rates may be revised prior to 1 April 2005 in certain circumstances, as prescribed by the Regulations governing the Local Government Pension Scheme.

2. Maximum Funding Check

Contributions may be restricted, or other corrective action required, if there is an excessive surplus based on the prescribed assumptions under the Income and Corporation Taxes Act 1988. The valuation does not reveal an excessive surplus.

3. Funding Risk

The investment strategy pursued by the Administering Authority and reflected in the Statement of Investment Principles involves an element of risk. This risk arises due to the nature of the liabilities of the Fund, which are fundamentally fixed in real terms, and are effectively guaranteed. The assets of the Fund are predominantly made up of equity-type investments, and therefore are not matched to the nature or profile of the liabilities. We recommend that the investment objectives and strategy of the Fund should be reviewed regularly.

In the months since the valuation date, changes in investment markets and in real interest rates are likely to have acted to reduce the funding position, compared to that which would otherwise be expected. However, it should be borne in mind that the funding strategy is set by reference to a long-term timeframe reflecting the nature of the liabilities. The actual investment performance and experience of the Fund against the 2001 valuation assumptions, over the 3 year period following the valuation date, will be taken into account at the next actuarial valuation as at 31 March 2004.

Signature:



Stephen Jacquest

Date of signing:

25 March 2002

Qualification:

Fellow of the Institute of Actuaries

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Certificates

Contribution Certificate
Surplus Certificate

1. Results

Funding basis

1.1 Shown below are the results of the valuation using actuarial assumptions based on financial market yields on the valuation date ("current yield basis") and the longer term actuarial assumptions I have used to develop the Common Contribution Rate ("nominal yield basis") as appropriate.

Future service

1.2 The calculations in respect of future service are used to determine the Common Contribution Rate as required under the LGPS Regulations. The future service calculations take no account of any surplus or deficit in the Scheme.

The Common Contribution Rate, including an allowance for administrative expenses, is 11.2% of Pensionable Pay.

Past service

1.3 The position for service accrued to date is then determined on the funding basis:

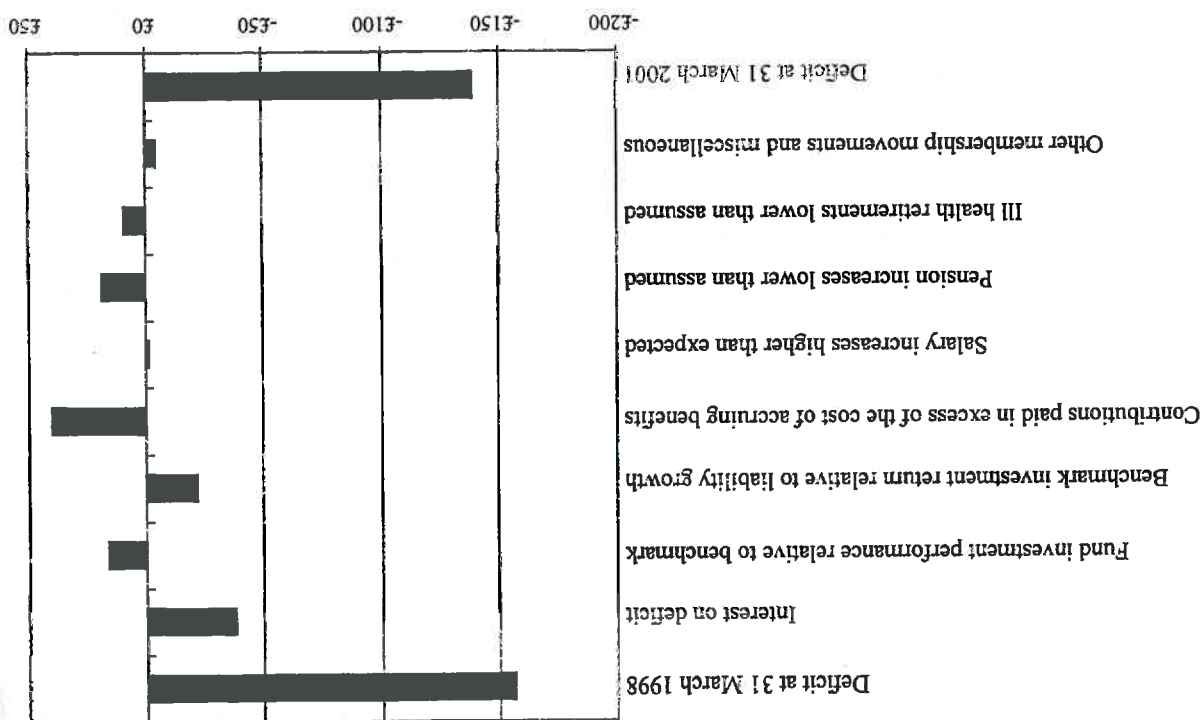
Value of liabilities:	
(a)	active members' accrued benefits
(b)	deferred pensioners
(c)	pensioners (including dependants)
(d)	all members [(a) + (b) + (c)]
(e)	market value of assets (excluding AVC funds)
Deficit = (d) - (e)	
Funding Level = (e) / (d)	
	91%

1.4 Each employer's position is separately assessed apart from some smaller bodies which are grouped together for the purpose of setting contribution rates. My certificate confirming the individual employer contribution rates payable is at the end of this Report.

Reconciliation to previous valuation

- 1.5 The previous actuarial valuation was carried out as at 31 March 1998. On the funding basis adopted at that time, the value of the assets fell short of the accrued liabilities, and there was therefore a deficit in the Fund of £156 million.
- 1.6 The principal reasons for the change in the position between the two valuations are as follows:

Reconciliation (£m)



Statutory constraints
Maximum basis

- 1.7 The Inland Revenue require the funding position of the Fund to be assessed on a prescribed basis to ensure that it is not excessively funded. The surplus cannot exceed 5% of the liabilities on this prescribed basis without unfavourable taxation treatment being incurred.
- 1.8 The surplus at 31 March 2001 measured on the prescribed basis does not exceed 5% of the liabilities and no corrective action is needed. My certificate confirming the position is enclosed.

2. Purpose of the Valuation

- 2.1 I am the actuary to the Nottinghamshire County Council Pension Fund ("the Fund"). This is a report to the Administering Authority of the Fund on my actuarial valuation of the assets and liabilities of the Fund as at 31 March 2001. The last actuarial valuation of the Fund was at 31 March 1998.
- 2.2 The valuation has been undertaken in accordance with the Local Government Pension Scheme Regulations 1997 (as amended) ("the Regulations"). Under the Regulations, the contribution rates set for the various participating employers are determined by the actuary. The purpose of the valuation is to review the employers' contribution rates taking account of the funding objectives agreed with the Administering Authority.
- 2.3 The calculations in the report use methods and bases appropriate for the purpose described above. Figures required for other purposes, such as employer accounting, should be calculated in accordance with the specific requirements for such purposes and it should not be assumed that the figures provided here are appropriate. The report may be disclosed to other parties with the consent of the Administering Authority or under the disclosure legislation and regulations. Such parties may rely upon the results for the purpose described above or any other purpose agreed with the actuary at the time of disclosure. However, the report does not grant any rights either to members or third parties. William M. Mercer does not accept liability to any other third parties in respect of the contents of this report.
- 2.4 This report complies with the requirements in the appropriate version of Guidance Note 9 - 'Retirement Benefit Schemes - Actuarial Reports' (insofar as it applies to Local Government Schemes) issued jointly by the Institute of Actuaries and the Faculty of Actuaries. This report does not deal with the position of the Fund were it to be discontinued, given the statutory framework of the Local Government Pension Scheme.

3. Valuation Objectives and Method

Valuation Objectives

- 3.1 It is convenient to define a valuation objective in order to monitor the contribution requirement. This usually means setting a long-term funding target and adjusting the contribution rate to meet that target. The funding target set out below is in line with the approach set out in the Regulations.
- Funding target: assets equal to the present value of benefits based on completed service but with provision for the effects of future salary growth and inflation up to the assumed retirement age.*
- 3.2 This valuation objective is designed to represent a balance between providing a reasonable level of security in respect of accrued pension rights, and ensuring that the employer contributions to the Fund are realistic without being excessive.

Valuation Method

- 3.3 I have continued to use the same actuarial method, namely the Projected Unit method, at this valuation. The Projected Unit method is consistent with the long term funding target and is in common use for funding pension schemes in the United Kingdom.
- 3.4 The recommended contribution under the Projected Unit method consists of two parts:
- 3.4.1 The Common Contribution Rate required to meet the cost of benefits accruing for service after the valuation. The rate is calculated as the value of benefits expected to accrue to the membership in respect of one year's service based on projected pensionable salaries, with appropriate allowance for administrative expenses and members' contributions,
- plus
- 3.4.2 The contribution adjustment required to correct (over an agreed future period) any imbalance between the assets of the Fund and the funding target.
- 3.5 For a given set of actuarial assumptions, the method has the following characteristics:

- 3.5.1 if the membership profile remains stable in terms of age, sex and average salary and the valuation assumptions are unchanged, then the Common Contribution Rate (as a percentage of Pensionable Pay) will remain stable. The method therefore implicitly allows for new entrants;
- 3.5.2 if the supply of new entrants to the Fund is cut off or declines, then the Common Contribution Rate will tend to rise at future valuations.

Selection of Assumptions

Common Contribution Rate

- 3.6 As described above, the Common Contribution Rate is based on the value of benefits expected to accrue to the membership in respect of one year's service based on projected pay. Theoretically, this value should take account of the investment return and other financial conditions at the time the contributions are invested. However, these will not be known at the valuation date and the actuary must make appropriate assumptions.
- 3.7 I have used longer-term actuarial assumptions ("nominal yield basis") rather than yields available in the market at the valuation date in order to calculate the Common Contribution Rate. This reflects the requirement in the Regulations to aim for a stable contribution rate.

Contribution adjustment

- 3.8 As described above, an adjustment is made to the Common Contribution Rate to correct (over an agreed future period) any imbalance between the assets of the Fund and the funding target (i.e. the present value of benefits based on completed service but with provision for the effects of future salary growth and inflation up to the assumed retirement age). To determine the adjustment, assets and liabilities must be calculated on a consistent basis.
- 3.9 I have used current yield assumptions to calculate the funding target and have measured the assets at market value (which is, by definition, consistent with current yields). This approach has the advantage of using an easily understood value for the assets.
- 3.10 This approach (i.e. a market related basis) differs from that adopted for the 1998 valuation. At that valuation, longer-term assumptions ("nominal yield basis") were used to determine the funding target and the value of the assets was calculated using a discounted income approach.

4. Valuation Assumptions

- 4.1 The valuation results depend on the assumptions used. There are two broad categories of assumptions:
- financial assumptions - such as the investment return that will be earned in the future and the rates at which earnings and pensions will increase; and
 - demographic assumptions - such as rates of mortality, retirement, and withdrawal from the Fund.
- 4.2 The financial and demographic assumptions are considered separately below. A number of changes have been made to the assumptions used for the last actuarial valuation. These have been noted below.
- Financial Assumptions**
- 4.3 I have prepared the valuation results on a market related basis as described in section 3.
- 4.4 I have derived the financial assumptions for past service from the long-term yield on Government bonds in the market at the valuation date (the "current yield").
- 4.5 In deriving the other financial assumptions there are two subjective elements of the basis as follows:
- The extent to which the Fund's investments are expected to outperform a portfolio of Government bonds ("asset outperformance assumption" - AOA)
 - An AOA of 1½% per annum has been assumed.
- The expected rate of Pensionable Pay increase above price inflation ("real Pensionable Pay growth"). This has been assumed to be 1½% per annum.
- Future Service**
- 4.6 In deriving the assumptions to be used for assessing the future service contribution rate (the Common Contribution Rate), I have taken account of the fact that contributions will be invested in market conditions applying at future dates which are unknown at the present time and which are not directly linked to market conditions at the valuation date. Further, the future service liabilities for which these contributions will be paid have a longer average duration than the past service liabilities. It is therefore appropriate to take a "long-term" view in setting the future service basis ("nominal yield") and I have adopted a slightly more optimistic stance.

4.12 As well as the financial assumptions, it is necessary to make a number of assumptions regarding membership movements such as retirements, deaths and other matters. The most important demographic assumptions are discussed below. An analysis of the actual experience as compared to some of the demographic assumptions adopted at the last valuation is set out in Appendix E.

Demographic Assumptions

4.11 I recommend that the Fund's investment objectives and strategy are reviewed regularly, having regard to the nature of the liabilities of the Fund. The broad purpose of such reviews should be to confirm the investment strategy remains appropriate, or otherwise to act as a stimulus for change.

4.10 If such a strategy were adopted, this would lead directly to higher recommended contribution rates since it would no longer be appropriate to anticipate a higher investment return in excess of current bond yields. In common with most UK schemes, the Fund currently follows a higher risk equity based investment strategy, in the hope of reducing long-term contribution requirements.

4.9 Alternative investment strategies could be followed that, at least in theory, would minimise the risk of deterioration in the funding position. Such a strategy could be to invest the assets primarily in long-term fixed and index-linked bonds, substantially reducing the risk that changing economic conditions may cause a deterioration in the funding position and increases in employer contributions. It would also tend to produce a more stable contribution rate but at an overall level higher than I have recommended.

4.8 In setting the financial assumptions described above, I have assumed that the Fund will continue to invest a significant portion of the assets in UK and overseas equities and that these will produce a future investment return that exceeds the current yield available on Government bonds.

Investment Strategy

* plus salary scale for certain employees; this scale has been revised for the 2001 valuation.

Rate of discount	6.1% (7.5%)	per annum
	6.5% (7.5%)	per annum
Rate of Pensionable Pay inflation *	3.8% (5.25%)	per annum
	4.0% (5.25%)	per annum
Rate of price inflation	2.3% (3.5%)	per annum
	2.5% (3.5%)	per annum
Past Service	Future Service	

4.7 The following set of financial assumptions has therefore been adopted (1998 valuation assumptions shown in brackets):

4.13 The non-financial actuarial assumptions made to complete the valuation calculations include:

- Rates of early retirement
- Rates of ill health retirement
- Rates of mortality for pensionable employees in service, for preserved pensioners prior to retirement, and for pensioners and spouses in receipt of benefits
- Rates of withdrawal from active membership
- Proportions married
- Age difference between husband and wife

Early Retirement

4.14 As for the 1998 valuation, no advance allowance for early retirements prior to age 60 has been included in my calculations. Such retirements are funded by capital payments (on top of the recommended employer's contribution rate) as and when they occur.

Allowance has been made for outstanding capital payments due and expected to be paid in respect of early retirements occurring prior to the valuation date by offsetting these sums against the equivalent liabilities. Where no capital payments have been made in respect of such retirements, the relevant employer's contribution rate payable over the period 1 April 2002 to 31 March 2005 has been increased accordingly.

Retirement in Ill Health

4.15 Having reviewed the ill-health experience to date, and taking account of the likely future policy on granting ill health retirement, I have revised the assumption used at this valuation. The allowance now made for ill-health retirements is lower than that used for the 1998 valuation.

Other Assumptions

4.16 Changes have also been made to some of the other demographic assumptions adopted for this valuation. The overall financial impact of these changes is less significant than the other changes highlighted in this Section.

5. Valuation Data and Trends

5.1	The valuation is based on three key items of data:	▪ the membership of the Fund at the valuation date; ▪ the benefits promised by the Fund as set out in the Regulations; and ▪ the amount of assets held by the Fund on the valuation date.
Membership		
5.2	Data in relation to members in service, former employees with deferred pensions and current pensioners were obtained from computerised records maintained by the Administering Authority.	
5.3	A summary of the membership data at the valuation date, with figures at the previous valuation date shown for comparison, is included as Appendix A. A split of the membership between the employers is shown as Appendix B.	
5.4	An analysis of the Fund's actual experience in relation to the demographic assumptions adopted at the last valuation is set out in Appendix E.	
Benefits		
5.5	The benefits provided by the Fund are set out in the Regulations. There have been a number of amendments made to the Regulations since the last valuation, but there have been no significant changes in the benefits payable.	
5.6	UK and European law require pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990 (the date of the "Barber" judgement). There is still no general agreement on whether this applies to inequalities caused by guaranteed minimum pensions (GMPs) and, if it does, what adjustments have to be made to scheme benefits to correct these inequalities. The valuation makes no allowance for equalisation of these inequalities. It is consequently possible that additional funding will be required for equalisation once the law has been clarified.	
Assets		
5.7	Details of the assets held by the Fund and audited accounts covering the period ended 31 March 2001 were supplied by the Administering Authority. Details of the assets are given in Appendix C, with a summary of income and expenditure in Appendix D.	

Appendix A

Summary of Membership Data

The valuation as at 31 March 2001 has been based on the following data:-

Pensionable Employees	At 31.3.1998	At 31.3.2001	Increase (%)	
			Number	Annual Pensionable Pay (£m)
	32,241	35,562	10.3	11.6

Preserved Pensioners	At 31.3.1998	At 31.3.2001	Increase (%)	
			Number	Annual Pensions Inclusive of Pension Increase (£m)
	6,788 ⁽¹⁾	13,774 ⁽²⁾	n/a	n/a

(1) excluding frozen refunds and leavers options pending

(2) including frozen refunds and leavers options pending

Appendix A (cont)

Current Pensioners			
Number	At 31.3.1998	At 31.3.2001	Increase (%)
Annual Pensions Inclusive of Pension Increase (£m)	42.4	48.5	14.4
Current Widow/Widower Pensioners			
Number	At 31.3.1998	At 31.3.2001	Increase
Annual Pensions Inclusive of Pension Increase (£m)	2,618	2,801	6.9
Annual Pensions Inclusive of Pension Increase (£m)	4.6	5.2	12.7

In addition there were 169 dependant pensioners as at 31 March 2001.

Note:

Pension amounts shown above as at 31 March 2001 include the April 2001 pension increase award.

Appendix B

Distribution of Membership by Employing Bodies

Employing Body Pensionable Preserved Pensioners Widower(s) Employees Pensioners

Nottinghamshire County Council	15,765	8,206	7,833	1,385
Nottingham City Council	9,693	1,857	2,548	647
Ashfield District Council	738	275	436	97
Bassetlaw District Council	753	277	478	92
Broxtowe Borough Council	587	253	350	73
Gedling Borough Council	531	222	271	61
Mansfield District Council	1,040	355	582	146
Newark & Sherwood District Council	597	260	346	64
Rushcliffe Borough Council	528	242	278	63
Broxtowe College	169	74	18	0
National College for School Leadership	8	0	0	0
New College Nottingham	518	137	61	3
Newark & Sherwood College	76	30	10	0
North Nottingham College	182	26	29	2
Nottingham City Transport Plc	408	76	463	66
Nottinghamshire Combined Fire Authority	136	12	7	2
Nottinghamshire Magistrates Court Committee	252	133	78	11
Nottinghamshire Police Authority	1,048	144	135	8
Nottinghamshire Probation Committee	434	167	144	11
Peoples College	96	50	19	1
South Nottingham College	160	58	15	0
The Nottingham Trent University	1,441	784	473	44
West Nottingham College	263	44	39	0
Balderton Parish Council	4	1	0	0
Bestwood Community School	0	4	2	0
Billborough College	21	5	2	0
Bingham Town Council	3	0	0	0
Blidworth Parish Council	1	0	0	0
Bramcote Crematorium Joint Committee	6	3	7	1
Calverton Parish Council	1	3	0	0
CLASP	0	4	4	3
Colwick Parish Council	3	0	0	0
Cotgrave Town Council	2	2	1	0
East Midlands Airport Joint Committee	0	30	13	10
Greasley Parish Council	7	6	0	0
Harworth and Bircotes Parish Council	0	1	1	0
Keyworth Parish Council	1	0	0	0
Laneham Internal Drainage Board	4	0	2	0

William M. Mercer Limited

Nottinghamshire County Council Pension Fund
Actuarial Valuation Report

Employing Body	Pensionable Preserved Pensioners	Employees	Pensioners	Widow(er)s
Leics, Northants & Notts Valm Tribunal	9	5	1	0
Lowdham Parish Council	1	0	0	0
Mansfield & District Crematorium Joint Committee	3	1	0	0
Newark Internal Drainage Board	15	2	14	7
Newark Town Council	23	20	9	2
Nuthall Parish Council	3	2	1	0
Ollerton & Boughdon Town Council	11	0	0	0
Radcliffe on Trent Parish Council	8	2	0	1
Ruddington Parish Council	3	1	1	1
Selston Parish Council	2	0	2	0
Southwell Town Council	2	0	0	0
Stapleford Town Council	2	0	1	0
Tollerton Parish Council	1	0	0	0
Trowell Parish Council	1	0	0	0
Warsop Parish Council	2	0	0	0
Totals	35,562	13,774	14,674	2,801

Appendix C

Summary of Assets

Based on the information supplied, the market value of the assets of the Fund at the valuation date is made up as follows:-

	£000s	%
UK Government Fixed Interest Stocks	90,318	6.3
Other UK Fixed Interest Stocks	39,614	2.7
Overseas Fixed Interest Stocks	146,866	10.2
UK Equities	648,480	45.0
UK Managed Funds	58,530	4.1
Overseas Equities	218,760	15.2
Overseas Managed Funds	51,932	3.6
Unlisted Investments	16,223	1.1
Cash and Currency	22,652	1.6
Property	145,352	10.1
Net Current Assets	1,096	0.1
Total	1,439,823	100.0

At the 1998 valuation, the market value of the Fund was £1,204m. Therefore, the market value of the assets of the Fund has risen by 19.6 per cent over the three year period. The average investment return obtained (net of investment expenses) based on assets at market value has been approximately 4.7 per cent per annum.

Appendix D**Summary of Income and Expenditure**

Year ending 31 March:

	1999 £000s	2000 £000s	2001 £000s	Total £000s
INCOME				
Fund at beginning of year	1,204,010	1,316,831	1,497,083	1,204,010
Contributions to Fund:				
Employees	21,487	22,811	24,687	68,985
Employers	49,847	50,910	55,974	156,731
Transfer values received	13,672	12,182	11,462	37,315
Investment income	40,727	47,315	44,599	132,641
Change in market value of investments	53,914	115,931	-120,847	48,998
TOTAL:	1,383,657	1,565,980	1,512,958	1,648,681
EXPENDITURE				
Retirement and spouses' benefits	47,317	50,607	51,992	149,916
Retiring allowances and death gratuities	11,309	9,464	9,169	29,942
Withdrawals	383	277	415	1,075
Transfer values paid	5,177	5,412	8,061	18,650
Investment expenses	1,592	1,985	2,412	5,989
Administration expenses	1,048	1,152	1,086	3,286
Fund at end of year	1,316,831	1,497,083	1,439,823	1,439,823
TOTAL:	1,383,657	1,565,980	1,512,958	1,648,681

Appendix E

Experience Analysis of the Membership of the Fund during the period 1 April 1998 to 31 March 2001

1. Ill Health Retirements

	Actual	Expected
Males	316	430
Females	503	614
Total:	819	1,044

2. Withdrawals

	Refund	Transfers	Preserved	Total Actual	Expected (excluding transfers)
Males	838	152	1,111	2,101	903
Females	2,005	221	2,452	4,678	1,858
Total:	2,843	373	3,563	6,779	2,761

3. Deaths - Active Members

	Actual	Expected
Males	70	72
Females	69	67
Total:	139	139

4. Deaths - Pensioners

	Actual	Expected
Total:	1,757	1,624

Local Government Pension Scheme Regulations 1997

Rates and Adjustments Certificate issued in accordance with Regulation 77

Regulation 77(3)

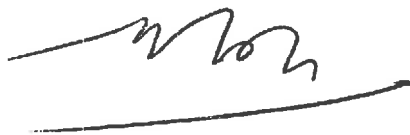
I hereby certify that, in my opinion, the Common Rate of employer's contributions payable in each year of the period of three years beginning 1 April 2002 should be at the rate of 11.2 per cent of Pensionable Pay.

I hereby certify that, in my opinion, the amount of the employer's contribution rate payable in each year of the period of three years beginning with 1 April 2002, as set out above, should be individually adjusted by the rate per cent of Pensionable Pay set out in the attached Schedule.

A further individual adjustment must be applied in respect of each non-ill health early retirement prior to age 60 occurring in the period of the rates and adjustments certificate. This further individual adjustment will be calculated in accordance with guidance provided from time to time by the Fund's actuary to the Administering Authority.

Regulation 77(7)

As noted above, no allowance for non-ill health early retirements has been made in determining the results of the valuation, on the basis that the costs arising will be met by additional contributions. Allowance for ill health retirements has been included in each employer's contribution rate, on the basis of the method and assumptions set out in this report.

11/1


Stephen Jaquest

25 March 2002

Date of signing

Schedule to the Rates and Adjustments Certificate

Dated 25 March 2002

Employer	2002/03		2003/04		2004/05	
	Individual Adjustment (%)	Total Contribution Rate (%)	Individual Adjustment (%)	Total Contribution Rate (%)	Individual Adjustment (%)	Total Contribution Rate (%)
Nottinghamshire County Council	1.3	12.5	1.9	13.1	2.5	13.7
Nottingham City Council	2.6	13.8	2.8	14.0	3.0	14.2
Ashfield District Council	3.4	14.6	3.8	15.0	4.2	15.4
Bassellaw District Council	4.7	15.9	5.3	16.5	5.9	17.1
Broxtowe Borough Council	3.7	14.9	3.7	14.9	3.7	14.9
Gedling Borough Council	2.4	13.6	2.4	13.6	2.4	13.6
Mansfield District Council	5.6	16.8	5.7	16.9	5.8	17.0
Newark & Sherwood District Council	5.0	16.2	5.0	16.2	5.0	16.2
Rushcliffe Borough Council	3.0	14.2	3.0	14.2	3.0	14.2
Broxtowe College	-1.8	9.4	-0.6	10.6	0.6	11.8
National College for School Leadership	1.5	12.7	1.5	12.7	1.5	12.7
New College, Nottingham	0.3	11.5	0.3	11.5	0.3	11.5
Newark & Sherwood College	2.5	13.7	2.5	13.7	2.5	13.7
North Nottingham College	1.1	12.3	1.1	12.3	1.1	12.3
Nottingham City Transport Plc	12.2	23.4	13.8	25.0	15.4	26.6
Nottinghamshire Combined Fire Authority	-0.4	10.8	0.1	11.3	0.6	11.8
Nottinghamshire Magistrates Courts Committee	-1.4	9.8	-1.0	10.2	-0.6	10.6

2002/03
13.7
✓ 14.35
2002/03

Schedule to the Rates and Adjustments Certificate

Dated 25 March 2002

Employer	2002/03		2003/04		2004/05	
	Individual Adjustment (%)	Total Contribution Rate (%)	Individual Adjustment (%)	Total Contribution Rate (%)	Individual Adjustment (%)	Total Contribution Rate (%)
Nottinghamshire Police Authority	2.0	13.2	2.0	13.2	2.0	13.2
Nottinghamshire Probation Committee	tba	tba	tba	tba	tba	tba
Peoples College	Nil	11.2	Nil	11.2	Nil	11.2
South Nottingham College	0.5	11.7	0.5	11.7	0.5	11.7
The Nottingham Trent University	tba	tba	tba	tba	tba	tba
West Nottingham College	-1.7	9.5	-0.7	10.5	0.3	11.5
Balderton Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Bilborough College	1.8	13.0	1.8	13.0	1.8	13.0
Bingham Town Council	1.8	13.0	1.8	13.0	1.8	13.0
Blidworth Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Bramcote Crematorium Joint Committee	1.8	13.0	1.8	13.0	1.8	13.0
Calverton Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Colwick Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Cotgrave Town Council	1.8	13.0	1.8	13.0	1.8	13.0
Greasley Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Keyworth Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Laneham Internal Drainage Board	1.8	13.0	1.8	13.0	1.8	13.0
Leics, Northants & Notts Valn Tribunal	1.8	13.0	1.8	13.0	1.8	13.0

Schedule to the Rates and Adjustments Certificate

Dated 25 March 2002

Employer	2002/03		2003/04		2004/05	
	Individual Adjustment (%)	Total Contribution Rate (%)	Individual Adjustment (%)	Total Contribution Rate (%)	Individual Adjustment (%)	Total Contribution Rate (%)
Lowdham Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Mansfield & District Crematorium Joint Committee	1.8	13.0	1.8	13.0	1.8	13.0
Newark Internal Drainage Board	1.8	13.0	1.8	13.0	1.8	13.0
Newark Town Council	1.8	13.0	1.8	13.0	1.8	13.0
Nuthall Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Ollerton & Boughton Town Council	1.8	13.0	1.8	13.0	1.8	13.0
Radcliffe on Trent Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Ruddington Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Selston Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Southwell Town Council	1.8	13.0	1.8	13.0	1.8	13.0
Stapleford Town Council	1.8	13.0	1.8	13.0	1.8	13.0
Tollerton Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Trowell Parish Council	1.8	13.0	1.8	13.0	1.8	13.0
Warsop Parish Council	1.8	13.0	1.8	13.0	1.8	13.0

Note: Additional contributions may be paid on top of those set out above subject to the agreement of the Administering Authority and Actuary where warranted by circumstances of the body in question.

Schedule to the Rates and Adjustments Certificate Dated 25 March 2002

Other interested bodies with no pensionable employees

It has been assumed that for these bodies with no pensionable employees, no recharges of benefits will be made:

Former Employers
East Midlands Airport Joint Committee
Harworth and Bircotes Parish Council
Bestwood Community School
CLASP

Actuarial Certificate Surplus Certificate

The certificate is given to the Commissioners of Inland Revenue for the purposes of paragraph 2 of Schedule 22 to the Income and Corporation Taxes Act 1988.

Name of Scheme

Nottinghamshire County Council Pension Fund

Inland Revenue Reference No.

PS 49/1897

A. I hereby certify that

(1) In my opinion as at 31 March 2001 the value of the assets of the Fund did not exceed 105% of the value of the liabilities of the Fund;

(2) The assets and liabilities to which paragraph (1) refers have been determined in accordance with principles and requirements prescribed by the Pension Scheme Surpluses (Valuation) Regulations 1987.

Signature



Name

Stephen Jacquest

Date of signing

25 March 2002

Address

William M. Mercer Limited
30 Exchange Street East
Liverpool
L2 3QB

Qualification

Fellow of the Institute of Actuaries

From: Nigel Dowey/pr/nottssc
To: john.fairbanks@nottssc.gov.uk, pat.henderson@nottssc.gov.uk
Date: Thursday, April 29, 2004 09:22AM
Subject: Employers rate

I have had the following explanation now about the change to the employers contribution rate from Alan;

First. The County Council (but not the other employers) agreed as part of the 2004-05 budget to make a contribution of £800,000 to the Pension Fund over and above the 2004-05 Employers Contribution rate of 13.7%. This was intended to try to soften the blow on the anticipated increase coming out of the next Valuation. I have to say I thought that would have been achieved by a simple one-off lump sum transfer, but Peter Hurford tells me the idea is to increase the Er's contrib rate in 4/5 from 13.7% to 14.35% to give the cushion. So that needs to be done, and I assume (perhaps incorrectly) that someone will have by now told Pat Henderson.

Second. As part of the FRS17 calculations for all employers the actuary has to calculate something called the "current service cost" which is pretty similar to the Common Employers contribution rate. The Common Er's rate in the last Valuation was 11.2% of Pen Pay and there were added the back service deficit figs. The Actuary's calculation for the "current service cost" is 12.2% and this might be what employers are reflecting. It does of course give us all a bit of a hint that the new Valuation is likely to go up y at least 1% plus something extra for the past service deficits.

I think I probably know the answers to most of this but, what are the implications for your areas of activity and have you had the appropriate notification / instruction to carry out the required duties - if not, what do you need?

Nigel.

e:mail barry.dryden@nottssc.gov.uk
Mr B L Dryden
(0115) 9774930
27 April, 2004

All Schools

Dear sir/madam,

Employer's Pension Contributions - April 2004

You may have noticed that the Employer's Pension Contributions for non-teaching staff in April were charged at a rate of 13.7% instead of the budgeted figure of 14.35%. The shortfall will, therefore, be collected by charging a rate of 15% in May, with the correct figure of 14.35% being used from June onwards. We do not anticipate that this approach will cause any significant problems, however, you should raise any major difficulties with the Education Finance Section.

My apologies for any inconvenience this matter may have caused. Please contact me if I can be of any further assistance.

Yours sincerely

Barry Dryden
Financial Strategy

From: Barry Dryden/pr/nottscc
To: Peter Hurford/pr/nottscc@nottscc, Patrick Henderson/pr/nottscc@nottscc, John Fairbanks/pr/nottscc@nottscc
Date: Tuesday, April 27, 2004 09:57AM
Subject: April 2004 Pension Contributions [Virus checked] ['Virus': checked]

Education have asked that I draft a letter to go out to schools to explain the employer's pension charges for April and how we will correct them. Attached is my proposed response. Please let me know if you have any problems with the attached letter by the end of today (if possible):

Thanks

Barry Dryden
Policy & Resources
Nottinghamshire County Council

Attachments:



From: Barry Dryden/pr/nottsc
To: John Fairbanks/pr/nottsc, Patrick Henderson/pr/nottsc@nottsc
Date: Monday, April 26, 2004 10:39AM
Subject: Employers Pension Contributions

Communication, what a wonderful way of letting people know what is happening! Unfortunately someone, somewhere hasn't been very good at it.

You should have been notified that the employers contribution rate for 2004/05 is 14.35%. This is higher than the current actuary's valuation as we are trying to offset an expected large increase at the next valuation. Could you please arrange for the rate to be increased for May's payrolls and also for the April shortfall to be recouped.

THANKS!

Barry Dryden
Policy & Resources
Nottinghamshire County Council

From: Nigel Dowe/pr/notssc
To: john.fairbanks@notssc.gov.uk, ian.howe@notssc.gov.uk
Date: Friday, January 23, 2004 11:51AM
Subject: Rushcliffe Homes - impact of closure to new entrants

-----Forwarded by Nigel Dowe/pr/notssc on 23/01/2004 11:59AM -----

To: "jwoo@mht.co.uk" <jwoo@mht.co.uk>
 From: "Wilkinson, Steve" <Steve.Wilkinson@mercer.com>
 Date: 23/01/2004 11:36AM
 cc: "nigel.dowe@notssc.gov.uk" <nigel.dowe@notssc.gov.uk>, "Jacquest, Steve" <Steve.Jacquest@mercer.com>
 Subject: Rushcliffe Homes - impact of closure to new entrants

John

Further to our telephone conversations, I can now provide an estimate of the likely impact on Rushcliffe Homes' required contribution rate to the Nottinghamshire Fund if access to the Fund was closed to new entrants.

Subject to the comments below, we estimate that if new employees were no longer permitted to join the Fund then Rushcliffe Homes' required contribution rate would increase by approximately 2.5% of pensionable salaries from its existing level. Obviously, as the number of members reduced, this revised rate would apply to a gradually reducing payroll.

You should note the following in relation to this estimate:

-The data we have used in our calculations is as was provided to us when we carried out our initial work in respect of Rushcliffe Homes in November 2002. As such, no membership movements subsequent to that time have been allowed for and the actuarial basis for the calculations is as was used for the 2001 valuation of the Nottinghamshire Fund.

-We have only considered the impact of closure in isolation - experience since the date of the admission (e.g. investment returns) has not been allowed for. In practice, the effect of this is likely to be far more significant than the effect of closure.

-The required contribution rate (irrespective of whether the Fund is closed to new entrants or not) will be reviewed as part of the 2004 valuation of the Fund, when current membership, experience since the admission date and possibly a revised actuarial basis will be allowed for. Any revision required in the contribution rate will then be implemented from 1 April 2005.

Please let me know if you require anything further.

Regards

Steven

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