

Teesside Pension Fund

2025 Actuarial Valuation - Notification of draft employer results

This schedule is addressed to the Administering Authority of the Teesside Pension Fund (the Fund). Hymans Robertson LLP consent to it being shared with (the Employer) and, if applicable, its advisor(s) on a non-reliance, no liability basis for information purposes only, and in a manner that fully discloses how it has been produced. It should not be construed as advice to the Employer, its advisor(s) or any other third party with whom it is shared. Any reader of this schedule should carry out their own enquiries and obtain their own advice prior to making decisions.

This schedule should be read in conjunction with the Fund's draft Funding Strategy Statement (the FSS).

This schedule contains a summary of the draft results of the 2025 actuarial valuation of the Teesside Pension Fund (the Fund), specifically those relating to the Employer named above. Its main purpose is to notify the Administering Authority of the contribution rates payable by the Employer from 1 April 2026 to 31 March 2029 as well as the Employer's funding position on the valuation date (31 March 2025). This schedule has not been prepared for any other purpose.

This schedule contains detailed technical information explaining the results and how they compare to the last valuation, which may be when the Employer joined the Fund. It also contains the data and assumptions underlying the results and the reliances and limitations which apply to them. Please see the appendices for more information and read these in conjunction with the draft Funding Strategy Statement.

Surplus/(deficit)

£61.5m

+£42.2m vs last valuation

Funding level

137%

+26% vs last valuation

Contributions from 1 April 2026

14.0% of pay



Contribution rates

The minimum employer contributions payable for the three-year period from 1 April 2026 to 31 March 2029 are set out in the following table (alongside the current contributions). The final contributions will be formally certified in the Fund's Rates and Adjustments Certificate.

Employer contributions for year ending	Primary rate	Secondary contributions*		Total contributions*	
	% of pay	% of pay	£	% of pay	£
31 March 2026	19.0%	(3.5%)	-	15.5%	-
31 March 2027	19.6%	(5.6%)	-	14.0%	-
31 March 2028	19.6%	(5.6%)	-	14.0%	-
31 March 2029	19.6%	(5.6%)	-	14.0%	-

*Contributions may include a percent of pay and monetary element, both of which are payable.

Employer contributions have been set in accordance with the draft FSS as agreed by the Administering Authority. The Primary rate includes an allowance of 0.5% of pay for administration expenses. Employee contributions averaging 6.6% of pay are payable in addition to employer contributions.



Employer details and funding plan

The contribution rates payable from 1 April 2026 have been determined based on the following funding strategy and employer circumstances:

	Last valuation	This valuation
Employer Type		Scheduled
Funding pool		
Employer details		
Investment strategy	Whole Fund	Whole Fund
Open / closed to new entrants	Open	Open
Funding target (see FSS for details)	Ongoing	Ongoing
Funding strategy		
Funding time horizon (years)	20	20
Minimum likelihood of achieving funding target by end of time horizon	75%	80%

The contribution strategy is based on the parameters in the table above, which indicate the minimum likelihood that both past and future service benefits will be at least fully-funded on the relevant basis at the end of the time horizon. Further, this employer is part of the Fund's stabilisation mechanism.

This funding strategy has been determined by the Administering Authority, taking into account the type of organisation the Employer is and the nature of its participation in the Fund. The approach to setting employer contribution rates, and the Employer's funding target, is explained further in the draft FSS. Further details on the investment strategy is included in the Fund's Investment Strategy Statement.



Funding position

The table below shows the Employer's funding position as at 31 March 2025 on the Fund's Ongoing basis (as defined in the Fund's draft FSS), alongside the funding position at the last valuation for comparison.

Monetary amounts in £000	Last valuation	This valuation
	Ongoing basis	Ongoing basis
Asset share	195,111	228,740
Past-service liabilities	Employees	67,017
	Deferred pensioners	26,150
	Pensioners	74,092
	Total liabilities	167,260
Surplus/(Deficit)	19,258	61,481
Funding level	111%	137%

The funding position only covers assets and liabilities accrued up to the calculation date (past service), it does not consider the cost of benefits that will be earned in the future (future service).



Change in funding position

The following table helps to explain the changes in the Employer's assets and liabilities over the period since the last valuation. Due to rounding the columns may not add up exactly.

	£000	Assets	Liabilities	Surplus / (deficit)
	Last valuation	195,111	175,853	19,258
Cashflows	Employer contributions paid in	14,417		14,417
	Employee contributions paid in	6,323		6,323
	Benefits paid out	(17,970)	(17,970)	
	Other cashflows (e.g. expenses, transfers)	(516)		(516)
Changes since last valuation	Expected growth	25,871	23,903	1,968
	Accrual of new benefits		26,947	(26,947)
	Membership experience		18,888	(18,888)
	Excess return on assets	5,504		5,504
Changes in actuarial assumptions	Financial assumptions		(60,837)	60,837
	Longevity assumptions		(717)	717
	Other demographic assumptions		1,192	(1,192)
	This valuation	228,740	167,260	61,481

Appendix A - Data

A.1 Membership data

The results in this schedule are based on the membership data summarised below which was supplied to us by the Fund for the purpose of the 2025 formal valuation.

		Last valuation	This valuation
Employee members	Number	944	981
	Total actual pay (£000)	25,963	31,595
	Total accrued benefit (£000)	4,938	6,236
	Average age	50.6	52.0
Deferred pensioners	Number	507	614
	Total accrued benefit (£000)	1,849	2,451
	Average age	49.7	51.6
Pensioners and dependants	Number	551	676
	Total accrued benefit (£000)	3,634	5,120
	Average age	65.6	66.8

Average ages are weighted by liability.



Appendix B - Assumptions

B.1 Financial assumptions

The financial assumptions underlying the funding positions disclosed are detailed below (with comparison to those adopted at the last valuation).

Assumption (% p.a.)	Last valuation	This valuation
	Ongoing basis	Ongoing basis
Discount rate	4.2%	5.6%
Pension increases	2.7%	2.3%
Salary increases*	3.7%	3.3%

*This is in respect of inflationary increases. There is a separate promotional salary scale assumption.

For further details on the methodology used to derive the assumptions, please see the draft FSS.



B.2 Demographic assumptions

The longevity assumptions underlying the funding positions disclosed are detailed below (with comparison to those adopted at the last valuation). Details of the demographic assumptions are available within the draft FSS.

Assumption	Last valuation	This valuation
	Ongoing basis	Ongoing basis
Baseline longevity	2021 VitaCurves	2024 VitaCurves
Future improvements	CMI 2021: A=0.25%; LTR=1.5%; Sk=7 (Cessation mortality is identical except for LTR=1.75%)	CMI 2024: Core parameterisation except, A=0.25%, LTR = 1.5%

Based on the above assumptions and the characteristics of the Employer's individual membership, the average life expectancies are summarised below.

Life expectancy (years)	Ongoing basis	
	Male	Female
Current pensioners	21.0	24.1
Future pensioners	21.7	25.5

Life expectancies are from age 65. Future pensioners are assumed to be aged 45 at the valuation date. Figures for future pensioners are a weighted average of active and deferred members.



Appendix C - Important information

C.1 Addressee and purpose

This schedule is addressed to the Fund's Administering Authority to notify it of the Employer's draft principal results from the 2025 actuarial valuation. It may be shared with the Employer and, if applicable, its advisor(s) on the basis set out below.

C.2 Reliances and limitations

This schedule should not be copied, reproduced, disclosed or released in any medium to any third party except as required by law or regulatory obligation or with our prior written consent. In circumstances where disclosure is permitted, the schedule may only be released or otherwise disclosed in its entirety, fully disclosing the basis upon which it has been produced (including any and all limitations, caveats or qualifications). Please note that this schedule does not constitute advice to the Employer or any other third parties and Hymans Robertson LLP does not owe a duty of care, nor does it accept any liability to the Employer or any other third parties. It disclaims any responsibility or liability arising from reliance on this schedule and does not warrant or represent as to its accuracy, fairness or completeness at any given time. Any reader of this schedule should carry out their own enquiries and obtain their own advice prior to making decisions.

The draft Funding Strategy Statement (FSS) contains further information on the assumptions and methodology used to calculate the results set out in this schedule.

The contribution rates shown in this schedule should be considered draft until finalised in the Rates and Adjustments Certificate, due to be published by 31 March 2026. Any other results may also be revised by that point, for example due to changes in data or assumptions.

Some figures shown in this schedule have been rounded and therefore the sum of figures within a table may not add up exactly.

For any questions on the FSS or the results in this schedule, please contact the Fund in the first instance.

Technical Actuarial Standard (TAS) 100 has been complied with to a proportionate degree in the preparation of this report.

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