

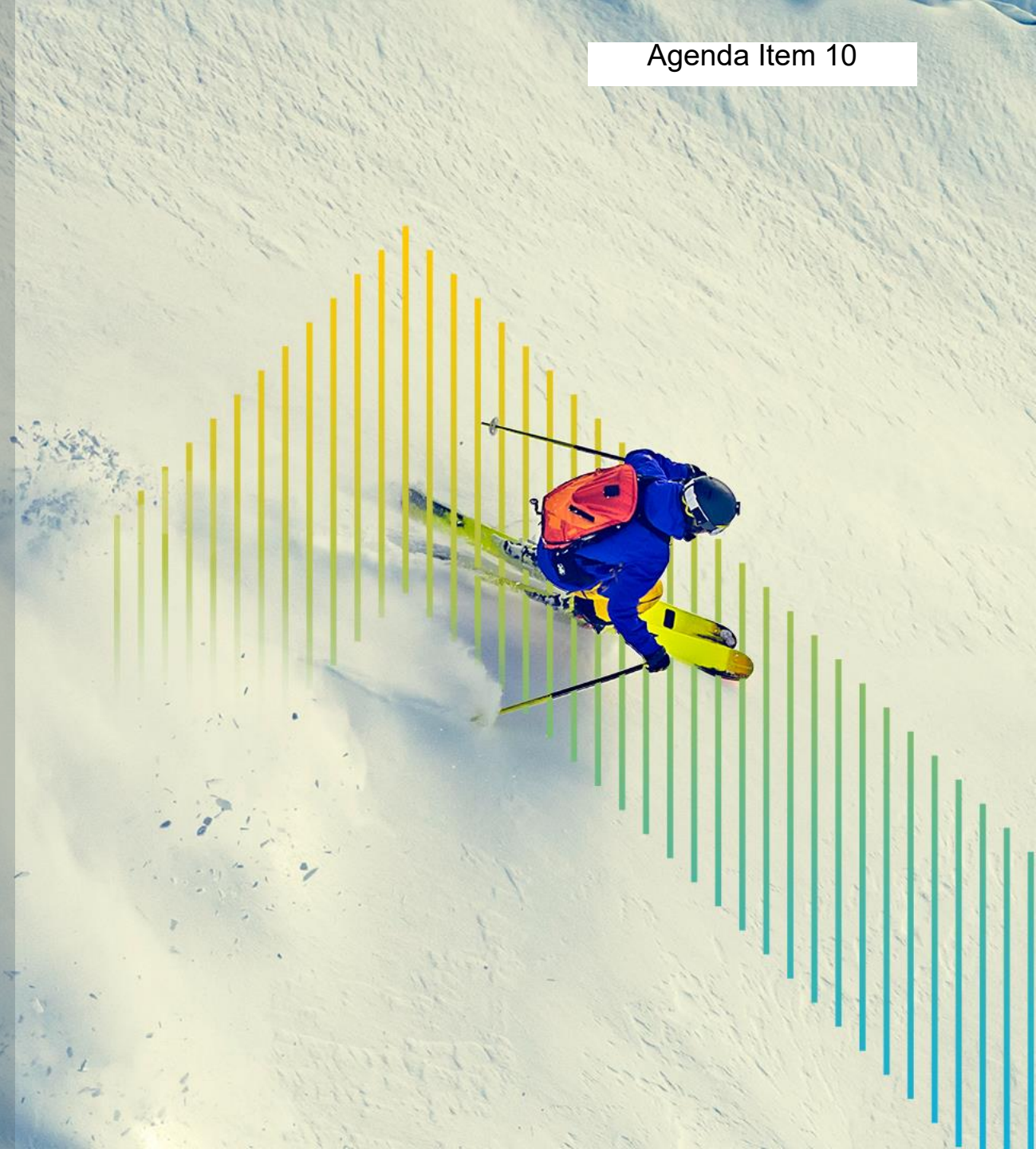
# Teesside Pension Fund Committee Meeting

Morven Galloway

Julie Baillie FFA C.Act

11 December 2024

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# Introduction to funding



# How the Fund works



**Collect money**  
(contributions)



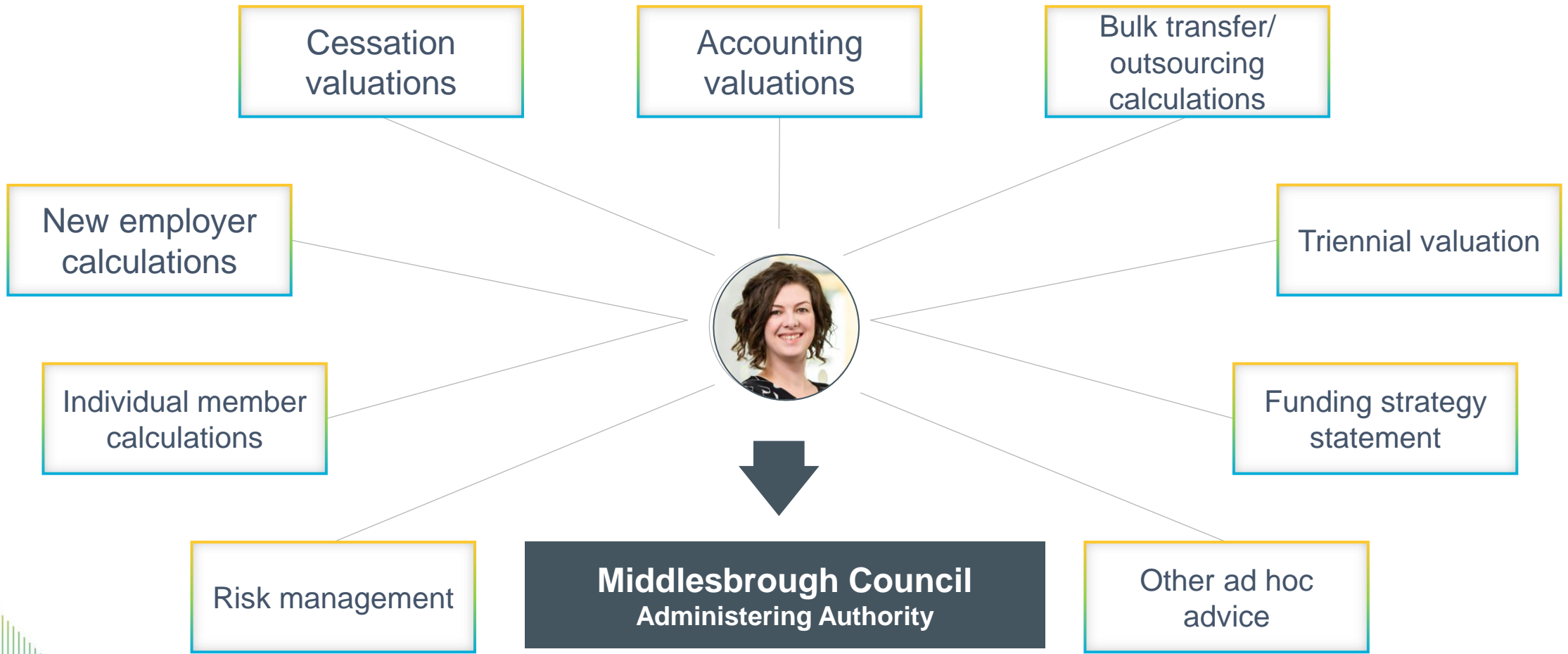
**Invest money**  
(its assets)



**Pay money out**  
(benefits)

**Contributions and investment returns fund all the benefits**

# Role of the Actuary



# Why do we do a valuation?



Calculate employer contribution rates



Compliance with legislation



Analyse actual experience vs assumptions



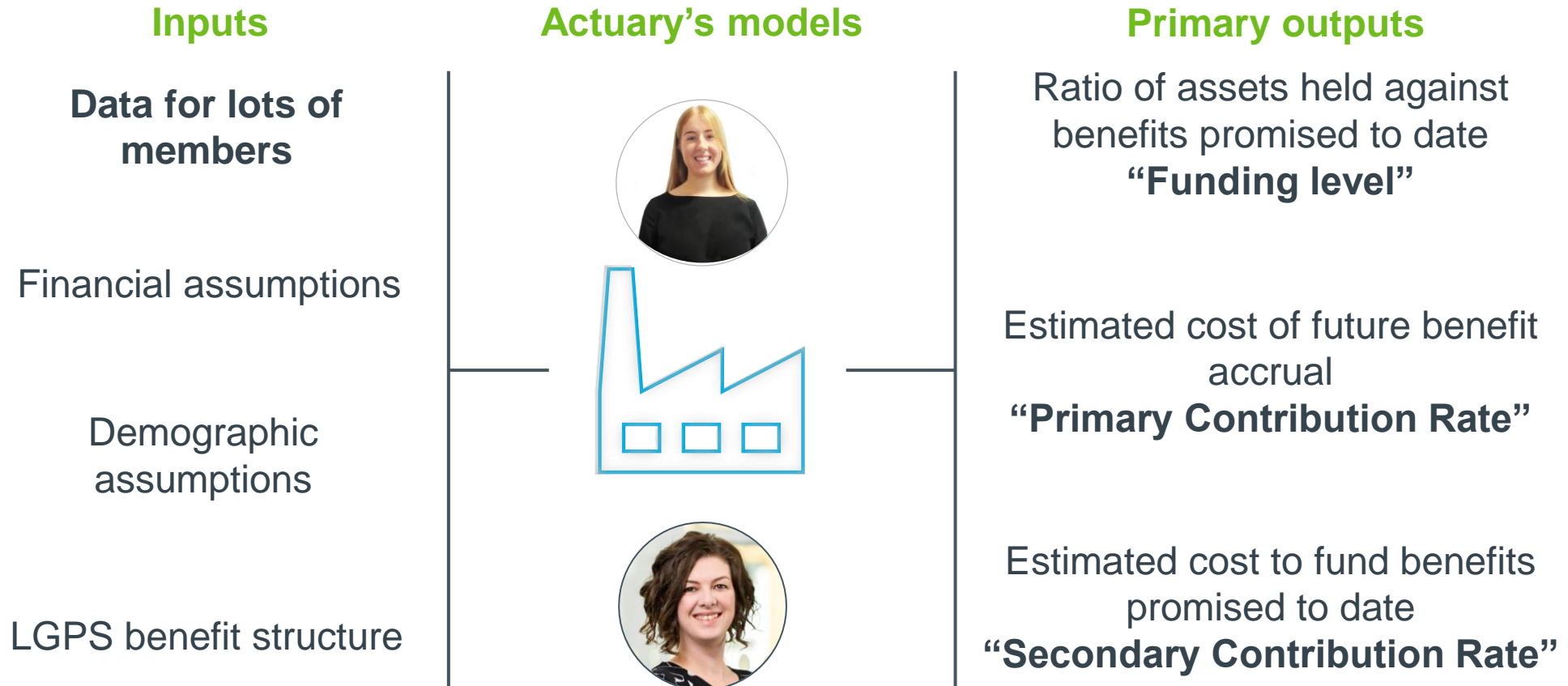
Review Funding Strategy Statement



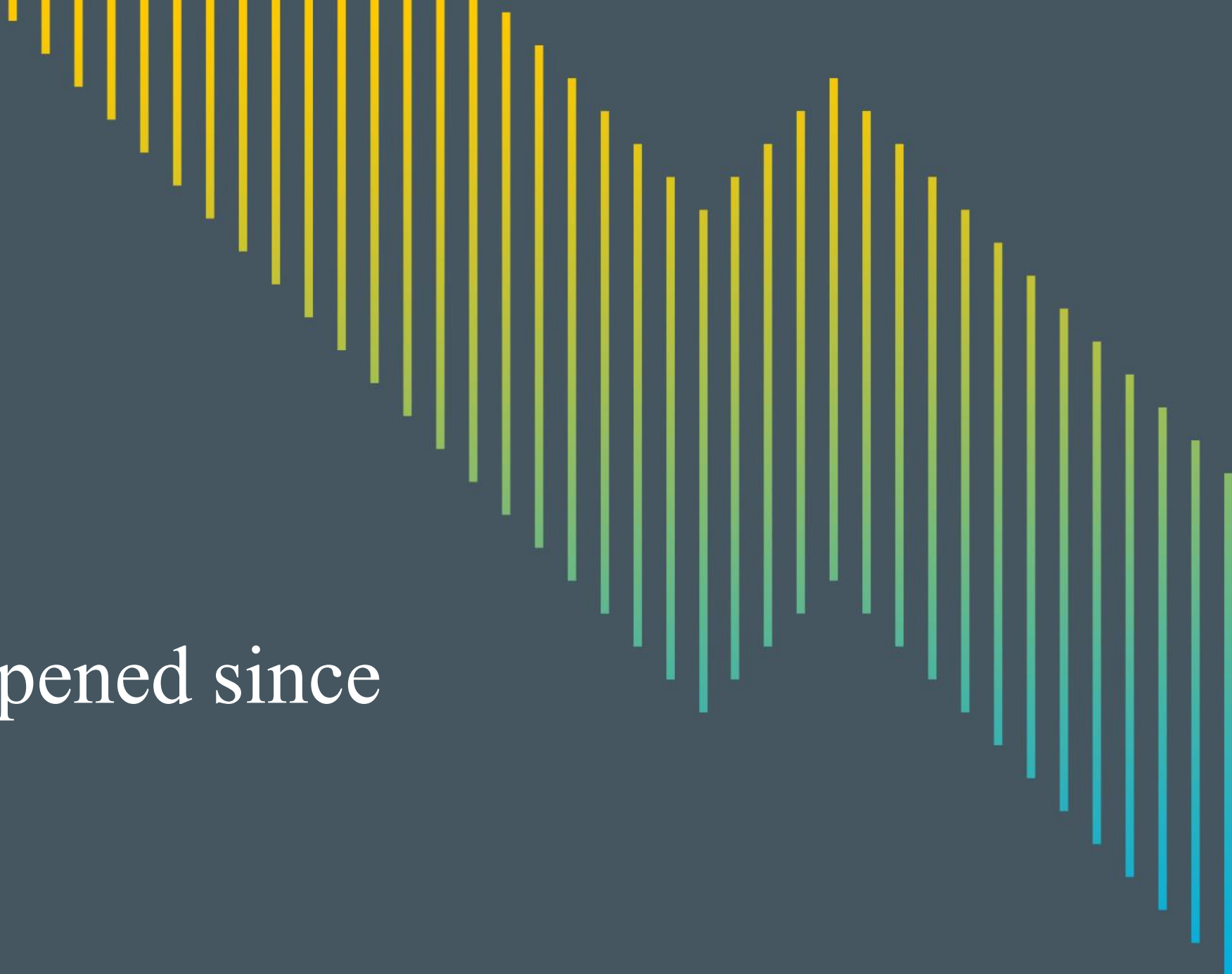
Part of continual 'health check' on fund solvency

**The triennial valuation is key for risk management for the Fund**

# How we do the valuation



What has happened since  
2022?



# 2022 valuation results

## Solvency



Funding Level **116%**

## Average Employer Rates

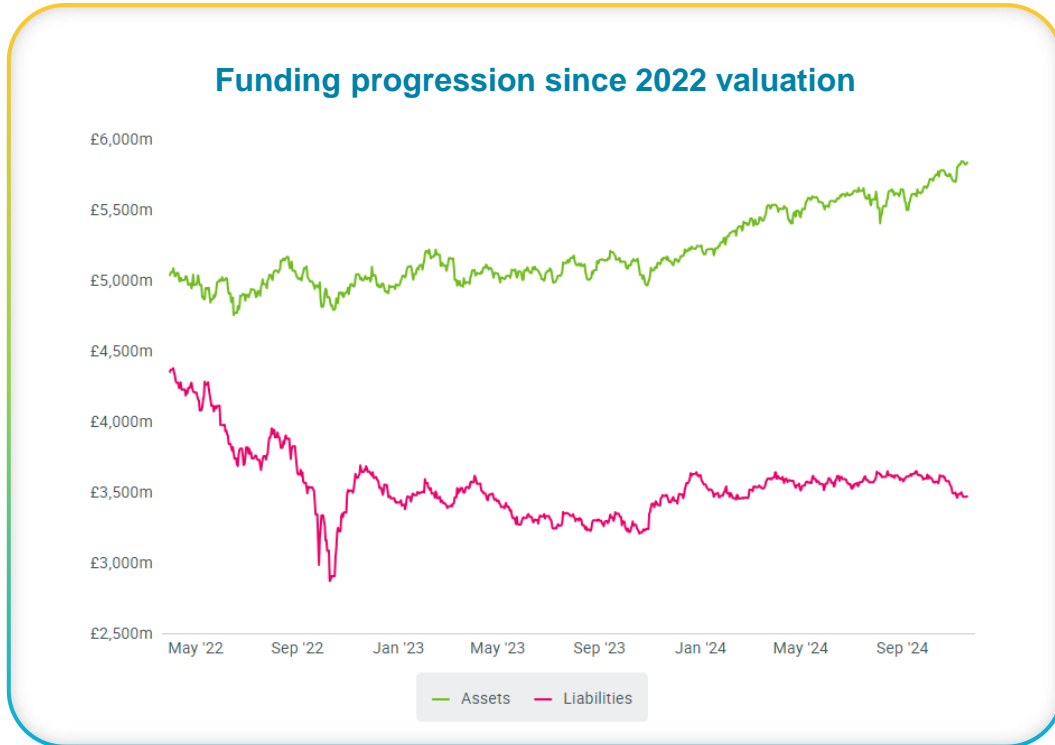
**19.7%** Primary Rate

**-4.9%** Secondary Rate

**14.8%** Total Rate



# What has happened since 2022?



## General insights



Funding has improved since 2022



Assets returns have been positive



Rising interest rates & high inflation



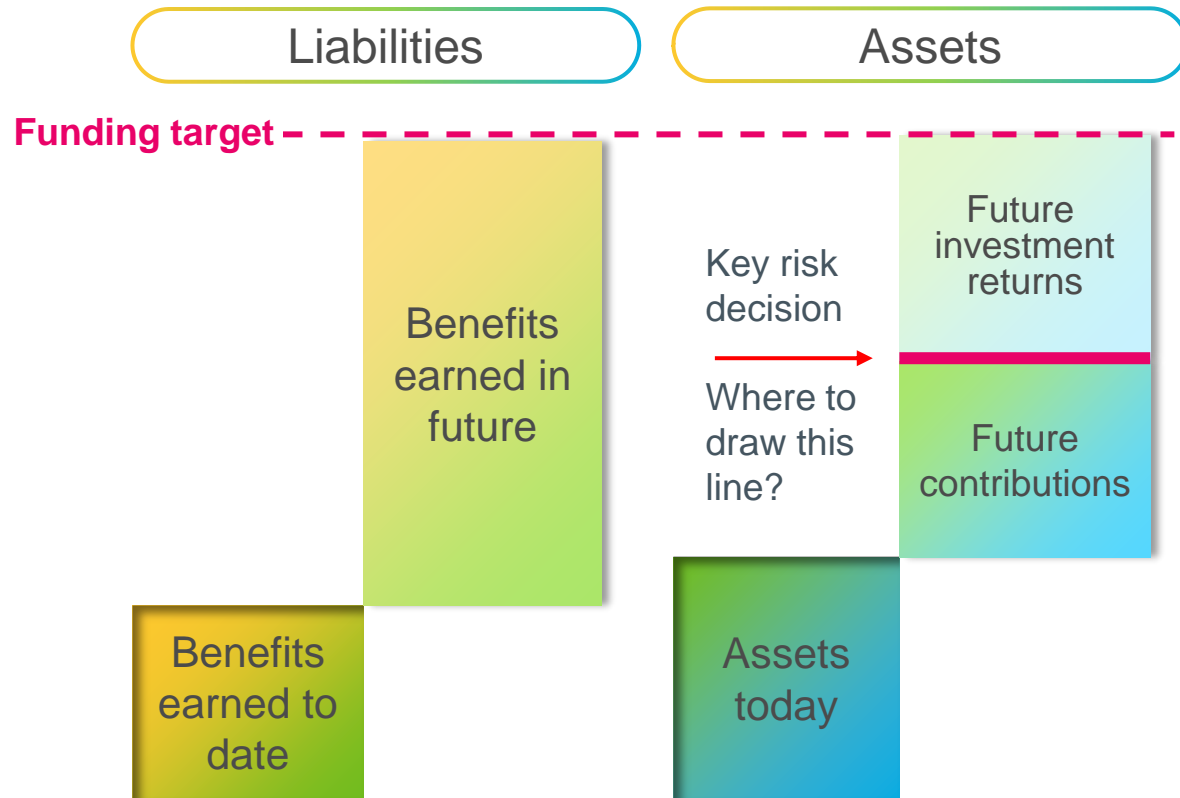
Higher expected return on the Fund's assets

Employers will see variation based on their own circumstances

What does this mean for  
2025?



# Key funding decision



## General insights



Funding level is 'past service' only



Majority of benefits yet to be earned



Balance future contributions vs investment risk

Focus on balancing employer affordability with long-term sustainability

# Ongoing learning



# What is LOLA\*?

- Launched in 2021
- Video-on-demand learning plan covering:
  - Core requirements of the Pension Regulator's General Code of Practice
  - Chartered Institute of Public Finance and Accountancy's Knowledge and Skills Framework

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**8**

Core modules with current issue videos

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**1300+**  
Platform Users

**50%**  
Almost half of all LGPS funds utilise the training platform

# Why online?

Online training has lots of benefits, including the ability to access materials on demand and to easily include fund-specific training.



## **Monitor and record**

Simple to monitor and record participant progress



## **Hot topics**

Regular hot topic videos spark discussion and support decision-making



## **Jargon buster**

A helpful jargon buster includes relevant links for each module



## **Monthly reporting**

Monthly reports can be produced for each member and Fund

# What is covered?

- **Module 1** - Committee Role and Pensions Legislation
- **Module 2** – Pensions Governance
- **Module 3** – Pensions Administration
- **Module 4** – Pensions Accounting and Audit Standards
- **Module 5** – Procurement and Relationship Management
- **Module 6** – Investment Performance and Risk Management
- **Module 7** – Financial Markets and Product Knowledge
- **Module 8** – Actuarial Methods, Standards and Practices

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























## Current Issues

- Understanding Cost Sharing
- Understanding McCloud
- Pensions Dashboard
- Understanding Goodwin
- Introduction to Cyber Risk
- GAD Section 13
- Climate Change and TCFD
- McCloud Consultation - June 2023
- SAB and HM Treasury Cost Cap Mechanisms
- Next Steps on Investment (England & Wales) Consultation overview
- Next Steps on Investment (England & Wales) Consultation response
- A Brief Introduction to Taskforce on Nature-related Financial Disclosures
- McCloud Recent Developments



Aspire.Hymans Home Page  
Welcome to your LGPS Online Learning Academy

12 Items

  <b>An introduction to LGPS Online Learning Academy</b> EN E-learning	  <b>Current Issues</b> EN E-learning	  <b>LGPS Learning Plan</b> EN   8 courses Learning plan	  <b>Module 1 - Committee Role and Pensions Legislation</b> EN E-learning
  <b>Module 2 - Pensions Governance</b> EN E-learning	  <b>Module 3 - Pensions Administration</b> EN E-learning	  <b>Module 4 - Pensions Accounting and Audit Standards</b> EN E-learning	  <b>Module 5 - Procurement and Relationship Management</b> EN E-learning
  <b>Module 6 - Investment</b>	  <b>Module 7 - Financial</b>	  <b>Module 8 - Actuarial</b>	  <b>TCFD Enhanced Module</b>

### My Courses & Learning Plans Overview



Queries to [aspire.hymans@hymans.co.uk](mailto:aspire.hymans@hymans.co.uk)



# Thank you

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