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Update following Panel and Board meeting on 4 March

Dear Colleague,

As you will be aware, the Pension Fund Panel and Board received a report at their meeting on 4 March, following the end of the consultation on the de-grouping proposals.

The report recommended that the Panel accept the proposed changes to the Funding Strategy Statement and remove all education sector employers in the scheduled and admitted body groups without a government guarantee, and the housing associations in the admitted body group, These employers would instead be given an individual contribution rate based on their own liabilities and notional share of assets.

All of the consultation responses were included within the papers to the Panel and Board, ensuring members had full access to the views of employers. The Panel and Board would like to thank all employers for taking the time to engage with the consultation process and provide responses.

The key points discussed by the Panel and Board were:

- the distinction between the recommendations in the report which are designed to achieve fairness and transparency and the upwards pressure on contribution rates which will come from the 2016 valuation, regardless of any action taken on de-grouping
- how the Hampshire Fund is unique amongst all other LGPS Funds who already calculate individual contribution rates for all employers, so the proposals would bring Hampshire closer to standard practice at all the other LGPS Funds
- that all sectors are in a state of financial and organisational change, and the 6th form colleges are not unique in this, meaning that there would never be a good time to make such changes

- that the status, employer covenant and position of all employers in the Fund should be kept under review, such that the Actuary can take these into account in the future (for example if a college became an academy and received a government guarantee).

The Panel and Board agreed all the recommendations in the report. Consequently the Actuary will calculate individual contribution rates at the 2016 valuation for those employers who are removed from the group (as a reminder, changes in contribution rates following a valuation come into effect the following April i.e. 1 April 2017 for the 2016 valuation).

If any employers wish to form their own sub group, they should send details of which employers are involved to the [Pensions Service Development](#) team, who will then be in contact to make the necessary arrangements.

Kind regards,

Service Development Team

Hampshire Pension Fund

Tel: 01962 845588 | **Fax:** 01962 834537

E-mail: pensions@hants.gov.uk | **Web:** hants.gov.uk/pensions

Hampshire Pension Fund, The Castle, Winchester, SO23 8UB

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