

**Northern Ireland Local Government Officers  
Pension Fund**

**Actuarial Valuation as at 31 March 2004**

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**March 2005**

# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### Executive Summary

This report sets out the results of our actuarial valuation of the Fund as at 31 March 2004 and is addressed to the Northern Ireland Local Government Officers' Superannuation Committee as administering authority to the Fund.

The main conclusions are as follows:

- The funding level (ratio of assets to past service liabilities) as at 31 March 2004 is 85% (compared to 121% as at 31 March 2001). This corresponds to a past service deficit of £392.1m.
- Without anticipating future equity out-performance, the corresponding result would be a funding level of 64%.
- The employers' average cost of future service benefits (i.e. ignoring any past service deficit) is 13.1% of pensionable pay.
- Assuming that a funding level of 100% is to be targeted over a period of 20 years on the ongoing basis (if our assumptions are borne out in practice) the 'common' employers' contribution rate is 17.3% of pensionable pay.
- This is a significant rise on the contribution levels in 2004/05. The Committee has proposed a series of *minimum* contributions rises over the next three years with the funding position being reassessed in 2007.
- Adjustments have been made to the common rate of employers' contribution to take account of certain circumstances that are peculiar to individual employers. The *minimum* contributions to be paid by each employer from 1 April 2005 to 31 March 2008 are shown in our Rates and Adjustment Certificate at Appendix G.
- Employers may make voluntary additional contributions to recover the shortfall over a shorter period.
- All employers are also required to make additional payments in respect of early retirements as provided for in our Rates and Adjustment Certificate.

We would be pleased to discuss any aspect of our report with the Committee.



W Douglas B Anderson FIA  
24 March 2005



Alison Murray FFA



**Northern Ireland Local Government Officers Pension Fund**  
**Actuarial Valuation as at 31 March 2004**

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# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### 1. Introduction

1.1 We have carried out an actuarial valuation of the Northern Ireland Local Government Officers Pension Fund (“the Fund”) as at 31 March 2004 and have pleasure in presenting our report to Northern Ireland Local Government Officers' Superannuation Committee (“the Committee”) as the administering authority to the Fund.

#### Previous Valuation

1.2 This is our first formal valuation of the Fund. The previous valuation was carried out as at 31 March 2001 and the results of that valuation were set out in the report dated 18 March 2002, prepared by TN Lunn of Hewitt Bacon and Woodrow.

1.3 The results of the previous valuation indicated that the assessed value of the assets of the Fund represented 84% of the accrued liabilities of the Fund. The cost of future accrued benefits (the future service funding rate) was calculated to be 11.9% of payroll across the whole Fund. The common rate of employers' contributions was certified to be 11.9% of payroll for the period 1 April 2002 to 31 March 2005. Contribution adjustments, which varied for some employers, were also certified. The surplus was spread over a period of 13 years.

<b>2001 Results Summary</b>	<b>£m</b>
<b>Value of Accrued (Past Service) Liabilities</b>	
Employee Members	1,154
Deferred Pensioners	134
Pensioners	676
<b>Total Accrued Liabilities (L)</b>	<b>1,964</b>
<b>Value of Fund Assets (A)</b>	<b>2,376</b>
<b>Surplus/(Deficit)</b>	<b>412</b>
<b>Funding Level [(A)/(L)]</b>	<b>121%</b>
<b>Employer Contributions</b>	<b>% of pay</b>
(a) Future Service Funding Rate	11.9%
(b) Past Service Adjustment	<b>(8.2%)</b>
<b>Total Common Contribution Rate [(a)+(b)]</b>	<b>3.7%</b>



# Northern Ireland Local Government Officers Pension Fund

## *Actuarial Valuation as at 31 March 2004*

- 1.4 In 2002, the Committee agreed with the actuary to retain most employers' contributions at their then current level – 4.6% of pay.
- 1.5 The Fund is part of the Local Government Pension Scheme (LGPS) and is a multi-employer defined benefit pension scheme. It is contracted out of the State Second Pension. Employees' contributions are fixed (mostly at the level of 6% of pay). Employers pay the balance of the cost of the scheme. The actual cost will not be known until the final pensioner dies, and employers' contributions are set to meet the expected cost of the benefit. The employers' contributions are reviewed at a series of three yearly valuation exercises. This valuation is one of the series.

### **Purposes of Valuation**

- 1.6 The main purposes of this valuation are:
- to review the financial position of the Fund against the Committee's funding objectives;
  - to enable completion of all relevant certificates and statements in connection with the Local Government Pension Scheme Regulations 2002 (Northern Ireland) ("the Regulations"), and other relevant regulations; and
  - to comment on the circumstances that may give rise to future volatility in the funding level of the Fund or employers' contributions.

### **Funding Objectives**

- 1.7 Draft regulations have been published which will require the Committee to publish a Funding Strategy Statement (FSS). This is not expected to be in place before 31 March 2006. In the meantime, we have taken instructions from the Committee on its funding objectives.
- 1.8 Our valuation is based on the following overriding funding principles for the Fund:
- building up assets to provide for new benefits of current employees as they are earned;
  - recovering any shortfall in assets relative to the value placed on accrued liabilities over the longer-term; and
  - ensuring that there are always sufficient assets to meet the benefits as they fall due for payment to members.

These principles are described further in Section 5.



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### Regulatory Requirements

1.9 This valuation is carried out in accordance with Regulation 77 of the Regulations, which specifies that the Committee must obtain:

- an actuarial valuation of the assets and liabilities as at 31 March 2004 and every three years thereafter;
- a report by an actuary; and
- a rates and adjustments certificate.

1.10 Within the rates and adjustment certificate we are required to specify:

- the employers' common contribution rate, which, in our opinion should be paid by all employers so as to ensure the Fund's solvency; and
- any individual adjustments (increases or decreases) to the common contribution rate, which, in our opinion are required by reason of any circumstances peculiar to that employer.

which for this valuation apply for each year of the period of three years beginning with 1 April 2005.

1.11 Under the provisions of the Regulations, we are required to have regard to:

- the existing and prospective liabilities of the Fund arising from circumstances common to all those bodies,
- the desirability of maintaining as nearly constant a rate as possible, and
- the Committee's funding objectives.

1.12 The Fund must comply with the Inland Revenue Surplus Test (see Section 5 of this report) where the objective is to remain below a prescribed maximum level of funding.

### Use of Results

1.13 This report is provided solely for the purposes of the Committee and the Fund employers to fulfil their and our statutory obligations. It should not be used for any other purpose. The liability figures contained in this report are not appropriate for employer FRS17 accounting purposes. This report should not be released or otherwise disclosed to any third party except as required by law or with our prior written consent, in which case it should be released in its entirety.

1.14 Neither we nor Hymans Robertson accepts any liability to any other party unless we have expressly accepted such liability in writing.



## **Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004**

- 1.15 This report has been prepared in accordance with version 7.0 of “Retirement Benefit Schemes - Actuarial Reports - GN9” published by the Institute of Actuaries and the Faculty of Actuaries. The following aspects of GN9 are not relevant to the current circumstances of the LGPS and hence our report does not comply with these aspects of GN9:
- Paragraph 2.5 of GN9 requires the actuary to state the Minimum Funding Requirement (MFR) funding level. As the MFR does not apply to the LGPS, this report does not comply with paragraph 2.5 of GN9.
  - Paragraph 2.6 of GN9 requires the actuary to report on the value of the liabilities that would arise had the Fund wound up on the valuation date (based on the cost of buying out the accrued benefits with insurance policies). As the LGPS is a statutory scheme, there is no regulatory provision for scheme wind up and the scheme members have a statutory right to their accrued benefits. Therefore the concept of solvency on a buy-out basis does not apply to the Fund. Accordingly, this report does not comply with paragraph 2.6 of GN9.
- 1.16 The Government’s recent legislation relating to employers’ obligations on the voluntary termination of their pension schemes, known as the Debt on Employer regulations, does not apply to the LGPS. The Government’s new safety net system from April 2005, the Pension Protection Fund, will also not apply to the LGPS. We assume that all employers will be able to fulfil their obligations to pay contributions certified in this report. To the extent that any employer defaults on its contributions whilst the Fund is in deficit, another employer or employers in the Fund will bear any shortfall.
- 1.17 The membership and accounting data has been provided by the Committee and we have relied on the accuracy of the information provided.
- 1.18 We have however carried out a number of reasonableness checks on the quality of the membership data. We have investigated the pay experience for some of the employers and it may be that in some cases the pensionable pay figures are unreliable, leading to some overstatement in rises in pay since 2001. However, we have concluded that the adjusted pay figures provide a sound foundation for the preparation of the 2004 valuation results. We recommend that this is an issue that should be considered for future valuations. Other than that, we have no reason to believe that the data is not materially complete and correct.



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

## 2. Fund and Benefit Information

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### Benefits and member contributions

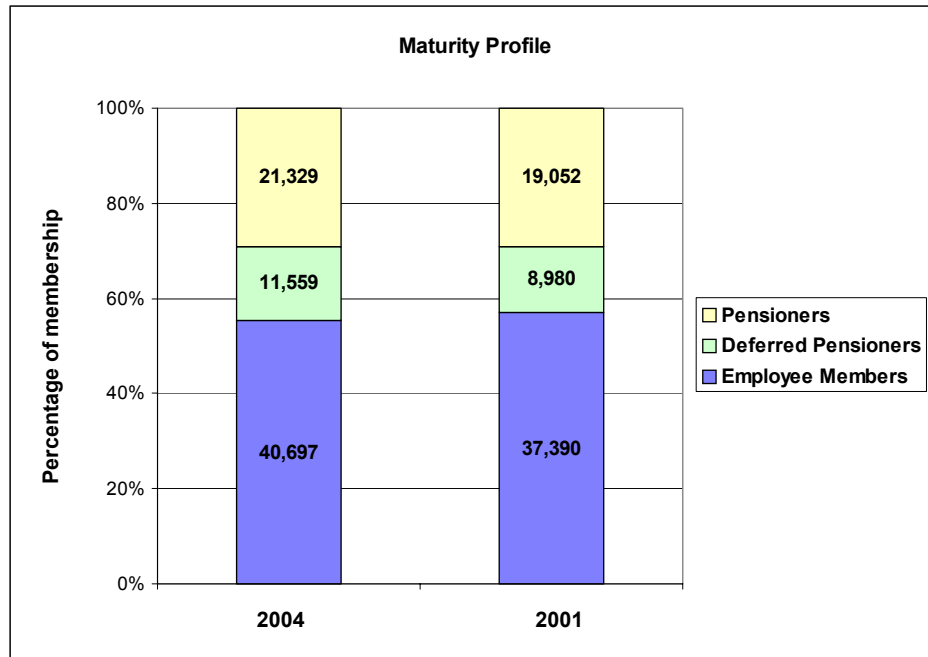
- 2.1 The principal elements of the benefit structure of the Fund are set out in the Regulations and are summarised in Appendix A. These benefits are common to all employers participating in the Fund.
- 2.2 There are a small number of discretionary powers, which may be exercised by the Committee or by individual employers. The principal discretions are also summarised in Appendix A. With the exception of the employers' powers to augment benefits, normally on early retirement, we would not expect that the exercise of these powers would have a material effect on the valuation results.
- 2.3 Although the main benefits affecting our calculations remain unchanged since the previous valuation, there have been a number of amendments to the Regulations, under the auspices of the Government's Stocktake review of the scheme. The changes are summarised in Appendix A. The changes already made do not materially affect the results of our valuation however, the changes that take effect in England and Wales from 1 April 2005, notably the abolition of the Rule of 85 for future service, could affect the cost of future service benefits if they are extended to Northern Ireland. Please see the discussion on the results in Section 5.
- 2.4 Most employees contribute at the rate of 6% of pay, with a closed group of manual employees who joined before April 1998 contributing at the rate of 5% of pay. The employers meet the balance of the cost of the scheme.
- 2.5 The cost of accruing benefits was assessed to be 11.9% at the 2001 valuation.
- 2.6 The common contribution rate payable by the employers was set at 4.6% of payroll with effect from 1 April 2002. The resulting minimum contributions to be paid were certified in the previous valuation report.
- 2.7 During the inter-valuation period the employers therefore paid contributions significantly lower than the cost of the accruing benefits.

### Fund membership

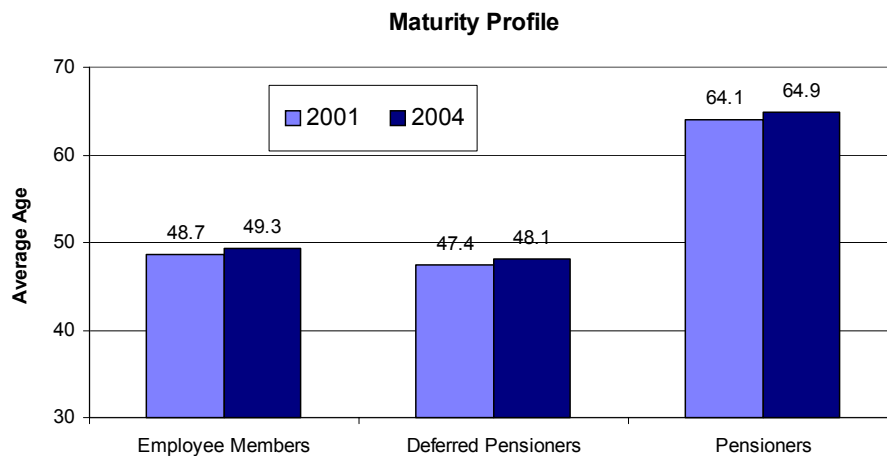
- 2.8 The membership of the Fund as at 31 March 2004, and changes since the previous valuation are summarised in Appendix B for each benefit category.
- 2.9 The chart below illustrates the change in the structure of the Fund's membership between 2001 and 2004. Overall, the proportion of the membership in each category has remained relatively stable.



## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004



2.10 The change in the average ages of Fund members (weighted by salary or pension) over the intervaluation period is shown in the chart below.



2.11 The chart and table show a modest degree of maturation of the scheme.

# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

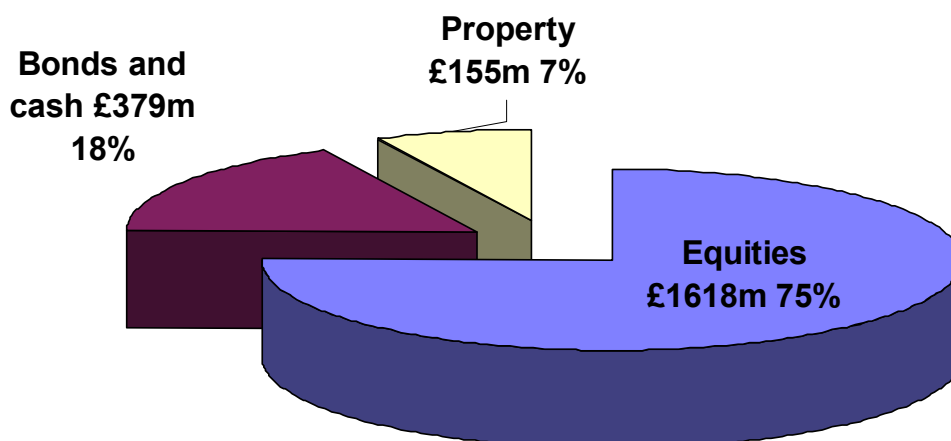
### Individual Employer Information

- 2.12 Appendix B also shows the number of members of each of the participating employers (or pool of employers), as at the valuation date.

### Fund assets

- 2.13 The Committee has also provided copies of the audited accounts for the three years from 1 April 2001. The consolidated Revenue Account is shown in Appendix C, together with our estimates of the implied return on the Fund assets in each of the three years calculated from the change in the market value of assets and net annual cashflows to the Fund.
- 2.14 The Fund's assets are invested by the Committee. The market value of assets as at 31 March 2004 was £2,152m<sup>1</sup>. A simplified summary of the asset split is shown below. A more detailed breakdown of the Fund assets is provided in Appendix C.

### Asset Distribution as at 31 March 2004



- 2.15 The Fund does not formally segregate assets between participant employers. In calculating adjustments to the Common Contribution Rate for individual employers to reflect any 'peculiar' characteristics, we apportion assets to individual employers (or to pools of employers). We use a technique known as analysis of surplus to carry out this apportionment process.

<sup>1</sup> (excluding defined contribution AVC funds)



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### 3. Method and Assumptions for 2004 Valuation

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#### Methodology

- 3.1 For this valuation, we have adopted an approach that considers separately the benefits in respect of service completed before the valuation date (past service) and benefits in respect of service expected to be completed after the valuation date (future service). This approach enables us to focus on two results:
- The *past service funding level* of the Fund. This is the ratio of the value of the assets to the value of the past service liabilities, after making allowance for future increases to members' pay. A funding level in excess of 100% indicates a *surplus* of assets over liabilities and a funding level of less than 100% indicates a *deficit*.
  - The *future service funding rate* i.e. the level of contributions required from the employers to support the cost of benefits for future service.
- 3.2 For this valuation we have used the *projected unit method* with a one year control period to determine the cost of benefits accruing for the Fund as a whole and for employers who continue to admit new members. This means that the contribution rate is derived as the cost of benefits accruing to employee members over the year following the valuation date expressed as a percentage of members' pensionable pay/contributions over that period. The method of valuation has not changed since the previous valuation. A description of the valuation method is set out in Appendix D.
- 3.3 For employers who no longer admit new entrants, we have adopted the *attained age method*, means that the contribution rate is derived as the average cost of benefits accruing to employee members over the period until they die, leave the Fund or retire. A description of this method is also set out in Appendix D.

#### Actuarial Assumptions

- 3.4 In our valuation, we must make assumptions about the factors affecting the Fund's finances such as inflation, pay increases, investment returns, how long members will live and staff turnover, etc in order to place a value on the liabilities.
- 3.5 The future level of pay increases will determine the level of benefits to be paid in future in respect of active members and the contributions received by the Fund. Once in payment, pension benefits are increased annually in line with the headline RPI index<sup>2</sup>.

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<sup>2</sup> in line with the Pension (Increases) Act 1971, lower increases can apply to Guaranteed Minimum Pensions.



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

- 3.6 The cost of providing benefits depends not only upon the amount but also the incidence of benefits paid i.e. at what point in the future benefits begin to be paid and for how long they continue to be paid.
- 3.7 As contributions are being invested now to provide for benefits payable in the future (i.e. the benefits are being prefunded) part of the cost of providing the benefits can be met from investment returns achieved by the Fund's assets that build up from contributions. The higher the rate of return achieved by the assets, the lower the contribution requirement that has to be paid in future to meet the cost of the benefits.
- 3.8 The assumptions adopted at the valuation can therefore be considered as:-
- The demographic (or statistical) assumptions, which generally speaking are estimates of the likelihood of benefits and contributions being paid, and
  - The financial assumptions such as future levels of inflation or salary increases will determine the amount of benefits and contributions payable. The future rate of investment return is used to discount future benefits and contributions to obtain their current or present value.
- 3.9 The key assumptions have been discussed with the Committee. A summary of the assumptions used is included in Appendix E.

### Financial assumptions

- 3.10 Since we have taken assets into account at their market value it is appropriate for us to take our lead from the market when setting the financial assumptions used to value the ongoing liabilities, to ensure compatibility of the asset and liability valuation bases. The key financial assumptions are:
- Future levels of price inflation;
  - future levels of real pay increases – i.e. over and above price inflation; and
  - the discount rate (investment return) that is applied to future liabilities to determine their present value<sup>3</sup>.
- 3.11 We have derived our discount rate as the expected future rate of investment return from the broad categories of assets held by the Fund. In deriving this assumption we have considered what additional returns might reasonably be expected from the Fund's investments over and above the minimum risk rate of return on Government bonds.

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<sup>3</sup> For this valuation we have used the same discount rate for past and future liabilities. In the previous valuation, the then actuary made an allowance for slightly higher long term returns in setting the future service contribution rate.



## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004

- 3.12 The key assumptions for the current valuation and previous valuation as at 31 March 2001 are set out below. The figures marked “real” are net of assumed price inflation.

Financial Assumptions	Mar 2004 Unsmoothed		Mar 2001 Smoothed	
	% p.a. Nominal	% p.a. Real	% p.a. Nominal	% p.a. Real
Discount Rate pre retirement	6.3%	3.4%	6.4%	4.1%
Discount Rate post retirement	6.3%	3.4%	5.4%	3.1%
Pay Increases	4.4%	1.5%	3.8%	1.5%
Price Inflation/Pension Increases	2.9%	-	2.3%	-

### Demographic assumptions

- 3.13 We have recently carried out a major investigation into the demographic experience of our Local Authority fund clients in England and Wales. We have used the rural assumptions derived from this study for this valuation. Details of these are included in Appendix E. The assumptions adopted at the previous valuation are shown in the report on that valuation.
- 3.14 Our aim is that the demographic assumptions should be as close to best estimates as is practicable. (The *prudence* required under the funding objective is delivered by reducing the anticipated return from the Fund's equity investments.)
- 3.15 In setting our assumptions, particularly mindful of the requirement to have regard to the stability of contributions, we have made allowance for life expectancy that we believe is appropriate to pensioners in 2004 (applied to pensioners and non-pensioners), in reporting the value of the accrued liabilities in the valuation balance sheet (in Section 5) and the future service contribution rate. Thus these results do not make any allowance for continuing improvements in life expectancy.
- 3.16 We have reported separately on the potential effect of continuing mortality improvements and the potential effect of the abolition of the Rule of 85 for future service (service after 1 April 2005 if the changes follow the same pattern as in England and Wales).

### Comments on the valuation assumptions

- 3.17 There is a broad spectrum of potentially acceptable valuation assumptions.
- 3.18 In our opinion, the assumptions adopted for this valuation lead to an assessment of the financial position of the Fund and the long-term cost of providing the benefits for future service that just falls into the more prudent half of the spectrum.
- 3.19 The valuation of accrued liabilities is of a similar degree of prudence to 2001 (and is more prudent in respect of future accruals).



## **Northern Ireland Local Government Officers Pension Fund** **Actuarial Valuation as at 31 March 2004**

- 3.20 There is, however, no guarantee that future experience will follow assumptions. Section 6 describes how future valuation results may be affected if the actuarial assumptions are not borne out in practice. We recommend a programme of actively monitoring the developing funding position of the Fund.
- 3.21 Moreover, if future experience is better than assumed here, we would recommend that the opportunity is taken to rebuild prudential margins within the valuation basis. That is, that there should be no expectation of employer contribution reductions if experience is better than assumed between 2004 and 2007.

### **Assets**

- 3.22 We have taken the assets of the Fund into account at their market value as indicated in the Fund accounts for the period ended 31 March 2004.
- 3.23 The approach taken to valuing the Fund's assets has changed since the previous valuation, where a smoothed market value of assets was used, leading to the assets being taken into account at 3% more than their then market value.
- 3.24 The assets of the Fund include additional voluntary contributions (AVCs) paid by members. In some cases, these AVCs are paid on a money-purchase basis, where the accumulated funds are applied at retirement to purchase benefits for the members from the Fund, or via an insurance company. In our valuation we have excluded these assets and the corresponding liabilities.



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

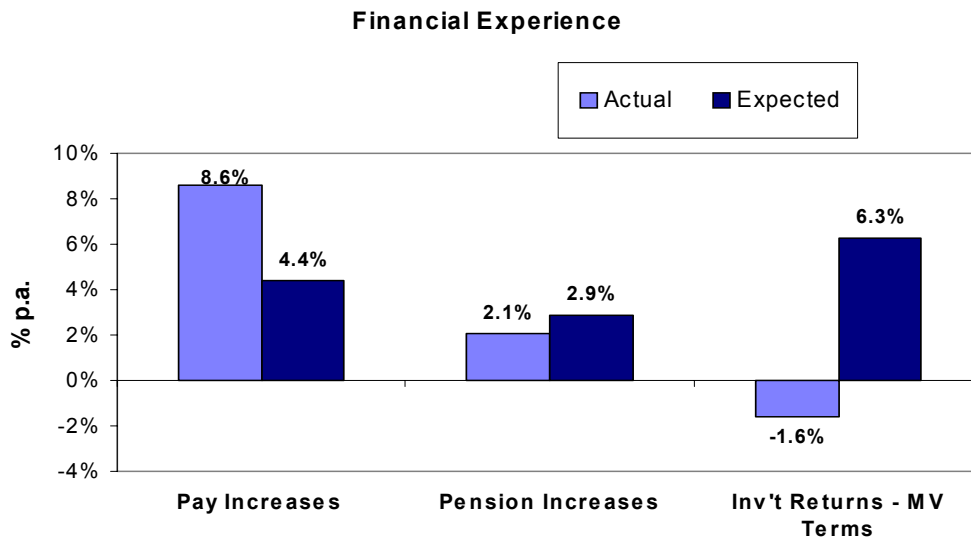
### 4. Experience since 2001

#### Results of 2001 Valuation

- 4.1 In the previous valuation of the Fund, the assets were valued at £2,377m and the past service liabilities on the ongoing basis amounted to £1,964m. There was then a surplus of £413.0m and the funding level (ratio of assets to liabilities) was 121%.

#### Financial experience

- 4.2 The chart below shows the actual financial experience of the Fund during the intervaluation period compared to the assumptions adopted at this valuation:



The figures for pay increases exclude any allowance for increments and promotional pay increases. These are included within separate promotional salary scale assumptions (see Appendix E).

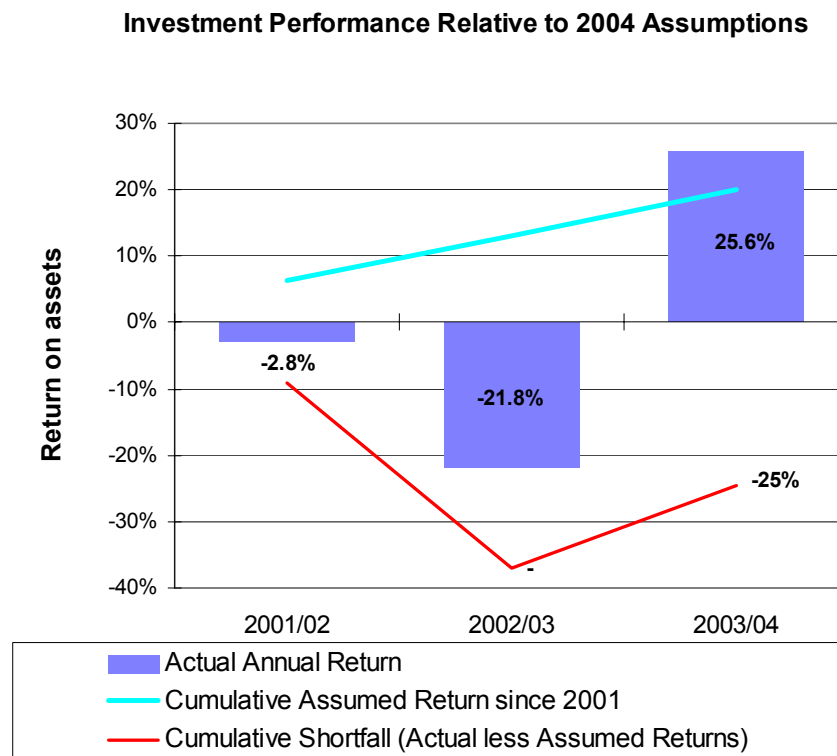
- 4.3 The principal conclusions are:
- Investment under-performance relative to the anticipated returns built into the 2001 valuation of liabilities dominates the picture.
  - Nominal investment returns only averaged -1.6% a year over the three year period to 31 March 2004, and -3.7% a year in real terms. This was around 9% a year less than that assumed at this valuation, leading to an expected reduction in the funding level on a like for like basis of around 25% for this factor alone.



## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004

- Pay increases over the intervaluation period were more than expected in both nominal and real terms.
- Price inflation was relatively benign, with headline RPI only rising by 6.9%, or 2.2% a year (actual pension increases are slightly lower because of using September to September RPI for increases in the following April).

4.4 The chart below shows the actual returns on assets in each of the last three years, compared to the cumulative returns required to keep pace with the assumptions. By 31 March 2004, the actual returns on assets lagged the valuation assumptions by 25 percentage points.



4.5 Since the previous valuation the common contribution rate payable by the Employers to the Fund was set at the rate of 4.6% of pay for most employers. This was substantially less than the cost to the Employers of benefits accruing.

4.6 Overall the financial experience of the Fund during the intervaluation period compared to the assumptions adopted at the previous valuation was a significantly negative factor.



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### Demographic experience

- 4.7 The impact of the variation in experience relative to the demographic assumptions adopted at this valuation as a whole has been a negative factor for the Fund.

### Employee Members

- 4.8 A comparison of the actual number of membership movements for employee members is shown below.

	Actual	Assumed	% Diff
Early Leavers	6,293	8,374	-25%
Deaths	114	130	-12%
Ill Health Retirements	936	1,026	-9%
Early Retirements	363	-	

- 4.9 There were fewer early leavers than anticipated, which has a negative effect on the funding level, since the benefits for early leavers are lower in value than if they stayed in service due to the link with final salary being broken. There were slightly fewer ill-health early retirements than expected, which has a positive effect on the funding level.

### Pensioner Members

- 4.10 A comparison of the actual and expected amounts of pensions ceasing on death (expressed as amounts of pension) is shown below. The expected amounts are based on our 2004 valuation assumptions without any margins for improving mortality. A ratio of less than 100% indicates fewer deaths than expected.

2001-2004	Amounts of Pension Ceasing (£000s)		
	Actual	Assumed	% Diff
Ill Health Pensioners	1,043	1,119	-7%
Age Pensioners			
Former Officers	1,410	1,576	-11%
Former Manuals	923	897	3%
Dependants	580	546	6%
<b>Total</b>	<b>3,956</b>	<b>4,138</b>	<b>-4%</b>

- 4.11 As the table shows, the actual amounts of pension ceasing during the intervaluation period were slightly lower than our 2004 assumptions. We have illustrated the effect of modifying our assumptions at this valuation to allow for pensioners (both current and prospective) to live longer than previously assumed later in this report.
- 4.12 We have amended our demographic assumptions in line with the results of our demographic experience analysis across our English and Welsh clients in 2001.



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Taken as a whole, the change to the demographic assumptions has slightly reduced the value placed on the past service liabilities and the assessed cost of future service benefits.



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### 5. Valuation Results

#### Past Service Position

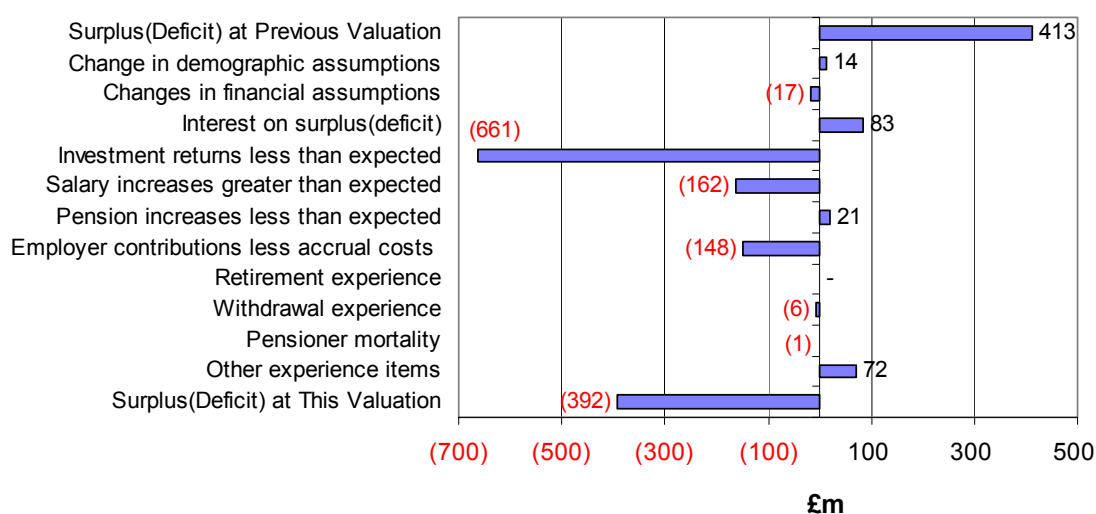
- 5.1 One of the key funding objectives of the Fund, described in Section 3, is to build up sufficient assets to provide adequate security for members' benefits as they accrue: in other words, to target a funding level of at least 100%. The funding position as at 31 March 2004 is considerably below this target, as shown in the table below.

<b>Accrued (Past Service) Liabilities</b>	<b>£m</b>
Value on minimum risk rate of return:	
Employee Members	2,112
Deferred Pensioners	284
Pensioners	974
<b>(a) Total</b>	<b>3,370</b>
<i>Less Credit for Anticipated Future Excess Returns:</i>	
Employee Members	(598)
Deferred Pensioners	(84)
Pensioners	(143)
<b>(b) Total Credit for Anticipated Future Returns</b>	<b>(826)</b>
Net Value after Credit for Future Excess Returns:	
Employee Members	1,514
Deferred Pensioners	200
Pensioners	831
<b>(a)-(b) Total Net Liabilities</b>	<b>2,544</b>
<b>Assets</b>	
Market Value of Assets	2,152
Contributions due for augmentations/redundancies	-
<b>Total Value of Assets</b>	<b>2,152</b>
<b>Surplus (Deficit)</b>	<b>(392)</b>
Funding Level	85%

## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004

- 5.2 It should be noted that the market value of both assets and liabilities may be volatile. The results of this valuation show only a snapshot of the funding level of the Fund as at 31 March 2004 and this result should be seen in the context of market levels before and since then.
- 5.3 The net effect of the gains and losses are summarised in the chart below.

### Reconciliation of Opening and Closing Position



- 5.4 The past service funding level of the Fund has declined since the previous valuation. The main losses were:

- the poor return on Fund assets over the period since the previous valuation relative to the rate required to keep pace with the liabilities;
- the increases in pensionable pay for employees which were higher than anticipated in the valuation;
- lower employer contributions than required to meet the cost of accrual of benefits.

These losses have been partially offset by:

- the changes to the demographic assumptions; and,
- the increases in pensions in payment which were lower than anticipated in the valuation.



# Northern Ireland Local Government Officers Pension Fund

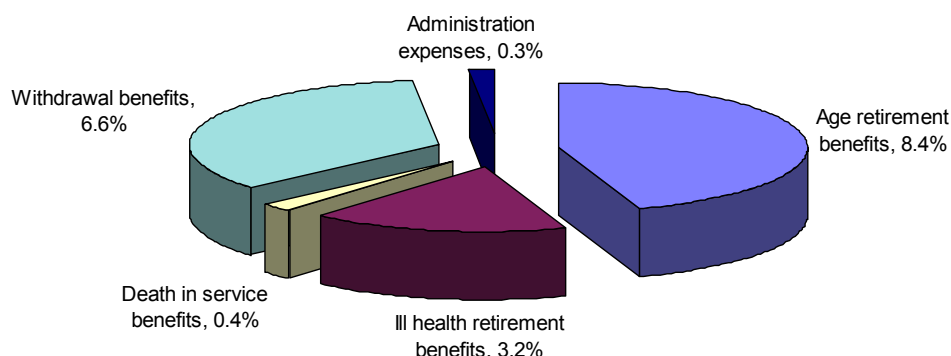
## Actuarial Valuation as at 31 March 2004

### Contributions payable

#### Future service

- 5.5 We have calculated the combined employers' long-term future service contribution rate to be 13.1% of pensionable pay. This represents the contributions required, in excess of members' contributions, to provide for benefits accruing to existing members over the year following the valuation date. It includes an allowance for expenses and lump sum death in service benefits. It is the rate that would, if our assumptions were borne out, apply to service following the valuation date if there were no past service surplus or shortfall in the Fund.
- 5.6 This rate has been calculated using the Projected Unit Method. Contributions for closed employers, (principally United Dairy Farmers), are calculated using the Attained Age Method, which would generally produce a higher contribution rate.
- 5.7 A split of the cost of future service benefits, *including members' contributions*, is shown in the chart below.

**Breakdown of Cost of Accruing Benefits (% of pay)**



- 5.8 Within the average rate of 13.1% of pay, the individual employers' costs of accrual vary between 9.9% and 14.5% of pay<sup>4</sup>. The variation is explained principally by the different mixes of types of employee, by age, gender and type of member.

#### Adjustments for Past Service Deficit

- 5.9 We have calculated the additional contribution rate in respect of the past service deficit to be 4.2% of pensionable pay if spread across all employers, as shown in the table

<sup>4</sup> This range excludes United Dairy Farmers (16.1% of pay), which is closed to new entrants and all employers with less than 50 employees whose rates tend to be more variable.

## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004

below. This represents the cost of the past service deficit spread over a period of 20 years. In 2001, the then surplus was spread over 13 years.

Employer Contribution Rates	% of payroll
Future Service Funding Rate	13.1%
Past Service Adjustment - 20 years spread	4.2%
<b>Total Common Contribution Rate</b>	<b>17.3%</b>

- 5.10 In order to achieve some stability of contributions, and enable employers to adjust to the significant change in contribution levels, the Committee intends to allow the employers to phase-in the required contribution increases over a period of 6 years.
- 5.11 The Committee has proposed an increase of 4% of pay in 2005/06, followed by further rises of 2.5% pay and 2% of pay in 2006/07 and 2007/08 (for employers currently paying 4.6%). This would only take the overall contribution rate up to the cost of future service benefits in 2007/08.
- 5.12 The table below summarises the *minimum* contributions over the period of the new Rates and Adjustments Certificate which are required from employers which are open to new entrants.

Date of Joining Scheme	Current Rate (2004/05)	2005/06	2006/07	2007/08
Before April 1999	4.6%	8.5%	11%	13%
1999 - 2002	8.3%	12%	13%	13%
Since April 2002	11.9%	13%	13%	13%

Further increases would be expected in 2008/09, 2009/10 and 2010/11.

- 5.13 Such contribution increases are at the lower end of what we would consider reasonable. Deferring the contribution rises would have two principal effects on the funding of the scheme revealed at future valuations:
- (a) the deficit would be expected to continue growing for so long as employers continue to contribute at less than the cost of accruing benefits;



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

(b) moreover, interest would accumulate on the deficit, which would be being repaid more slowly if contribution rises are phased-in.

- 5.14 Our main concern is that the employers understand the implications of this approach; assuming all other experience is as expected, the funding deficit would increase between now and 2007 if this approach were taken. The deficit would increase by around £45m in respect of a) above (i.e. with no allowance for interest on the deficit), a fall in the funding level of between 1 and 2 percentage points.
- 5.15 If future experience was in line with assumptions, we would expect further contribution increases of around 2% of pay in each of the years 2008/09, 2009/10 and 2010/11 to be required as part of the plan to restore the funding level to 100%, subject of course to confirmation following the 2007 valuation. Any increased contributions could be reflected in the 2007 valuation.
- 5.16 We certify contribution rates as the minimum payable, allowing employers to pay at a higher rate sooner if their budgets permit.

### Review of Individual Adjustments

- 5.17 Against the background of materially higher contributions and the apparent variation in underlying pension costs referred to in paragraph 5.8, we recommend that the Committee reviews its approach to individual adjustments to employers' rates. This review would not be expected to lead to any employer contributing at less than the minimum rates shown in paragraph 5.12.

### Inland Revenue Surplus Test

- 5.18 In accordance with Paragraph 2(3) of Schedule 22 to the Income and Corporation Taxes Act 1988, we are required to certify to the Inland Revenue whether the Fund has an excessive surplus (over 5%). If this is the case, we would be required to take action to reduce the surplus within 5 years. We can confirm that there is no excessive surplus and our certificate to this effect is included in Appendix F and will be submitted shortly to the Inland Revenue.
- 5.19 The Government intends to remove the requirement for the Inland Revenue Surplus Test with effect from 6 April 2006.



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### 6. Influences on Future Funding

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- 6.1 The Committee's funding objectives provide a framework for it to consider its funding risks. The figures and comments in this section are intended to help put the valuation results shown in Section 5, which are critically dependent on the actuarial assumptions (described in Section 3), into context. Results of future valuations will also depend on the assumptions made at those times. Over time, the funding position and the contributions required will vary depending on actual future experience and whether this matches the assumptions made. This section discusses the potential implications of the actuarial assumptions not being borne out in the future.
- 6.2 The assumption to which the valuation results are most sensitive is that relating to future investment returns (the discount rate), particularly if the Fund's investment strategy is not a close match for the liabilities. Another key assumption to which the valuation results are particularly sensitive is that relating to future mortality, or longevity. The effects of future unexpected changes in mortality, and of other risks and sensitivities, are discussed later in this section.

#### Investment strategy

- 6.3 A defined benefit pension promise, being a promise to pay an income to a member in retirement, is analogous to a bond, which is an obligation to pay an income to the investor (plus repayment of capital).
- 6.4 Thus for the LGPS the investments that most closely match the liabilities are long-dated index-linked bonds. By "matched" we mean that the financial influences that affect the asset value have a similar effect on the liabilities.
- 6.5 The Committee has adopted an investment strategy that includes broadly 75% invested in equities and 25% invested in bonds and property.
- 6.6 The financial assumptions used in the valuation are set by reference to the redemption yield available on bond investments of appropriate term, having regard to the Fund liabilities. In addition, we have made an allowance for the excess return that may be expected to be earned on a diversified portfolio of investments, which includes equities and property. However, no explicit account is taken of the additional risks involved in investing in assets that are not a close match to the ongoing liabilities.



## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004

6.7 If the assets of the Fund were invested wholly in high quality bonds selected such that the cashflows closely match the pattern of benefits expected to be paid from the Fund, (“the Minimum Risk” portfolio), then the valuation results would be broadly<sup>5</sup> as follows.

<b>Accrued (Past Service) Liabilities</b>	<b>£m</b>
Value on minimum risk rate of return:	
Employee Members	2,112
Deferred Pensioners	284
Pensioners	974
<b>Total</b>	<b>3,370.0</b>
Total Value of Assets	2,152
<b>Surplus (Deficit)</b>	<b>(1,218)</b>
Funding Level	64%

<b>Employer Contribution Rates</b>	<b>% of payroll</b>
Future Service Funding Rate	21.7%
Past Service Adjustment - 9 years spread	23.1%
<b>Total Common Contribution Rate</b>	<b>44.8%</b>

6.8 The main differences between these results and those on the ongoing basis as reported in Section 5 are as follows:

- it is necessary to hold more money in the Fund now to meet the past service benefits as a result of the lower discount rate (which in turn reflects the lower expected investment return on the “Minimum Risk” portfolio);
- an increase in the employer’s contribution rate is needed to meet the cost of the accruing benefits as it is assumed that lower returns will be achieved in the future; and
- a shorter spread period (relating to the average future working lifetime of the active membership) has been used to spread the deficit.

<sup>5</sup> We discounted the liabilities falling due at all future durations at the minimum risk rate of return of 4.7% a year. In practice, the returns available on different bonds vary with the term of the bond.



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- 6.9 Note that material residual risks would remain even if the investment policy followed the “Minimum Risk” portfolio. For example, it may not be possible to buy bonds of long enough duration, meaning that there would be uncertainty associated with the returns available on future investments. Our valuation above does not include any explicit contingency reserves in respect of these risks.

### **Appropriateness of investment strategy**

- 6.10 The degree of mismatch between the actual investment strategy and the minimum risk strategy is significant. As a result the funding level in the Fund will vary considerably if the returns achieved on equities and bonds diverge.

### **Sensitivity Analysis**

- 6.11 The valuation results are particularly sensitive to the assumed rates of future investment return. If future investment returns are less than expected, for example due to falls in equity markets, the funding level will deteriorate. To illustrate the sensitivity of the funding level to changes in equity and bond markets, we have considered the impact of the following events occurring soon after 31 March 2004:

- a) Equity-type investments (UK and international equities fall by 25%, with no change in bond values or yields); or
- b) The price of bonds rise such that there is a 1% fall in the nominal annual redemption yields available on fixed interest bonds and a 0.5% fall in the real annual yield available on index-linked bonds, with no change in equity prices or dividend yields.

- 6.12 The table below shows the results that would arise for the whole fund if those events occurred soon after 31 March 2004.

Past Service Funding Levels (FL) (% of Liabilities)	Stable markets change	(a) Equities fall		(b) Bonds rise	
		New FL	Change	New FL	Change
	(i)	(ii)	(iii)=(ii)-(i)	(iv)	(v)=(iv)-(i)
Ongoing valuation (2% ERP)	85%	69%	(16%)	79%	(6%)
Minimum Risk Bond Returns	64%	52%	(12%)	61%	(3%)

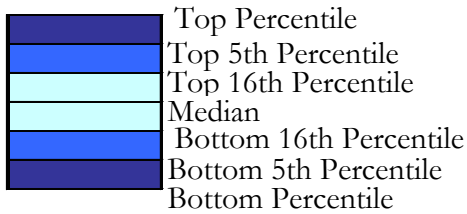
- 6.13 The scenarios illustrated are by no means exhaustive and should not be taken as the limit of how extreme future experience could be. The impact on individual employers could be different to the Fund as a whole, for example less mature employers would be more greatly affected by changes in bond yields than more mature employers.

- 6.14 We have also considered the inter-dependency of equity and bond asset classes using our stochastic asset model to model the spread of potential returns. There are no margins for prudence taken in setting the parameters of the model. The mean additional return from equities relative to bonds is assumed to be 3% a year.



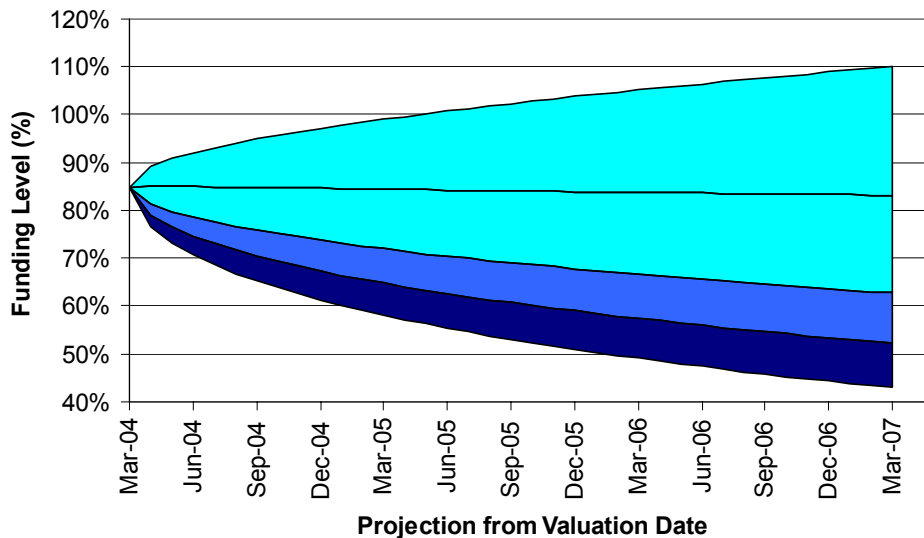
## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004

6.15 The charts below use the following colour scheme<sup>6</sup>:



6.16 The first chart illustrates how the funding level for the whole Fund might vary from this valuation date to the next valuation in 2007, allowing for the volatility of different asset classes. No allowance is made for any change in the valuation basis. The turquoise area represents the outcomes that have a roughly 68% chance of occurring, so there is broadly a two in three chance of the funding level being between 70% and 110% at the 2007 valuation. There is a 16% chance of the funding level being less than 70%. The opportunity for investment growth comes with a potentially significant downside risk.

**Projection of Scheme Funding Level**



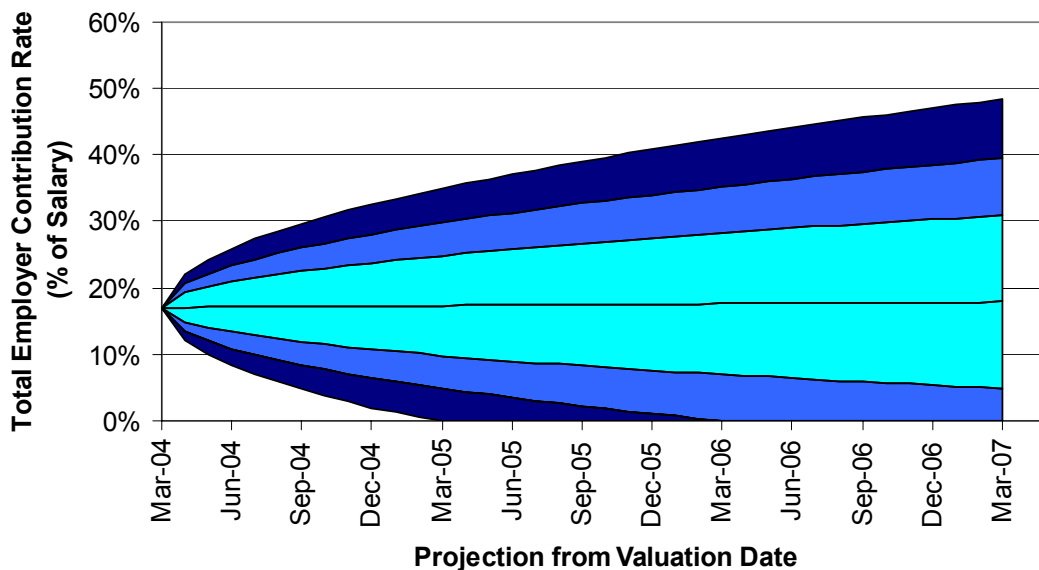
6.17 The second chart illustrates how the common contribution rate for the whole Fund might vary from this valuation date to the next valuation in 2007, (as a percentage of payroll). The dispersion of results for individual employers could be much greater depending on their maturity position.

<sup>6</sup> Please note that we have not shown the best 16% of the distribution of outcomes. This is because we have also not shown the bottom 1%. In broad terms, we estimate that you would have to give up the top 16% to protect yourself from the bottom 1% if you sought to purchase derivatives.

## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004

6.18 Here the turquoise area represents the outcomes that have a 68% chance of occurring, so there is a two in three chance of the common contribution rate being between 4% and around 28% of payroll in the 2007 valuation. There is also a non-trivial likelihood (around 16%) of the contribution rate being in excess of 28% of payroll. The reason for the wide spread is the volatility of the predominantly equity investments of the Fund.

**Projection of Common Contribution Rate  
(Deficit Spread over payroll over 20 years)**



### Investment Returns Required to Maintain 2004 Deficit

6.19 The basis used for this valuation is more optimistic than in 2001. This raises the bar for the asset returns required in order to maintain the funding level at its current level. The value placed on liabilities anticipates return on assets of 6.3% a year. However, as the funding level is 85%, the actual return required on the assets held by the Fund to ensure the deficit does not get any larger (in monetary terms) is around 7½% a year assuming no additional contributions are paid to recover the deficit.

6.20 We recommend that the Committee review its investment strategy particularly in the light of:

- the funding position revealed by this valuation;
- the reduced prudential margins built into the reserving for liabilities;
- the capacity of employers to be able to absorb further contribution rises if future experience is worse than assumed; and



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## *Actuarial Valuation as at 31 March 2004*

- any differences in the profile of employers, for example the arrival of Best Value Admission Bodies on different participation terms to other employers.

Asset-liability modelling may be helpful in understanding the investment risks.

### **Other risks and sensitivities**

- 6.21 In addition to the investment-related risks, the valuation results do not include explicit contingency reserves for other unexpected financial and demographic effects.

### ***Longevity***

- 6.22 The valuation results are very sensitive to unanticipated changes in future expected mortality of pensioners. The mortality basis adopted has been calibrated against recent mortality experience of pensioners in similar local authority funds.
- 6.23 Recent medical advances, changes in lifestyles and generally greater awareness of health-related matters have resulted in longevity improving in recent years at a faster pace than most experts had foreseen. It is unknown whether such improvements will continue in the future. Certain factors, such as advancements in genetic medicine, would point towards even greater improvements in longevity in the future; conversely, the increase in childhood obesity may result in a decline in longevity in future generations.
- 6.24 We have considered the impact of mortality rates continuing to reduce in line with the standard mortality tables developed by the actuarial profession. This would require additional reserves for benefits already accrued and for future accruals of benefits. We would expect to make an allowance for future mortality improvements in the 2007 valuation. These may be offset by reduction in the cost of accrual if the abolition of the Rule of 85 goes ahead in Northern Ireland. If this does not happen, or there are extended protections then employers should be made aware that longevity is likely to lead to further contribution rises at the next valuation.



## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004

<b>Extra Mortality Reserve (for Accrued Liabilities assuming 2%pa ERP)</b>	<b>£103 m</b>
<b>(i) Extra Employer contributions for past service</b>	
If deficit recovery targeted over:	
Remaining Working Lifetime	2.20% of pay
15 years	1.40% of pay
20 years	1.10% of pay
25 years	0.90% of pay
<b>(ii) Plus Extra Contributions for Future Accruals for Longevity Improvements</b>	<b>0.90% of pay</b>
<b>(iii) Less Rule of 85 Saving for Future Service</b>	<b>(2.00% of pay)</b>
<b>(iv) Net Adjustment for Future Events [(i)+(ii)-(iii)]:</b>	
If deficit recovery targeted over:	
Remaining Working Lifetime	1.10% of pay
15 years	0.30% of pay
20 years	0.00% of pay
25 years	-0.20% of pay

6.25 The reserving in Section 5 makes no allowance for these potential further improvements in longevity. We have assumed that the reduction in the cost of accrual will be earmarked for more prudent reserving for longevity in the 2007 valuation.

### ***Changes to Profile of Liabilities***

6.26 Future results could also be affected by changes to the profile of the liabilities. For example:

- A rise in average age of employees would lead to the future service rate rising under the Projected Unit Method;
- if deficits are recovered by contributions expressed as a percentage of payroll, a fall in the payroll of an employer would lead to any deficits being recovered more slowly, and therefore a rise in future contributions. (Deficit contributions may be expressed as monetary amounts); and
- the insolvency of an employer whilst the funding of its liabilities are in deficit, or the departure of an employer without making good any funding shortfall, would lead to greater costs for one or more of the other employers.

### ***Variations between Other Assumptions and Experience***

6.27 The other main assumptions, to which the valuation results are sensitive, together with their associated risks, are described below.



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- Pay increases: if increases in pensionable pay are higher than assumed, the funding position will deteriorate;
- Pension increases: if pension increases are higher than assumed, the funding position will deteriorate;
- Withdrawals: if fewer active members withdraw from pensionable service (with refunds of contributions or deferred pensions) than assumed, the funding position will deteriorate; and
- Ill-health retirements: if more members retire early on ill-health grounds, and/or retire at a younger age than assumed, the funding position will deteriorate unless the employer makes additional payments.

#### **Ongoing Risk Management**

- 6.28 We would be delighted to work in partnership with the Committee, both in regularly monitoring the funding position of the Fund and in reviewing the appropriateness of the Committee's current risk management programme in today's circumstances.



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### 7. Conclusions and Recommendations

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#### Whole Fund Position

- 7.1 The valuation reveals that the ongoing funding level of the Fund on 31 March 2004 was 85%. The shortfall of assets compared to the past service liabilities was £392.1m.
- 7.2 The average cost of accruing benefits payable by the employers, including administration expenses and lump sum death in service benefits, is 13.1% of pensionable pay.
- 7.3 The shortfall of assets over the past service liabilities requires the employers' contribution rate to be increased by 4.2% of pensionable pay to a rate of 17.3% of pay if recovery of the deficit is targeted over a period of 20 years. This is the Common Contribution Rate.

#### Employer Contribution Rates

- 7.4 It has been agreed to allow employers to phase in the contribution rise over a period of up to six years, by setting a floor for *minimum* employer contributions. Individual adjustments to the Common Contribution Rate, specific to each employer, or group of employers, shall be paid by the employers with effect from 1 April 2005.
- 7.5 To formally confirm these contribution rates, a Rates and Adjustment Certificate is included as Appendix G, detailing the minimum contribution rates and amounts for each employer after allowing for any individual adjustments. The Certificate details the contributions due in each of the next three financial years.
- 7.6 Further sums should be paid to the Fund by employers to meet the capital costs of any early retirements using the methods and factors issued by us from time to time.
- 7.7 In addition, payments should be made to the Fund by employers to meet the capital costs of any ill-health retirements that exceed those allowed for within our assumptions.
- 7.8 As referred to in section 5.8, the cost of future accruals for the large open employers varies between 9.9% and 14.5% of pay. We therefore recommend that the Committee reviews contribution rates on an individual employer level. In the short term, this would merely be for information as it would not be expected to lead to any contribution reduction, but is an issue which should be considered closely for setting the target rates for individual employers.

#### Risk Management

- 7.9 The valuation results are dependent on the valuation method and the actuarial assumptions (described in section 4).



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## Actuarial Valuation as at 31 March 2004

Section 6 discusses the key risks underlying the results and the assumptions to which the results are particularly sensitive and provides some illustration of how the Fund's funding position may change if the assumptions are not borne out in the future.

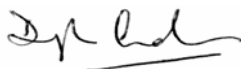
- 7.10 The valuation of liabilities anticipates returns of 6.3% pa assuming that the liabilities are fully funded. The shortfall of assets means that in order to ensure the deficit does not get any larger (in monetary terms and ignoring the effect of future accruals and contributions), it would be necessary to achieve average annual returns of around 7½% a year.
- 7.11 Under the provisions of the Regulations, the next formal valuation of the Fund is due to be carried out as at 31 March 2007. In light of the uncertainty of future financial conditions we recommend that the financial position of the Fund is monitored by means of interim funding reviews in the period up to the next triennial valuation. This will give early warning of changes to funding positions and possible contribution rate changes.
- 7.12 We recommend that the Committee reviews its investment strategy and ongoing risk management programme.

### New Employers Joining the Fund

- 7.13 Any new employers or admission bodies joining the Fund should be referred to us for individual calculation as to the required level of contribution.

### Other Matters

- 7.14 Any employer who ceases to participate in the Fund should be referred to us in accordance with Regulation 78 of the Regulations.
- 7.15 Any bulk movement of scheme members involving 2 or more scheme members being transferred from or to a non-LGPS pension arrangement should be referred to us to consider the impact on the Fund.
- 7.16 We would be pleased to answer any questions arising from our report.



**W Douglas B Anderson FIA**  
24 March 2005



**Alison Murray FFA**



**Northern Ireland Local Government Officers Pension Fund**  
**Actuarial Valuation as at 31 March 2004**

**Appendix A - Benefit Structure**

**Summary of Non Discretionary Benefits Applicable to All Employers**

<b>Normal Retirement Age (NRA)</b>	Age 65 or if earlier and a member immediately before 1 February 2003, age 60 or after age 60 on attaining 25 years of scheme membership.
<b>Earliest Retirement Age</b>	NRA or, if earlier, the rule of 85 date (when years of age plus years of scheme membership total to 85). Limitations on payment of benefits prior to age 60.
<b>Members' Contributions</b>	Officers - 6% of pensionable pay  Manual Workers – 5% of pensionable pay (6% for post 31 January 2003 entrants with no continuing rights).
<b>Pensionable Pay</b>	All salary, wages, fees and other payments in respect with the employment, excluding non-contractual overtime and some other specified amounts.  Some scheme members may be covered by special agreements.
<b>Final Pay</b>	The pensionable pay in the year up to the date of leaving the scheme. Alternative methods used in some cases, e.g. where there has been a break in service or a drop in pensionable pay.
<b>Period of Scheme Membership</b>	Total years and days of service during which a member of the Fund. Additional periods may be granted (e.g. transfers from other pension arrangements, augmentation).
<b>Normal Retirement Benefits</b>	Pension - 1/80th of final pay for each year of scheme membership.  Lump Sum - 3/80th of final pay for each year of scheme membership.
<b>Early Retirement Benefits</b>	On retirement after age 50 with employer's consent a pension and lump sum based on actual scheme membership completed may be paid, subject to reduction on account of early payment in some circumstances.



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<b>Ill-Health Benefits</b>	In the event of premature retirement due to permanent ill-health or incapacity, an immediate pension and lump sum are paid based on actual scheme membership plus an enhancement period of scheme membership. The enhancement period is dependent on scheme membership at date of leaving. No reduction is applied due to early payment.
<b>Pension Increases</b>	All pensions in payment, deferred pensions and dependant's pensions other than benefits arising from the payment of additional voluntary contributions are increased annually. Pensions are increased partially under the Pensions (Increase) Act (Northern Ireland) 1971 and partially in accordance with statutory requirements (depending on the proportions relating to pre 88 GMP, post 88 GMP and excess over GMP).
<b>Death after Retirement</b>	<p>A spouse's pension of one half of the member's pension is payable in most cases; plus</p> <p>If the member dies within five years of retiring the balance of five years' pension payments will be paid in the form of a lump sum, plus</p> <p>Children's pensions may also be payable.</p>
<b>Death in Service</b>	<p>A lump sum of two times final pay, plus</p> <p>A spouse's pension of one half of the ill-health retirement pension that would have been paid to the scheme member if he had retired on the day of death, plus</p> <p>Children's pensions may also be payable.</p>



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<b>Leaving Service Options</b>	<p>A deferred pension payable from Earliest Retirement Age (minimum of age 60); or</p> <p>A transfer payment to either a new employer's scheme or a suitable insurance policy, equivalent in value to the deferred pension; or</p> <p>If the member has completed less than three months' pensionable service, a return of the member's contributions with interest, less a State Scheme premium deduction and less tax</p>
<b>State Pension Scheme</b>	<p>The Fund is contracted-out of the State Second Pension (S2P) and the benefits payable to each member are guaranteed to be not less than those required to enable the Fund to be contracted-out.</p>

*Notes:*

*All benefits under the Fund are subject to limits laid down from time to time by the **Inland Revenue**.*

*Certain categories of members of the Fund are entitled to benefits which differ from those summarised above.*

### Changes to Benefits since 2001

- A1 There have been a number of changes to the scheme since the last valuation, including the following:
- (a) New members with effect from 1 February 2003 contribute at the rate of 6% of pay. Existing manual workers will continue to contribute at the rate of 5% of pay.
  - (b) Normal retirement age for new members with effect from 1 February 2003 is age 65. There is no change in normal retirement date for employees who joined prior to 1 Feb 2003.
  - (c) Benefits for employees who retire prior to normal retirement date will be subject to an actuarial reduction if they do not pass the Rule of 85. Retirement prior to age 60 requires employer consent.

In the valuation we assume that all members retire when they are eligible to do so as of right with no reduction (i.e. Rule of 85 age subject to a minimum of 60 for members from 1 February 2003).



# Northern Ireland Local Government Officers Pension Fund

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- A2 We have not taken account of any liabilities which may arise from any future requirement to amend the benefits payable from the Fund in respect of sex-equality legislation as it may apply to Guaranteed Minimum Pensions for men and women and the obligation to provide access to the scheme in respect of past service to part-time employees.

### **Discretionary Benefits**

- A3 The Regulations give employers a number of discretionary powers, including:
- (a) the awards of periods of augmentation under Regulations 54 and 55;
  - (b) the payment of benefits on employer's consent prior to age 60 under Regulation 33;
  - (c) the reduction or suspension of scheme member contributions on attaining 40 years scheme membership under Regulation 14;
- A4 The effect on benefits or contributions as a result of the use of (a) to (c) above prior to 1 April 2004 has been allowed for in this valuation to the extent that this is reflected in the membership data provided. No allowance has been made for the future use of discretionary powers.



## Northern Ireland Local Government Officers Pension Fund Actuarial Valuation as at 31 March 2004

### Appendix B - Membership Data

B1. A summary of the membership records on which this valuation is based, and on which the previous valuation was based, is as follows:

#### Employee Members

	Number		Pensionable Pay (£000)				Average Pensionable Pay (£)			
	2004	2001	2004		2001		2004		2001	
			FTE	Actual	FTE	Actual	FTE	Actual	FTE	Actual
<b>Full Time members</b>										
Pre Feb 2003 Joiners:										
Male Officers	6,278	6,847	156,975	156,975	144,087	144,087	25,004	25,004	21,044	21,044
Female Officers	9,255	14,366	171,259	171,259	184,701	184,701	18,504	18,504	12,857	12,857
Male Manuals	7,305	8,535	109,767	109,754	100,083	100,083	15,026	15,024	11,726	11,726
Female Manuals	1,303	7,642	15,678	15,637	35,443	35,443	12,032	12,001	4,638	4,638
Post Feb 2003 Joiners:										
Males	1,176	-	16,960	16,960	-	-	14,422	14,422	-	-
Females	1,131	-	15,920	15,920	-	-	14,076	14,076	-	-
<b>Full Timers Total</b>	<b>26,448</b>	<b>37,390</b>	<b>486,559</b>	<b>486,504</b>	<b>464,314</b>	<b>464,314</b>	<b>18,397</b>	<b>18,395</b>	<b>12,418</b>	<b>12,418</b>
<b>Part Time Members</b>										
Pre Feb 2003 Joiners:										
Male Officers	311	-	4,916	2,561	-	-	15,809	8,234	-	-
Female Officers	5,431	-	81,260	49,934	-	-	14,962	9,194	-	-
Male Manuals	732	-	10,137	5,877	-	-	13,849	8,029	-	-
Female Manuals	5,578	-	66,444	32,645	-	-	11,912	5,853	-	-
Post Feb 2003 Joiners:										
Males	275	-	3,030	1,850	-	-	11,019	6,729	-	-
Females	1,922	-	20,575	10,294	-	-	10,705	5,356	-	-
<b>Part Timers Total</b>	<b>14,249</b>	<b>-</b>	<b>186,363</b>	<b>103,162</b>	<b>-</b>	<b>-</b>	<b>13,079</b>	<b>7,240</b>		
<b>Grand Total</b>	<b>40,697</b>	<b>37,390</b>	<b>672,921</b>	<b>589,666</b>	<b>464,314</b>	<b>464,314</b>	<b>16,535</b>	<b>14,489</b>	<b>12,418</b>	<b>12,418</b>



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### Pensioners

B2. The table below shows the distribution of pensioners, split by type of pensioner.

	Number		Annual Pension £(000)		Average £	
	2004	2001	2004	2001	2004	2001
<b>Ill Health Retirals</b>						
Male Officers	720	9,654	4,823	35,588	6,698	3,686
Female Officers	1,155	5,879	4,803	13,851	4,158	2,356
Male Manuals	3,165	0	8,707	0	2,751	0
Female Manuals	1,299	0	1,752	0	1,349	0
<b>Normal/Early Retirements</b>						
Male Officers	2,685	0	20,665	0	7,696	0
Female Officers	2,695	0	9,613	0	3,567	0
Male Manuals	3,900	0	7,702	0	1,975	0
Female Manuals	1,746	0	1,639	0	939	0
<b>Dependants</b>						
Widows	3,463	3,123	5,859	4,842	1,692	1,550
Widowers	194	140	189	112	972	800
Children	307	256	289	-	941	-
<b>Total</b>	<b>21,329</b>	<b>19,052</b>	<b>66,040</b>	<b>54,393</b>	<b>3,096</b>	<b>2,855</b>

### Deferred Pensioners

B3. The table below shows the distribution of deferred pensioners.

	Number		Annual Pensions £(000)		Average £	
	2004	2001	2004	2001	2004	2001
Males	5,587	4,784	9,272	7,010	1,660	1,465
Females	5,972	4,196	7,019	4,710	1,175	1,122
<b>Total</b>	<b>11,559</b>	<b>8,980</b>	<b>16,291</b>	<b>11,720</b>	<b>1,409</b>	<b>1,305</b>

Notes

- 1 - The numbers relate to the number of records and so will include members in receipt of or potentially in receipt of more than one benefit.
- 2 - Annual pensions are funded items only include pension increases up to and including the 2004 PI Order.
- 3 - Final pay is full time equivalent earnings relating to the year to 31 March 2004.

# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### Membership Split by Employer

Employer Code	Employer	Number of Members			Pensionable Pay FTE (€000's)	Employee Contributions (€000's)			Employer Contributions (€000's)		
		Employees	Deferreds	Pensioners		01/02	02/03	03/04	01/02	02/03	03/04
0	WIDOWS AND DEPENDANTS OF PRE 1987 LEAVERS	0	0	1,052	0	0	0	0	0	0	0
1	ANTRIM BOROUGH COUNCIL	202	57	91	3,689	180	183	191	126	150	162
2	ARDS BOROUGH COUNCIL	314	140	158	5,206	253	270	279	206	222	208
3	ARMAGH CITY & DISTRICT COUNCIL	234	65	101	4,521	221	235	252	178	187	201
4	BALLYMENA BOROUGH COUNCIL	289	84	151	5,441	242	281	284	196	205	259
5	BALLYMONEY BOROUGH COUNCIL	113	24	41	2,084	94	101	110	77	82	89
6	BANBRIDGE DISTRICT COUNCIL	155	30	55	2,859	128	142	164	101	110	126
7	BELFAST CITY COUNCIL	1,977	835	1,588	40,003	1,874	2,005	2,157	1,516	1,615	1,733
8	CARRICKFERGUS BOROUGH COUNCIL	179	43	67	3,338	169	169	178	138	138	146
9	CASTLEREAGH BOROUGH COUNCIL	253	90	120	4,953	237	257	280	186	198	214
10	COLERAINE BOROUGH COUNCIL	282	73	122	4,892	215	243	263	176	198	215
11	COOKSTOWN DISTRICT COUNCIL	133	27	45	2,533	118	124	140	96	101	113
12	CRAIGAVON BOROUGH COUNCIL	397	114	214	6,983	339	364	392	275	295	318
13	DOWN DISTRICT COUNCIL	261	58	152	4,741	257	269	263	206	208	210
14	DUNGANNON AND SOUTH TYRONE BC	201	47	86	3,597	153	170	183	125	139	152
15	FERMANAGH DISTRICT COUNCIL	228	83	125	3,907	175	192	225	163	156	168
16	LARNE BOROUGH COUNCIL	143	34	86	2,522	117	128	138	105	100	113
17	LIMAVADY BOROUGH COUNCIL	121	24	54	2,277	117	118	129	91	90	100
18	LISBURN CITY COUNCIL	422	129	159	7,823	433	410	443	287	325	328
19	DERRY CITY COUNCIL	509	101	257	9,565	467	475	572	309	378	420
20	MAGHERAFELT DISTRICT COUNCIL	136	27	60	2,412	114	114	129	84	95	106
21	MOYLE DISTRICT COUNCIL	88	13	37	1,676	81	83	95	69	71	76
22	NEWRY & MOURNE DISTRICT COUNCIL	371	64	199	6,791	301	344	398	283	284	305
23	NEWTOWNABBEY BOROUGH COUNCIL	366	83	182	6,422	280	301	321	229	246	270
24	NORTH DOWN BOROUGH COUNCIL	337	88	181	5,797	275	280	307	234	230	251
25	OMAGH DISTRICT COUNCIL	238	75	92	4,701	240	250	267	195	200	214
26	STRABANE DISTRICT COUNCIL	159	29	75	3,004	122	134	146	101	110	118
27	BELFAST EDUC. & LIB. BOARD	2,457	793	1,445	39,339	1,605	1,602	1,759	1,198	1,289	1,371
28	SOUTH EASTERN ED. & LIB. BD.	3,697	770	1,172	57,647	1,941	2,137	2,471	1,535	1,697	1,951
29	NORTH EASTERN ED. & LIB. BD.	4,149	654	1,380	59,270	1,859	1,913	2,275	1,484	1,633	1,828
30	SOUTHERN EDUC. & LIB. BOARD	4,381	812	1,370	60,865	2,250	2,416	2,672	1,795	1,926	2,137
31	WESTERN EDUC. & LIB. BOARD	3,967	760	1,139	58,143	2,045	2,147	2,405	1,629	1,715	1,937
50	COLERAINE BC GAS DEPT	0	5	7	0	0	0	0	0	0	0
51	NORTH DOWN BC GAS DEPT	0	4	10	0	0	0	0	0	0	0
52	NEWRY & MOURNE DC GAS DEPT	0	3	6	0	0	0	0	0	0	0
54	BALLYMENA DC GAS DEPT	0	6	3	0	0	0	0	0	0	0
56	STRABANE DC GAS DEPT	0	0	3	0	0	0	0	0	0	0
62	ARMAGH PLANETARIUM	10	11	2	214	9	7	7	15	14	12
71	ANTRIM COUNTY EDUC. CTTEE	0	1	0	0	0	0	0	0	0	0
72	ARMAGH COUNTY EDUC. CTTEE	0	1	0	0	0	0	0	0	0	0
83	DOWN COUNTY HEALTH & WELFARE	0	2	0	0	0	0	0	0	0	0
87	TYRONE COUNTY HEALTH & WELFARE	0	0	0	0	0	0	0	0	0	0
89	ARMAGH COUNTY WELFARE CTTEE	0	1	0	0	0	0	0	0	0	0
99	PRE 1987 UNALLOCATED	0	54	1,167	0	0	0	0	0	0	0
110	COLERAINE HARBOUR-COMMISSIONERS	3	2	6	50	4	4	3	3	3	3
114	FIRE AUTHORITY FOR N.I.	263	85	95	5,140	230	245	268	182	177	209
115	N.I. HOUSING EXECUTIVE	3,030	1,118	2,380	59,976	3,176	3,341	3,519	2,423	2,547	2,692
116	N.I. TOURIST BOARD	92	41	46	1,934	113	91	86	88	83	85
117	ROYAL COLLEGE OF NURSING	3	0	16	105	7	6	6	5	5	5
118	ARTS COUNCIL FOR N.I.	47	22	33	1,069	55	59	62	35	45	47
119	N.I.L.G.O.S.C.	37	15	12	802	38	43	48	28	32	37
122	SEAPARK HOUSE	0	7	25	0	0	0	0	0	0	0
123	LINEN HALL LIBRARY	21	10	7	387	21	18	21	16	14	16
125	PIGS MARKETING BOARD	0	20	48	0	0	0	0	0	0	0
126	UNITED DAIRY FARMERS	163	422	557	2,858	189	182	176	228	240	222
128	ROYAL BELFAST ACADEMICAL INSTITUTION	23	7	12	333	16	16	19	12	13	14
129	JORDANSTOWN SCHOOLS	12	11	23	207	11	10	10	9	8	8
130	RATHGAEL JUVENILE JUSTICE SERVICES	0	47	130	0	0	0	0	0	0	0
131	RESOURCE CENTRE	76	51	88	1,738	80	102	101	63	71	69
132	BANGOR GRAMMAR SCHOOL	39	7	11	414	18	20	22	13	15	16
134	FRIENDS' SCHOOL	21	7	8	357	14	15	17	10	12	14
136	CAMPBELL COLLEGE	35	12	16	534	26	29	31	21	23	24
137	BELFAST ROYAL ACADEMY	27	9	38	433	23	23	26	19	19	20
138	BELFAST HIGH SCHOOL	39	3	15	495	18	20	22	14	17	18
139	ST. MALACHY'S COLLEGE	17	15	15	241	13	12	12	10	11	10
140	SEED POTATO MARKETING BOARD	0	3	5	0	0	0	0	0	0	0
141	ULSTER MUSEUM	0	0	3	0	0	0	0	0	0	0
142	ST. COLUMB'S COLLEGE	33	6	18	584	27	29	32	21	23	26
144	ASHLEIGH HOUSE SCHOOL	0	0	2	0	0	0	0	0	0	0
145	ST MARY'S CHRISTIAN BROTHERS GRAMMAR SCHOOL	26	7	5	369	19	16	19	16	16	16
146	SULLIVAN UPPER SCHOOL	38	8	16	531	27	27	29	30	29	22
147	CHRISTIAN BROTHERS GRAMMAR SCHOOL (OMAGH)	20	5	8	304	13	15	16	10	12	13
148	BALLYMENA ACADEMY	38	13	16	523	20	24	26	17	19	21
149	BELFAST CHARITABLE SOCIETY	33	36	90	488	25	25	26	19	19	20



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

Employer		Number of Members			Pensionable Pay FTE (£000's)	Employee Contributions (000's)			Employer Contributions (000's)		
		Employees	Deferreds	Pensioners		01/02	02/03	03/04	01/02	02/03	03/04
150	NI LOCAL GOVERNMENT ASSOCIATION	9	3	3	219	0	0	12	0	0	9
152	WALLACE HIGH SCHOOL	36	9	12	526	22	27	27	17	19	20
153	NI TRAINING EXECUTIVE	0	35	86	0	0	0	0	0	0	0
154	LARNE GRAMMAR SCHOOL	17	2	11	243	10	10	12	8	8	10
156	AGRICULTURAL RESEARCH INST.	84	32	47	1,597	90	91	91	74	72	72
157	THE ROYAL SCHOOL(ARMAGH)	25	2	12	361	17	17	20	12	15	16
158	NI COUNCIL FOR EDUC. RESEARCH	0	2	4	0	0	0	0	0	0	0
160	ST PATRICK'S GRAMMAR SCHOOL (DOWNPATRICK)	9	6	7	131	7	8	10	5	6	8
161	THORNHILL COLLEGE	30	9	16	503	27	27	30	18	22	24
162	ARMAGH OBSERVATORY	16	8	5	458	26	25	26	20	19	20
163	LIVESTOCK AND MEAT COMMISSION N.I.	51	22	19	1,092	84	76	74	62	57	53
164	UNIVERSITY OF ULSTER	1,069	346	595	16,349	799	842	885	634	668	699
165	NI AGRICULTURAL TRUST	0	1	5	0	0	0	0	0	0	0
166	BLOOMFIELD COLLEGIATE SCHOOL	11	6	9	200	13	10	11	8	8	8
167	HUNTERHOUSE COLLEGE	16	9	13	236	14	13	13	11	10	11
168	ULSTER COLLEGE	0	5	3	0	0	0	0	0	0	0
170	EDUCATION AND ASSESSMENT	146	60	46	3,334	204	206	211	129	158	191
172	RATHMORE GRAMMAR SCHOOL	21	9	6	308	17	20	20	14	16	16
173	OUR LADY & ST PATRICK'S COLLEGE	28	11	13	417	23	24	24	19	19	19
175	ST MARY'S UNIVERSITY COLLEGE	94	30	38	1,593	72	78	82	47	61	64
176	STRANMILLIS COLLEGE	102	46	62	1,680	89	85	90	59	68	72
179	CITYBUS LIMITED	656	264	499	10,427	435	494	528	391	438	464
180	NI FISHERY HARBOUR AUTHORITY	22	6	19	354	17	19	19	14	16	15
181	ENTERPRISE ULSTER	90	420	329	1,630	101	100	98	81	80	77
182	LISNEVIN JUVENILE JUSTICE SERVICES	0	40	56	0	170	188	0	120	147	0
183	DE LE SALLE BOYS' HOME	0	3	3	0	0	0	0	0	0	0
185	STAFF COMMISSION FOR EDUC & LIB BOARDS	7	3	1	202	7	11	11	6	9	8
186	SHANKHILL COMMUNITY CONCERNS	0	0	1	0	0	0	0	0	0	0
187	SPORTS COUNCIL FOR NI	74	28	22	1,638	67	77	84	52	60	69
188	ST DOMINIC'S HIGH SCHOOL	16	3	8	263	14	16	16	11	12	10
189	ULSTERBUS LIMITED	2,238	598	1,225	36,100	1,617	1,706	1,965	1,351	1,490	1,644
190	NI DEVELOPMENT AGENCY	0	5	3	0	0	0	0	0	0	0
192	DALRIADA SCHOOL	42	6	14	513	21	24	26	17	20	21
194	FOLD HOUSING ASSOCIATION	302	70	39	4,325	163	185	186	126	143	155
195	VICTORIA COLLEGE	37	7	4	571	23	26	31	18	20	23
196	ST PATRICK'S ACADEMY (DUNGANNON)	36	4	3	503	10	13	22	8	11	18
197	NI TRANSPORT HOLDING COMPANY	33	20	32	1,132	66	67	68	49	50	51
198	NI CONSUMER COUNCIL	0	1	0	0	0	0	0	0	0	0
199	NI HOUSING ASSOCIATION	0	0	1	0	0	0	0	0	0	0
200	ST PATRICKS' BOYS ACADEMY	1	3	2	10	11	12	4	9	10	5
202	ST JOSEPH'S ADOLESCENT CENTRE	2	24	24	24	1	1	1	1	1	1
203	NI FEDERATION OF HOUSING ASSOCIATIONS	6	11	8	167	8	10	10	6	7	7
204	ULSTER AMERICAN FOLK PARK	0	7	12	0	0	0	0	0	0	0
206	NI RAILWAYS COMPANY LIMITED	757	227	494	12,892	516	631	631	434	526	522
207	SACRED HEART COMMUNITY SCHOOL	0	0	1	0	0	0	0	0	0	0
208	DOMINICAN COLLEGE, BELFAST	25	11	11	346	17	18	19	14	14	15
209	ST MICHAEL'S COLLEGE	22	2	3	361	15	20	19	13	13	18
210	ST MACNISSI'S COLLEGE	21	5	3	283	12	13	13	10	10	10
211	PROBATION BOARD FOR NI	297	88	80	6,863	325	343	388	346	374	380
212	STRATHEARN SCHOOL	22	6	11	323	13	15	13	11	12	14
213	LORETO COLLEGE (COLERAINE)	13	3	4	213	11	11	12	9	8	10
214	COLERAINE ACADEMICAL INSTITUTION	29	8	14	451	17	18	19	13	15	16
215	LORETO GRAMMAR SCHOOL (OMAGH)	18	4	6	285	17	18	14	12	11	13
216	FOYLE & LONDONDERRY COLLEGE	24	7	4	326	14	14	17	12	12	14
217	CONVENT GRAMMAR SCHOOL (STRABANE)	12	3	5	182	7	8	9	6	6	7
218	ROYAL SCHOOL (DUNGANNON)	24	4	5	316	14	16	18	12	13	14
219	LOCAL GOVERNMENT STAFF COMMISSION	12	0	0	350	16	16	18	12	13	14
220	ST MARY'S GRAMMAR SCHOOL(MAGHERAFELT)	28	7	0	400	19	18	23	14	15	18
221	SACRED HEART GRAMMAR SCHOOL (NEWRY)	25	6	3	350	13	16	18	11	13	14
222	COUNCIL OF CATHOLIC MAINTAINED SCHOOLS	56	17	18	1,515	80	86	90	61	66	68
223	NI LEGAL SERVICES COMMISSION	94	41	8	1,719	85	92	95	78	78	87
224	YOUTHNET	12	3	2	289	15	20	15	11	15	16
225	ASSOCIATION OF EDUCATION AND LIBRARY BOARDS	0	0	1	0	0	0	0	0	0	0
226	LAGANSIDE CORPORATION	18	15	2	459	35	38	31	32	29	32
227	BIH HOUSING ASSOCIATION LTD	85	14	14	1,620	71	80	91	62	64	71
229	CHOICE HOUSING ASSOCIATION LTD	15	9	1	300	15	17	19	11	11	13
230	HEARTH HOUSING ASSOC LTD	4	0	0	90	5	5	5	3	4	4
231	ABODE HOUSING ASSOCIATION LTD	11	3	3	168	8	8	9	6	6	7
232	SOUTH ULSTER HOUSING ASSN LTD	8	1	0	165	9	8	8	6	6	7
233	BELFAST COMMUNITY HOUSING ASSN. LTD	5	1	1	126	4	5	7	4	4	5
234	GROVE HOUSING ASSOC LTD	7	1	1	137	3	5	7	2	4	5
235	FILOR HOUSING ASSOCIATION LTD	3	6	0	74	6	6	5	5	5	4
236	NEWINGTON HOUSING ASSOCIATION	6	0	1	134	6	7	9	5	5	6
237	WOODVALE & SHANKILL HOUSING ASSN. LTD	4	0	2	91	4	5	5	3	4	4
238	HABINTEG HOUSING ASSN. (ULSTER) LTD	36	7	4	637	33	35	39	23	25	28
239	NORTH & WEST HOUSING LIMITED	155	48	2	2,468	91	106	118	89	88	96



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

Employer Code	Employer	Number of Members			Pensionable Pay FTE (£000's)	Employee Contributions (000's)			Employer Contributions (000's)		
		Employees	Deferreds	Pensioners		01/02	02/03	03/04	01/02	02/03	03/04
240	CONVENANTER RESIDENTIAL ASSOC	2	0	0	28	1	1	1	1	1	1
241	ST MATTHEW'S HOUSING ASSOC LTD	3	0	2	67	4	4	4	3	3	3
242	NI CO-OWNERSHIP HOUSING ASSN. LTD	41	12	5	830	40	42	45	31	32	35
243	ULIDIA HOUSING ASSOC LTD	11	4	0	213	9	9	12	7	7	9
244	OAKLEE HOUSING ASSOC LTD	102	62	30	1,721	88	98	99	76	75	75
246	FLAX HOUSING ASSOC LTD	8	2	0	134	4	5	7	3	4	6
248	BALLYNAFEIGH HOUSING ASSOC LTD	1	1	1	23	2	0	1	1	2	1
249	SHAC HOUSING ASSOCIATION	27	4	1	494	23	25	26	18	20	21
250	MOUNT LOURDES GRAMMAR SCHOOL	27	3	3	382	15	16	19	12	13	15
251	COMMUNITY RELATIONS COUNCIL	34	13	0	801	34	36	44	26	27	34
252	CONSTRUCTION IND. TRAINING BD.	60	26	24	1,329	69	68	77	53	52	59
253	TRANSPORT TRAINING SERVICES	0	4	12	0	0	0	0	0	0	0
254	ENGINEERING TRAINING COUNCIL	8	2	1	195	9	11	11	7	9	8
255	YOUTH COUNCIL FOR NI	18	5	2	459	26	29	28	20	22	22
256	NI OPEN LEARNING CENTRE	0	2	0	0	0	0	0	0	0	0
257	CLOTHING & INDUSTRIAL TRAINING SERVICE	1	7	1	50	1	1	1	-3	1	1
260	HAZELWOOD COLLEGE	10	4	1	163	5	7	9	4	5	7
261	HAZELWOOD INTERGRATED PRIMARY SCHOOL	12	2	2	176	7	7	8	5	6	8
262	LAGAN COLLEGE	24	1	2	301	11	12	16	9	9	12
263	MILL STRAND INTERGRATED PRIMARY SCHOOL	1	1	1	9	1	1	1	1	1	1
264	FOLD HOUSING TRUST	3	18	2	43	20	21	18	15	16	15
265	RURAL DEVELOPMENT COUNCIL	25	21	3	552	30	30	34	23	23	26
266	BRIDGE INTEGRATED PRIMARY SCHOOL	14	0	0	135	6	6	7	5	5	5
267	ENNISKILLEN INTEGRATED PRIMARY SCHOOL	3	0	0	39	0	0	0	0	0	0
268	AQUINAS DIOCESAN GRAMMAR SCHOOL	13	3	0	227	10	12	13	8	9	10
269	PRESBYTERIAN HOUSING ASSOCIATION	2	0	0	47	2	0	3	2	2	2
270	ORMEAU BATHS GALLERY	0	1	2	0	0	2	0	0	0	0
271	RURAL HOUSING ASSOCIATION	6	0	0	144	6	7	8	5	5	6
273	OAKGROVE INTEGRATED COLLEGE	27	2	0	373	17	20	21	13	15	16
274	SHIMNA INTEGRATED COLLEGE	22	1	0	316	11	15	17	11	11	13
275	N.I. COUNCIL FOR INTEGRATED EDUCATION	13	6	0	341	16	18	19	12	14	14
276	ERNE INTEGRATED COLLEGE	5	0	0	72	0	0	0	0	0	0
277	DERRY VISITOR AND CONVENTION BUREAU	6	1	1	131	7	6	7	5	5	6
278	INTEGRATED COLLEGE DUNGANNON	20	2	0	263	12	14	15	11	10	11
279	BRAIDSIDE INTEGRATED PRIMARY SCHOOL	8	0	0	89	2	2	2	2	2	2
280	N.I. ASSN OF CITIZENS ADVICE BUREAUX	22	10	0	473	26	25	29	30	16	0
281	RAINEY ENDOWED SCHOOL	10	0	1	152	7	7	8	10	5	6
282	ARDS CITIZENS' ADVICE BUREAU	5	0	0	104	4	4	4	5	3	3
283	DOWN DISTRICT CITIZENS' ADVICE BUREAU	0	3	0	0	0	0	0	0	0	0
284	DRUMRAGH INTEGRATED COLLEGE	9	1	0	115	4	5	5	6	4	4
285	ST LOUIS GRAMMAR SCHOOL	21	3	2	283	11	13	16	15	10	12
286	GOSFORD HOUSING ASSOCIATION	3	0	0	52	2	2	3	3	2	2
287	LUMEN CHRISTI COLLEGE	23	0	0	319	11	13	15	17	10	12
288	CEDAR INTEGRATED PRIMARY SCHOOL	5	1	0	55	1	2	3	1	1	2
289	OUR LADY'S GRAMMAR SCHOOL	24	1	0	332	12	14	17	16	12	14
290	MOURNE HERITAGE TRUST	9	3	0	172	7	8	10	10	6	8
291	BELFAST PRINT WORKSHOP	0	0	1	0	1	0	0	1	0	0
292	BELFAST INSTITUTE FHE	294	41	48	4,893	245	261	267	192	202	207
293	CAUSEWAY INSTITUTE FHE	50	4	10	759	40	41	45	31	33	35
294	EAST ANTRIM INSTITUTE FHE	84	9	5	1,466	65	68	69	51	50	55
295	NORTH-EAST INSTITUTE FHE	138	17	14	2,218	94	100	117	74	92	90
296	NI HOTEL AND CATERING COLLEGE	1	10	2	16	24	8	0	19	6	0
297	CASTLEREAGH COLLEGE FHE	55	7	6	976	38	49	52	33	38	41
298	EAST-DOWN INSTITUTE FHE	67	16	7	1,120	51	55	59	40	43	46
299	NORTH DOWN AND ARDS INSTITUTE	124	24	8	1,885	83	93	107	65	72	82
302	EAST TYRONE COLLEGE OF FE	20	6	2	319	0	0	0	0	0	0
303	NEWRY/KILKEEL COLLEGE FE	91	10	8	1,468	0	0	0	0	0	0
304	UPPER BANN INSTITUTE FHE	62	7	6	1,021	0	0	0	0	0	0
305	FERMANAGH COLLEGE OF FE	64	14	3	1,016	41	45	53	32	36	42
306	LIMAVADY COLLEGE FE	30	0	2	500	22	25	27	21	20	21
307	NORTH WEST INSTITUTE FHE	108	38	14	1,725	82	106	105	93	83	81
308	OMAGH COLLEGE OF FE	37	10	3	586	28	31	32	21	24	24
309	ST JOSEPH'S GRAMMAR SCHOOL	20	3	1	228	10	11	12	15	9	10
310	LISBURN INSTITUTE FHE	48	7	8	827	41	42	48	31	33	37
311	ARMAGH COLLEGE FE	30	4	5	538	0	0	0	0	0	0
312	DONACLONEY H A LTD	1	0	0	12	0	0	0	0	0	0
313	NORTHERN IRELAND HOSPICE	63	14	3	1,247	59	60	64	78	47	53
314	SLEMISH INTEGRATED COLLEGE	15	3	0	184	8	7	9	10	9	7
315	DERRY INVESTMENT INITIATIVE	0	2	0	0	3	2	1	3	2	1



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

Employer Code	Employer	Number of Members			Pensionable Pay FTE (£000's)	Employee Contributions (000's)			Employer Contributions (000's)		
		Employees	Deferreds	Pensioners		01/02	02/03	03/04	01/02	02/03	03/04
316	MALONE COLLEGE	26	2	0	378	12	15	20	23	19	27
317	ARK HOUSING ASSOCIATION NI LTD	12	2	0	196	4	4	12	7	6	16
318	OAKGROVE INTEGRATED PRIMARY SCHOOL	21	1	0	275	0	0	0	0	0	0
319	CONNSWATER HOUSING ASSN. LTD.	6	0	0	141	5	6	8	9	8	11
320	NEWBRIDGE INTEGRATED COLLEGE	10	5	0	138	4	2	5	8	3	7
321	THE MILLENNIUM FORUM (DERRY THEATRE TRUST)	14	3	0	280	3	15	14	5	18	19
322	METHODIST COLLEGE	52	12	5	835	51	47	47	97	66	67
323	BELFAST VISITOR & CONVENTION BUREAU	18	3	0	407	22	21	27	42	32	36
324	NORTH COAST INTEGRATED COLLEGE	16	0	0	203	8	7	8	17	10	13
325	COUNTRYSIDE RECREATION: NI	6	1	0	123	4	9	14	5	5	5
326	SPIRES INTEGRATED PRIMARY SCHOOL	5	0	0	76	2	2	3	3	3	4
327	ULIDIA INTEGRATED COLLEGE	20	1	0	236	5	8	11	8	11	15
328	COMHAIRLE NA GAELSCOLAIOCHTA	8	0	0	184	0	10	11	0	16	15
329	STRANGFORD COLLEGE	12	0	0	133	5	9	8	9	14	12
330	LOUGHVIEW INTEGRATED PRIMARY SCHOOL	12	0	0	133	1	3	5	1	4	7
331	WINDMILL INTEGRATED PRIMARY SCHOOL	10	2	0	126	1	4	4	2	5	5
332	ACORN INTEGRATED PRIMARY SCHOOL	7	0	0	86	1	3	3	2	4	4
333	MILLENNIUM INTEGRATED PRIMARY SCHOOL	10	0	0	106	0	3	4	1	4	5
334	OAKWOOD INTEGRATED PRIMARY SCHOOL	10	0	0	117	0	2	5	0	4	6
335	DOMINICAN COLLEGE,PORTSTEWART	6	0	0	89	0	4	5	0	5	7
336	SAINTS & SCHOLARS INTEGRATED PRIMARY SCHOOL	7	1	0	59	0	3	3	0	7	7
337	IRELAND	8	0	0	215	0	2	10	0	4	20
338	ASSUMPTION GRAMMAR SCHOOL	15	1	0	248	0	0	15	0	0	30
340	YOUTH JUSTICE AGENCY	193	19	3	4,474	0	0	243	0	0	188
341	KINGDOMS OF DOWN TOURISM LTD	2	0	0	57	0	0	4	0	0	7
342	ABBAY CHRISTIAN BROTHERS GRAMMAR SCHOOL	21	0	0	221	0	0	4	0	0	9
344	ARC21	1	0	0	51	0	0	0	0	0	0
904	LONDONDERRY DEVELOPMENT COMMITTEE	0	1	0	0	0	0	0	0	0	0
914	BELFAST COUNTY BOROUGH HEALTH CTTEE	0	0	1	0	0	0	0	0	0	0
917	BELFAST CITY COUNCIL GAS DEPT	0	1	46	0	0	0	0	0	0	0
<b>Total</b>		<b>40,697</b>	<b>11,559</b>	<b>21,329</b>	<b>672,921</b>	<b>28,479</b>	<b>30,252</b>	<b>33,226</b>	<b>22,972</b>	<b>24,590</b>	<b>26,768</b>



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### Appendix C - Accounts and Asset Data

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- C1. We were supplied with audited accounts for the years ended 31 March 2002, 31 March 2003 and 31 March 2004. The accounts for the year ended 31 March 2004 indicated that the market value for the Fund's assets as at the valuation date amounted to £2,156,456. Members' Additional Voluntary Contributions are excluded from this total and from the value placed on the Fund's liabilities.
- C2. An approximate summary of the Fund's assets as at 31 March 2004 is as follows:

Market Value of Assets	as at 31 March 2004	
	£(000)	%
UK Equities	1,190,718	55%
UK Fixed Interest Gilts	75,467	4%
UK Corporate Bonds	37,227	2%
UK Index Linked Gilts	228,521	11%
Overseas Equities	427,339	20%
Overseas Bonds	-	0%
Property	154,995	7%
Cash	23,448	1%
Net Current Assets	14,575	1%
<b>TOTAL (excluding AVCs)</b>	<b>2,152,290</b>	<b>100%</b>

This excludes the assets in respect of money purchase AVCs

**Northern Ireland Local Government Officers Pension Fund**  
**Actuarial Valuation as at 31 March 2004**

**Revenue Accounts for the Inter-valuation Period**

Revenue Accounts	Year to	31 Mar 04 £ (000)	31 Mar 03 £ (000)	31 Mar 02 £ (000)	TOTAL £ (000)
EXPENDITURE	Retirement Pensions	62,346	58,027	54,803	175,176
	Retirement Lump Sums	15,255	11,618	11,355	38,228
	Death Benefits	1,933	1,428	1,249	4,610
	Transfer Values	4,973	4,561	4,434	13,968
	Refunds/CEPs	330	394	351	1,075
	Admin Expenses	1,685	1,495	1,288	4,468
	Investment Expenses	3,482	2,522	2,349	8,353
	Other Expenditure	-	-	-	-
<b>TOTAL</b>		<b>90,004</b>	<b>80,045</b>	<b>75,829</b>	<b>245,878</b>
INCOME	Employee Contributions	33,251	30,253	28,542	92,046
	Employer Contributions	26,965	24,589	22,972	74,526
	Transfer Values	9,542	8,627	10,289	28,458
	Investment Income	79,077	53,694	64,519	197,290
	Other Income	3,974	2,470	2,067	8,511
<b>TOTAL</b>		<b>152,809</b>	<b>119,633</b>	<b>128,389</b>	<b>400,831</b>
<b>Fund Value</b>					
	Assets at Start of Year	1,727,669	2,223,707	2,296,922	2,296,922
	Net Cashflow	62,805	39,588	52,560	154,953
	Change in value	365,982	(535,626)	(125,775)	(295,419)
	<b>Assets at End of Year</b>	<b>2,156,456</b>	<b>1,727,669</b>	<b>2,223,707</b>	<b>2,156,456</b>
<b>Annual Returns</b>					
	Approx Rate of Return	25.6%	-21.8%	-2.8%	-1.5%
	WM LA Median	23.4%	-19.5%	-0.9%	-0.5%

**Fund insurance arrangements**

C3. There are no insurance arrangements in place to provide benefits under the Regulations.

## **Appendix D - Valuation Method**

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- D1. Using our assumptions we estimate the payments that will be made from the Fund throughout the future lifetimes of existing employee members, deferred pensioners, pensioners and their dependants. We then calculate the amount of money that, if invested now, would be sufficient to make these payments in future, assuming that future investment returns are in line the discount rate. This amount is called “the present value” (or, more simply, “the value”) of members’ benefits. Separate calculations have been made in respect of benefits arising from service before the valuation date (“past service”) and from service after the valuation date (“future service”).
- D2. This process is carried out separately for each employer. Where differences between participant employers are not considered material, we may agree with the Committee to pool together their results.

### **Past service funding position**

- D3. A comparison is made of the value of the assets with the value of benefits for past service (but allowing for future pay and pension increases). If there is an excess then there is a past service surplus. If the converse applies there is a past service shortfall.

### **Future service contribution rate**

#### ***Employers Admitting New Entrants***

- D4. For employers who continue to admit new entrants we have adopted the projected unit method of valuation. This is summarised below.

#### ***Projected Unit Method***

- D5. The first stage is to calculate the value of benefits (other than the lump sum death-in-service benefits) accruing to existing employee members over the year following the valuation date, by reference to projected pay as at the date of retirement or earlier exit. This value is expressed as a percentage of the members’ pensionable salaries over the year following the valuation date and then the equivalent contribution paid by the members is deducted.
- D6. The cost of the lump sum death in service benefit is separately assessed as amount that is likely to be paid out in an average year, based on the membership structure at the valuation date. Finally, an addition is made to cover the expenses of administration of the Fund.

# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

- D7. The method described above is applied only to the Fund membership at the valuation date, and results in an increasing contribution rate over time if the assumptions adopted are unchanged and the average age of membership increases (for example, if there are no new entrants to the Fund). This is due to the fact that the cost of benefits typically increases with age. The opposite would also be true assuming the age profile of the scheme membership decreased. If the admission of new entrants is such that the membership profile remains broadly unchanged and the assumptions adopted are unchanged, then the contribution rate brought out at future valuations should be reasonably stable.

### **Employers not Admitting New Entrants**

- D8. For employers who are no longer admitting new entrants we have adopted the *attained age* method of valuation. This is similar to the projected unit method described above, and produces the same past service position. The future service contribution rate calculation under the attained age method is summarised below.

### **Attained Age Method**

- D9. The first stage is to calculate the value of the benefits (other than the lump sum death-in-service benefits) accruing to existing employee members over their anticipated period of future membership, by reference to projected pay as at the date of retirement or earlier exit. This value is expressed as a percentage of the members' pensionable salaries over their remaining service lives and then the equivalent contributions paid by the members are deducted.
- D10. The cost of the lump sum death in service benefit is separately assessed as amount that is likely to be paid out in an average year, based on the membership structure at the valuation date. Finally, an addition is made to cover the expenses of administration of the Fund.
- D11. If the actuarial assumptions adopted are unchanged, this funding method will, for pension benefits, give rise to a stable contribution rate in future years in respect of the existing membership. But this will only be so if certain surpluses or deficiencies revealed at subsequent actuarial valuations (i.e. those arising due to the fact that the cost of a year's accrual of pension increases with each year of age) are reflected in the contribution rate payable.

### **Overall result**

- D12. Any past service surplus (or shortfall) that remains can be applied to reduce (or increase) the contribution rate actually payable by the employers over the period following the valuation date.



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

### Appendix E - Valuation Assumptions

#### Financial assumptions

E1. The key assumptions adopted for this valuation and the previous valuation are summarised in the table below.

Financial Assumptions	Mar 2004 Unsmoothed		Mar 2001 Smoothed	
	% p.a. Nominal	% p.a. Real	% p.a. Nominal	% p.a. Real
Discount Rate pre retirement	6.3%	3.4%	6.4%	4.1%
Discount Rate post retirement	6.3%	3.4%	5.4%	3.1%
Pay Increases	4.4%	1.5%	3.8%	1.5%
Price Inflation/Pension Increases	2.9%	-	2.3%	-

#### Demographic assumptions

E2. The demographic assumptions represent our estimate of future experience in the Fund. They take account of expected future trends (for instance future improvements in life expectancy) as well past experience in the Fund and other Local Government client funds. Sample rates are shown in the following tables:

Age	Incidence per 1000 active members per annum											
	Male Officers & Post 98 Males			Male Manuals			Female Officers & Post 98 Females			Female Manuals		
	Death	Ill Health Retirement		Death	Ill Health Retirement		Death	Ill Health Retirement		Death	Ill Health Retirement	
		F/T	P/T		F/T	P/T		F/T	P/T		F/T	P/T
20	0.30	-	-	0.30	-	-	0.16	-	-	0.16	-	-
25	0.30	-	-	0.30	3.2	2.6	0.16	0.6	0.5	0.16	2.6	2.1
30	0.36	0.6	0.5	0.36	5.2	4.2	0.24	1.0	0.8	0.24	3.6	2.9
35	0.42	0.8	0.6	0.42	7.8	6.2	0.40	2.0	1.6	0.40	5.2	4.2
40	0.72	1.4	1.1	0.72	10.8	8.6	0.64	2.6	2.1	0.64	7.2	5.8
45	1.20	3.2	2.6	1.20	15.6	12.5	1.04	4.2	3.4	1.04	9.2	7.4
50	1.92	8.8	7.0	1.92	22.8	18.2	1.52	8.2	6.6	1.52	13.6	10.9
55	3.00	18.0	14.4	3.00	36.8	29.4	2.00	21.6	17.3	2.00	25.6	20.5
60	5.40	36.0	28.8	5.40	70.0	56.0	2.56	-	-	2.56	-	-

**Northern Ireland Local Government Officers Pension Fund**  
**Actuarial Valuation as at 31 March 2004**

Age	Promotional Salary Scales							
	Male Officers & Post 98 Males		Male Manuals		Female Officers & Post 98 Females		Female Manuals	
	FT	PT	FT	PT	FT	PT	FT	PT
20	100	100	100	100	100	100	100	100
25	100	100	100	100	100	100	100	100
30	123	113	100	100	115	105	100	100
35	138	123	100	100	126	110	100	100
40	148	128	100	100	136	115	100	100
45	158	128	100	100	136	115	100	100
50	168	128	100	100	136	115	100	100
55	168	128	100	100	136	115	100	100
60	168	128	100	100	136	115	100	100

Age	Incidence per 1000 active members per annum							
	Male Officers & Post 98 Males		Male Manuals		Female Officers & Post 98 Females		Female Manuals	
	Withdrawal		Withdrawal		Withdrawal		Withdrawal	
	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T
20	196	245	294	490	186	232	279	464
25	129	162	194	323	125	156	187	312
30	92	115	138	230	105	131	157	262
35	72	90	108	180	90	113	136	226
40	58	72	87	144	75	94	113	188
45	47	59	71	118	62	77	93	155
50	37	46	55	91	47	59	71	118
55	32	40	48	79	36	45	55	91
60	19	24	29	48	17	21	25	42





**Northern Ireland Local Government Officers Pension Fund**  
**Actuarial Valuation as at 31 March 2004**

**Appendix F - Surplus Certificate**

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This Certificate is given to the Commissioners of Inland Revenue for the purposes of Paragraph 2(3) of Schedule 22 to the Income and Corporation Taxes Act 1988.

Name of Scheme: Northern Ireland Local Government Officers Pension Fund

Inland Revenue Reference Number: SF49/1312

We hereby certify that:-

- (1) in our opinion as at 31 March 2004 the value of the assets of the scheme did not exceed 105 per cent of the value of the liabilities of the scheme.
- (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



Date:

24 March 2005

Name:

W Douglas B Anderson FIA

Qualification:

Fellow of the Institute of Actuaries

Firm:

Hymans Robertson  
Central Exchange  
20 Waterloo Street  
Glasgow  
G2 6DB



**Northern Ireland Local Government Officers Pension Fund**  
**Actuarial Valuation as at 31 March 2004**

**Appendix G - Rates and Adjustments Certificate**

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In accordance with the Local Government Pension Scheme Regulations (Northern Ireland) 2002, as amended, we have made an assessment of the contributions that should be paid to the Fund by the employing authorities as from 1 April 2005 in order to maintain the solvency of the Fund.

The required contribution rates are set out in the attached statement.

Signature



Date:

24 March 2005

Name:

W Douglas B Anderson FIA

Qualification:

Fellow of the Institute of Actuaries

Firm:

Hymans Robertson  
Central Exchange  
20 Waterloo Street  
Glasgow  
G2 6DB



# Northern Ireland Local Government Officers Pension Fund

## *Actuarial Valuation as at 31 March 2004*

### **STATEMENT TO THE RATES AND ADJUSTMENTS CERTIFICATE**

The Common Rate of Contribution payable by each employing authority under Regulation 77 for the period 1 April 2005 to 31 March 2008 is 17.3% of pensionable pay.

Individual Adjustments are required under Regulation 77 for the period 1 April 2005 to 31 March 2008 resulting in Minimum Total Contribution Rates expressed as a percentage of pensionable pay are as set out below:-



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

Employer Code	Employer	Minimum Contribution for the Year ending		
		31 March 2006	31 March 2007	31 March 2008
<b>Major Scheduled Bodies</b>				
1	ANTRIM BOROUGH COUNCIL	8.5%	11.0%	13.0%
2	ARDS BOROUGH COUNCIL	8.5%	11.0%	13.0%
3	ARMAGH CITY & DISTRICT COUNCIL	8.5%	11.0%	13.0%
4	BALLYMENA BOROUGH COUNCIL	8.5%	11.0%	13.0%
5	BALLYMONEY BOROUGH COUNCIL	8.5%	11.0%	13.0%
6	BANBRIDGE DISTRICT COUNCIL	8.5%	11.0%	13.0%
7	BELFAST CITY COUNCIL	8.5%	11.0%	13.0%
8	CARRICKFERGUS BOROUGH COUNCIL	8.5%	11.0%	13.0%
9	CASTLEREAGH BOROUGH COUNCIL	8.5%	11.0%	13.0%
10	COLERAINE BOROUGH COUNCIL	8.5%	11.0%	13.0%
11	COOKSTOWN DISTRICT COUNCIL	8.5%	11.0%	13.0%
12	CRAIGAVON BOROUGH COUNCIL	8.5%	11.0%	13.0%
13	DOWN DISTRICT COUNCIL	8.5%	11.0%	13.0%
14	DUNGANNON AND SOUTH TYRONE BC	8.5%	11.0%	13.0%
15	FERMANAGH DISTRICT COUNCIL	8.5%	11.0%	13.0%
16	LARNE BOROUGH COUNCIL	8.5%	11.0%	13.0%
17	LIMAVADY BOROUGH COUNCIL	8.5%	11.0%	13.0%
18	LISBURN CITY COUNCIL	8.5%	11.0%	13.0%
19	DERRY CITY COUNCIL	8.5%	11.0%	13.0%
20	MAGHERAFELT DISTRICT COUNCIL	8.5%	11.0%	13.0%
21	MOYLE DISTRICT COUNCIL	8.5%	11.0%	13.0%
22	NEWRY & MOURNE DISTRICT COUNCIL.	8.5%	11.0%	13.0%
23	NEWTOWNABBEY BOROUGH COUNCIL	8.5%	11.0%	13.0%
24	NORTH DOWN BOROUGH COUNCIL	8.5%	11.0%	13.0%
25	OMAGH DISTRICT COUNCIL	8.5%	11.0%	13.0%
26	STRABANE DISTRICT COUNCIL	8.5%	11.0%	13.0%
27	BELFAST EDUC. & LIB. BOARD	8.5%	11.0%	13.0%
28	SOUTH EASTERN ED. & LIB. BD.	8.5%	11.0%	13.0%
29	NORTH EASTERN ED. & LIB. BD.	8.5%	11.0%	13.0%
30	SOUTHERN EDUC. & LIB. BOARD	8.5%	11.0%	13.0%
31	WESTERN EDUC. & LIB. BOARD	8.5%	11.0%	13.0%
62	ARMAGH PLANETARIUM	8.5%	11.0%	13.0%
110	COLERAINE HARBOUR-COMMISSIONERS	8.5%	11.0%	13.0%
114	FIRE AUTHORITY FOR N.I.	8.5%	11.0%	13.0%
115	N.I. HOUSING EXECUTIVE	8.5%	11.0%	13.0%
116	N.I. TOURIST BOARD	8.5%	11.0%	13.0%
117	ROYAL COLLEGE OF NURSING	8.5%	11.0%	13.0%
118	ARTS COUNCIL FOR N.I.	8.5%	11.0%	13.0%
119	N.I.L.G.O.S.C.	8.5%	11.0%	13.0%
123	LINEN HALL LIBRARY	8.5%	11.0%	13.0%
				17.5% +
126	UNITED DAIRY FARMERS	11.5%	17.5%	£325,000
128	ROYAL BELFAST ACADEMICAL INSTITUTION	8.5%	11.0%	13.0%
129	JORDANSTOWN SCHOOLS	8.5%	11.0%	13.0%
	ST.PATRICK'S TRAINING SCHOOL &			
131	GLENMONA RESOURCE CENTRE	8.5%	11.0%	13.0%
132	BANGOR GRAMMAR SCHOOL	8.5%	11.0%	13.0%
134	FRIENDS' SCHOOL	8.5%	11.0%	13.0%
136	CAMPBELL COLLEGE	8.5%	11.0%	13.0%
137	BELFAST ROYAL ACADEMY	8.5%	11.0%	13.0%
138	BELFAST HIGH SCHOOL	8.5%	11.0%	13.0%
139	ST. MALACHY'S COLLEGE	8.5%	11.0%	13.0%
142	ST. COLUMB'S COLLEGE	8.5%	11.0%	13.0%
	ST. MARY'S CHRISTIAN BROTHERS			
145	GRAMMAR SCHOOL	8.5%	11.0%	13.0%
146	SULLIVAN UPPER SCHOOL	8.5%	11.0%	13.0%
	CHRISTIAN BROTHERS GRAMMAR SCHOOL			
147	(OMAGH)	8.5%	11.0%	13.0%
148	BALLYMENA ACADEMY	8.5%	11.0%	13.0%



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

Employer Code	Employer	Minimum Contribution for the Year ending		
		31 March 2006	31 March 2007	31 March 2008
149	BELFAST CHARITABLE SOCIETY	8.5%	11.0%	13.0%
150	NI LOCAL GOVERNMENT ASSOCIATION	8.5%	11.0%	13.0%
152	WALLACE HIGH SCHOOL	8.5%	11.0%	13.0%
154	LARNE GRAMMAR SCHOOL	8.5%	11.0%	13.0%
156	AGRICULTURAL RESEARCH INST.	8.5%	11.0%	13.0%
157	THE ROYAL SCHOOL(ARMAGH) ST PATRICK'S GRAMMAR SCHOOL	8.5%	11.0%	13.0%
160	(DOWNPATRICK)	8.5%	11.0%	13.0%
161	THORNHILL COLLEGE	8.5%	11.0%	13.0%
162	ARMAGH OBSERVATORY	8.5%	11.0%	13.0%
163	LIVESTOCK AND MEAT COMMISSION N.I.	8.5%	11.0%	13.0%
164	UNIVERSITY OF ULSTER	8.5%	11.0%	13.0%
166	BLOOMFIELD COLLEGIATE SCHOOL	8.5%	11.0%	13.0%
167	HUNTERHOUSE COLLEGE	8.5%	11.0%	13.0%
170	NI COUNCIL FOR CURRICULUM, EDUCATION AND ASSESSMENT	8.5%	11.0%	13.0%
172	RATHMORE GRAMMAR SCHOOL	8.5%	11.0%	13.0%
173	OUR LADY & ST PATRICK'S COLLEGE	8.5%	11.0%	13.0%
175	ST MARY'S UNIVERSITY COLLEGE	8.5%	11.0%	13.0%
176	STRANMILLIS COLLEGE	8.5%	11.0%	13.0%
179	CITYBUS LIMITED	8.5%	11.0%	13.0%
180	NI FISHERY HARBOUR AUTHORITY	8.5%	11.0%	13.0%
181	ENTERPRISE ULSTER	8.5%	11.0%	13.0%
185	STAFF COMMISSION FOR EDUC & LIB BOARDS	8.5%	11.0%	13.0%
187	SPORTS COUNCIL FOR NI	8.5%	11.0%	13.0%
188	ST DOMINIC'S HIGH SCHOOL	8.5%	11.0%	13.0%
189	ULSTERBUS LIMITED	8.5%	11.0%	13.0%
192	DALRIADA SCHOOL	8.5%	11.0%	13.0%
194	FOLD HOUSING ASSOCIATION	8.5%	11.0%	13.0%
195	VICTORIA COLLEGE	8.5%	11.0%	13.0%
196	ST PATRICK'S ACADEMY (DUNGANNON)	8.5%	11.0%	13.0%
197	NI TRANSPORT HOLDING COMPANY	8.5%	11.0%	13.0%
202	ST JOSEPH'S ADOLESCENT CENTRE	8.5%	11.0%	13.0%
203	NI FEDERATION OF HOUSING ASSOCIATIONS	8.5%	11.0%	13.0%
206	NI RAILWAYS COMPANY LIMITED	8.5%	11.0%	13.0%
208	DOMINICAN COLLEGE, BELFAST	8.5%	11.0%	13.0%
209	ST MICHAEL'S COLLEGE	8.5%	11.0%	13.0%
210	ST MACNISSI'S COLLEGE	8.5%	11.0%	13.0%
211	PROBATION BOARD FOR NI	8.5%	11.0%	13.0%
212	STRATHEARN SCHOOL	8.5%	11.0%	13.0%
213	LORETO COLLEGE (COLERAINE)	8.5%	11.0%	13.0%
214	COLERAINE ACADEMICAL INSTITUTION	8.5%	11.0%	13.0%
215	LORETO GRAMMAR SCHOOL (OMAGH)	8.5%	11.0%	13.0%
216	FOYLE & LONDONDERRY COLLEGE	8.5%	11.0%	13.0%
217	CONVENT GRAMMAR SCHOOL (STRABANE)	8.5%	11.0%	13.0%
218	ROYAL SCHOOL (DUNGANNON)	8.5%	11.0%	13.0%
219	LOCAL GOVERNMENT STAFF COMMISSION ST MARY'S GRAMMAR	8.5%	11.0%	13.0%
220	SCHOOL(MAGHERAFELT) SACRED HEART GRAMMAR SCHOOL	8.5%	11.0%	13.0%
221	(NEWRY) COUNCIL OF CATHOLIC MAINTAINED	8.5%	11.0%	13.0%
222	SCHOOLS	8.5%	11.0%	13.0%
223	NI LEGAL SERVICES COMMISSION	8.5%	11.0%	13.0%
224	YOUTHNET	8.5%	11.0%	13.0%
226	LAGANSIDE CORPORATION	8.5%	11.0%	13.0%
227	BIH HOUSING ASSOCIATION LTD	8.5%	11.0%	13.0%
229	CHOICE HOUSING ASSOCIATION LTD	8.5%	11.0%	13.0%



# Northern Ireland Local Government Officers Pension Fund

## Actuarial Valuation as at 31 March 2004

Employer Code	Employer	Minimum Contribution for the Year ending		
		31 March 2006	31 March 2007	31 March 2008
230	HEARTH HOUSING ASSOC LTD	8.5%	11.0%	13.0%
231	ABODE HOUSING ASSOCIATION LTD	8.5%	11.0%	13.0%
232	SOUTH ULSTER HOUSING ASSN LTD	8.5%	11.0%	13.0%
233	BELFAST COMMUNITY HOUSING ASSN. LTD	8.5%	11.0%	13.0%
234	GROVE HOUSING ASSOC LTD	8.5%	11.0%	13.0%
235	FILOR HOUSING ASSOCIATION LTD	8.5%	11.0%	13.0%
236	NEWINGTON HOUSING ASSOCIATION	8.5%	11.0%	13.0%
237	WOODVALE & SHANKILL HOUSING ASSN. LTD	8.5%	11.0%	13.0%
238	HABINTEG HOUSING ASSN. (ULSTER) LTD	8.5%	11.0%	13.0%
239	NORTH & WEST HOUSING LIMITED	8.5%	11.0%	13.0%
240	CONVENANTER RESIDENTIAL ASSOC	8.5%	11.0%	13.0%
241	ST MATTHEW'S HOUSING ASSOC LTD	8.5%	11.0%	13.0%
242	NI CO-OWNERSHIP HOUSING ASSN. LTD	8.5%	11.0%	13.0%
243	ULIDIA HOUSING ASSOC LTD	8.5%	11.0%	13.0%
244	OAKLEE HOUSING ASSOC LTD	8.5%	11.0%	13.0%
246	FLAX HOUSING ASSOC LTD	8.5%	11.0%	13.0%
248	BALLYNAFEIGH HOUSING ASSOC LTD	8.5%	11.0%	13.0%
249	SHAC HOUSING ASSOCIATION	8.5%	11.0%	13.0%
250	MOUNT LOURDES GRAMMAR SCHOOL	8.5%	11.0%	13.0%
251	COMMUNITY RELATIONS COUNCIL	8.5%	11.0%	13.0%
252	CONSTRUCTION IND. TRAINING BD.	8.5%	11.0%	13.0%
254	ENGINEERING TRAINING COUNCIL	8.5%	11.0%	13.0%
255	YOUTH COUNCIL FOR NI	8.5%	11.0%	13.0%
257	CLOTHING & INDUSTRIAL TRAINING SERVICE	8.5%	11.0%	13.0%
260	HAZELWOOD COLLEGE	8.5%	11.0%	13.0%
261	HAZELWOOD INTERGRATED PRIMARY SCHOOL	8.5%	11.0%	13.0%
262	LAGAN COLLEGE	8.5%	11.0%	13.0%
263	MILL STRAND INTERGRATED PRIMARY SCHOOL	8.5%	11.0%	13.0%
264	FOLD HOUSING TRUST	8.5%	11.0%	13.0%
265	RURAL DEVELOPMENT COUNCIL	8.5%	11.0%	13.0%
266	BRIDGE INTEGRATED PRIMARY SCHOOL	8.5%	11.0%	13.0%
267	ENNISKILLEN INTEGRATED PRIMARY SCHOOL	8.5%	11.0%	13.0%
268	AQUINAS DIOCESAN GRAMMAR SCHOOL	8.5%	11.0%	13.0%
269	PRESBYTERIAN HOUSING ASSOCIATION	8.5%	11.0%	13.0%
270	ORMEAU BATHS GALLERY	8.5%	11.0%	13.0%
271	RURAL HOUSING ASSOCIATION	8.5%	11.0%	13.0%
273	OAKGROVE INTEGRATED COLLEGE	8.5%	11.0%	13.0%
274	SHIMNA INTEGRATED COLLEGE	8.5%	11.0%	13.0%
275	N.I COUNCIL FOR INTEGRATED EDUCATION	8.5%	11.0%	13.0%
276	ERNE INTEGRATED COLLEGE	8.5%	11.0%	13.0%
277	DERRY VISITOR AND CONVENTION BUREAU	8.5%	11.0%	13.0%
278	INTEGRATED COLLEGE DUNGANNON	8.5%	11.0%	13.0%
279	BRAIDSIDE INTEGRATED PRIMARY SCHOOL	8.5%	11.0%	13.0%
280	N I ASSN OF CITIZENS ADVICE BUREAUX	8.5%	11.0%	13.0%
281	RAINEY ENDOWED SCHOOL	8.5%	11.0%	13.0%
282	ARDS CITIZENS' ADVICE BUREAU	8.5%	11.0%	13.0%
283	DOWN DISTRICT CITIZENS' ADVICE BUREAU	8.5%	11.0%	13.0%
284	DRUMRAGH INTEGRATED COLLEGE	8.5%	11.0%	13.0%
285	ST LOUIS GRAMMAR SCHOOL	8.5%	11.0%	13.0%
286	GOSFORD HOUSING ASSOCIATION	8.5%	11.0%	13.0%
287	LUMEN CHRISTI COLLEGE	8.5%	11.0%	13.0%
288	CEDAR INTEGRATED PRIMARY SCHOOL	8.5%	11.0%	13.0%



**Northern Ireland Local Government Officers Pension Fund**  
**Actuarial Valuation as at 31 March 2004**

Employer Code	Employer	Minimum Contribution for the Year ending		
		31 March 2006	31 March 2007	31 March 2008
289	OUR LADY'S GRAMMAR SCHOOL	8.5%	11.0%	13.0%
290	MOURNE HERITAGE TRUST	8.5%	11.0%	13.0%
291	BELFAST PRINT WORKSHOP	8.5%	11.0%	13.0%
292	BELFAST INSTITUTE FHE	8.5%	11.0%	13.0%
293	CAUSEWAY INSTITUTE FHE	8.5%	11.0%	13.0%
294	EAST ANTRIM INSTITUTE FHE	8.5%	11.0%	13.0%
295	NORTH-EAST INSTITUTE FHE	8.5%	11.0%	13.0%
296	NI HOTEL AND CATERING COLLEGE	8.5%	11.0%	13.0%
297	CASTLEREAGH COLLEGE FHE	8.5%	11.0%	13.0%
298	EAST-DOWN INSTITUTE FHE	8.5%	11.0%	13.0%
299	NORTH DOWN AND ARDS INSTITUTE	8.5%	11.0%	13.0%
302	EAST TYRONE COLLEGE OF FE	8.5%	11.0%	13.0%
303	NEWRY/KILKEEL COLLEGE FE	8.5%	11.0%	13.0%
304	UPPER BANN INSTITUTE FHE	8.5%	11.0%	13.0%
305	FERMANAGH COLLEGE OF FE	8.5%	11.0%	13.0%
306	LIMAVADY COLLEGE FE	8.5%	11.0%	13.0%
307	NORTH WEST INSTITUTE FHE	8.5%	11.0%	13.0%
308	OMAGH COLLEGE OF FE	8.5%	11.0%	13.0%
309	ST JOSEPH'S GRAMMAR SCHOOL	8.5%	11.0%	13.0%
310	LISBURN INSTITUTE FHE	8.5%	11.0%	13.0%
311	ARMAGH COLLEGE FE	8.5%	11.0%	13.0%
312	DONACLONEY H A LTD	8.5%	11.0%	13.0%
313	NORTHERN IRELAND HOSPICE	8.5%	11.0%	13.0%
314	SLEMISH INTEGRATED COLLEGE	8.5%	11.0%	13.0%
315	DERRY INVESTMENT INITIATIVE	8.5%	11.0%	13.0%
316	MALONE COLLEGE	12.0%	13.0%	13.0%
317	ARK HOUSING ASSOCIATION NI LTD	12.0%	13.0%	13.0%
318	OAKGROVE INTEGRATED PRIMARY SCHOOL	12.0%	13.0%	13.0%
319	CONNSWATER HOUSING ASSN. LTD.	12.0%	13.0%	13.0%
320	NEWBRIDGE INTEGRATED COLLEGE	12.0%	13.0%	13.0%
321	THE MILLENNIUM FORUM (DERRY THEATRE TRUST)	12.0%	13.0%	13.0%
322	METHODIST COLLEGE	12.0%	13.0%	13.0%
323	BELFAST VISITOR & CONVENTION BUREAU	12.0%	13.0%	13.0%
324	NORTH COAST INTEGRATED COLLEGE	12.0%	13.0%	13.0%
325	COUNTRYSIDE RECREATION: NI	12.0%	13.0%	13.0%
326	SPIRES INTEGRATED PRIMARY SCHOOL	12.0%	13.0%	13.0%
327	ULIDIA INTEGRATED COLLEGE	12.0%	13.0%	13.0%
328	COMHAIRLE NA GAELSCOLAIOCHTA	12.0%	13.0%	13.0%
329	STRANGFORD COLLEGE	12.0%	13.0%	13.0%
330	LOUGHVIEW INTEGRATED PRIMARY SCHOOL	12.0%	13.0%	13.0%
331	WINDMILL INTEGRATED PRIMARY SCHOOL	12.0%	13.0%	13.0%
332	ACORN INTEGRATED PRIMARY SCHOOL	12.0%	13.0%	13.0%
333	MILLENNIUM INTEGRATED PRIMARY SCHOOL	12.0%	13.0%	13.0%
334	OAKWOOD INTEGRATED PRIMARY SCHOOL	12.0%	13.0%	13.0%
335	DOMINICAN COLLEGE,PORTSTEWART	12.0%	13.0%	13.0%
336	SAINTS & SCHOLARS INTEGRATED PRIMARY SCHOOL	13.0%	13.0%	13.0%
337	GENERAL TEACHING COUNCIL OF NORTHERN IRELAND	13.0%	13.0%	13.0%
338	ASSUMPTION GRAMMAR SCHOOL	13.0%	13.0%	13.0%
340	YOUTH JUSTICE FOR NI	8.5%	11.0%	13.0%
341	KINGDOMS OF DOWN TOURISM LTD	13.0%	13.0%	13.0%
342	ABBAY CHRISTIAN BROTHERS GRAMMAR SCHOOL	13.0%	13.0%	13.0%
344	ARC21	13.0%	13.0%	13.0%



# Northern Ireland Local Government Officers Pension Fund

## *Actuarial Valuation as at 31 March 2004*

### Notes

Contributions expressed as a percentage should be paid into Northern Ireland Local Government Officers Pension Fund at a frequency in accordance with the requirements of the Regulations.

Further sums should be paid to the Fund to meet the costs of any early retirements using methods and factors issued by me from time to time.

Further sums should be paid to the Fund by employers to meet the capital costs of any ill-health retirements that exceed those included within our assumptions.

The certified contribution rates represent the minimum level of contributions to be paid. Employing authorities may pay further amounts at any time and future periodic contributions may be adjusted on a basis approved by ourselves.