



Westmorland
& Furness
Council

**Cumbria
Pension
Fund**

Cumbria Pensions Forum

27 November 2025

cumbriapensionfund.org

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Housekeeping

**Cumbria
Pension
Fund**



Toilets



Mobile Phones



Fire Alarms



Feedback



Agenda

**Cumbria
Pension
Fund**

10:00	Welcome & Introductions	Kate McLaughlin-Flynn, Senior Manager, Cumbria Pension Fund
10:05	Pensions Review – National Position	Kate McLaughlin-Flynn
10:25	LPPA Overview and Developments	Chris Batts and Tyrone Samuel
10:50	Employer Focus	Allison McGuinness, Finance Manager - Pensions
11:00	Comfort Break	
11:05	Pension Fund Overview and 2024/25 Performance	Kate McLaughlin-Flynn
11:15	2025 Actuarial Valuation	Mark Wilson, Mercers





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**Cumbria
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Pensions Review - National Picture

Kate McLaughlin-Flynn, Senior Manager – Cumbria Pension Fund

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What's happening?

- Concern people not saving enough for retirement - 40% working-age individuals under saving
- Making poor decisions when they do retire
- Pension Minister – Torsten Bell
 - drive investment
 - to ensure our pensions system is fit for the future
- Kings Speech in July 2024 announces pension scheme bill – focus on poor performing default funds as part of the value-for-money framework, the consolidation of small pension pots as well as occupational pension schemes



Focus of the Review

Late 2024 Pension Review launched to boost investment, increase pension pots and tackle waste in the pensions system

Review in 2 phases

Initial Focus

- Driving scale and consolidation of defined contribution workplace schemes;
- Tackling fragmentation and inefficiency in the Local Government Pension Scheme through consolidation and improved governance;
- The structure of the pensions ecosystem and achieving a greater focus on value to deliver better outcomes for future pensioners, rather than cost; and
- Encouraging further pension investment into UK assets to boost growth across the country.



What about the LGPS?

In terms of the LGPS, there is a twin focus in this phase of the review:

Improving
sustainability and
affordability

Encouraging greater
investment into “local
communities and UK
assets, in support of
UK growth”

“This is in the interest of scheme members, employers and local taxpayers, as well as in support of the UK economy.”



Where are we now?

- Three themes:
 - Pooling
 - Governance
 - Local Investment
- Call for Evidence – asked views from DC schemes and LGPS. Spoken to Pools, Funds, representative bodies, fund managers, industry bodies and many others. Most responses received relate to LGPS.
- On LGPS interested in:
 - Pooling – What makes them effective? Should there be less pools? Thought that optimum size is c £50bn plus?
 - Funds – 86 at present. Is current governance effective? Understanding the benefits (and challenges) of local input into Committees and Boards?
 - UK investment – Encouraging further pension investment into UK assets (including Private Equity) to boost growth across the country



Pooling

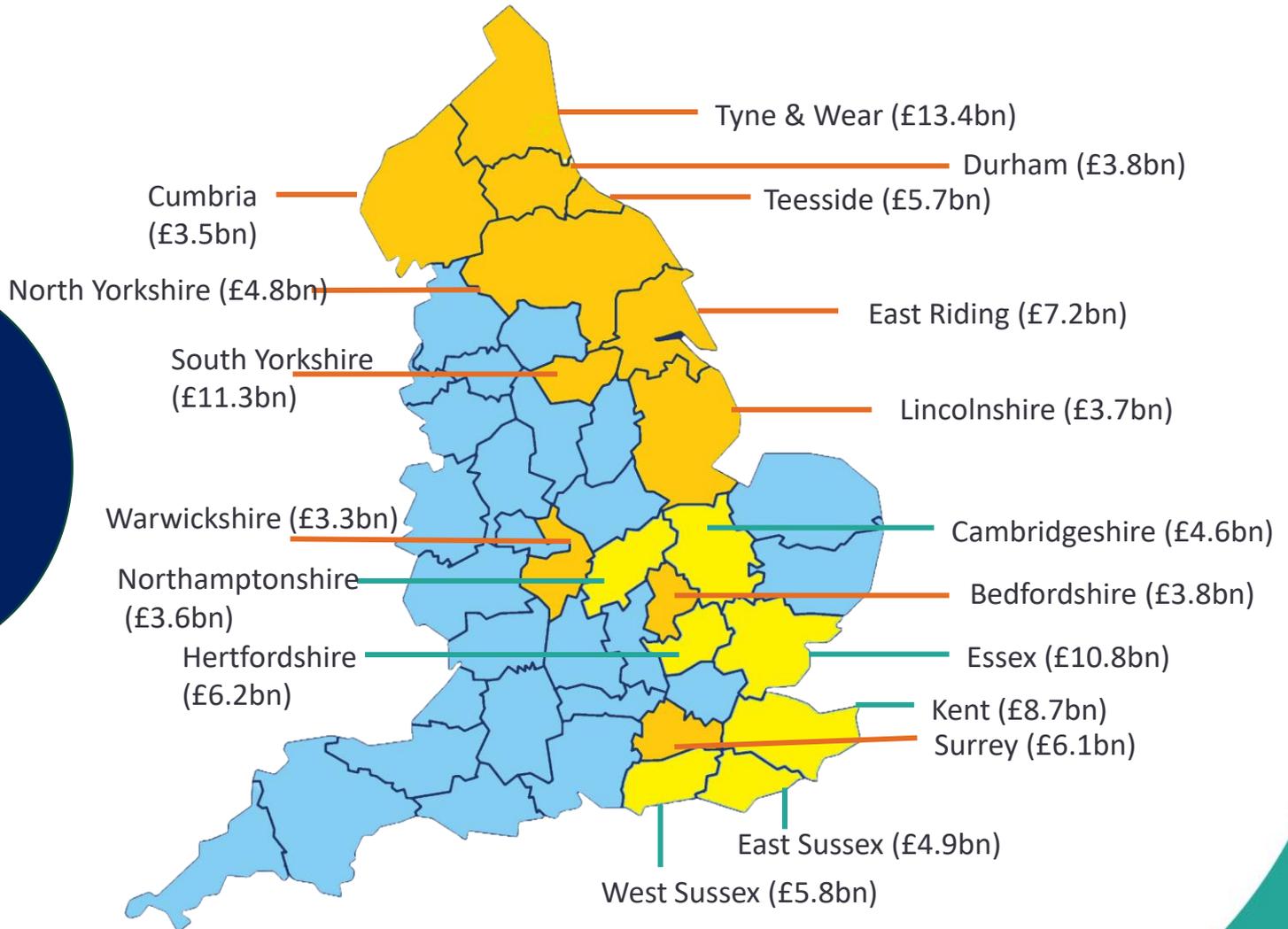
- Pension funds started to collectively make investments in 2017
- Set up collective companies known as Pools
- Eight Pools Nationally, Cumbria Fund is in the Border to Coast Pool
- Long term view that less pools, but larger pools is optimal
- Government set minimum future requirements, and asked how existing pools would meet
- Two Pools didn't meet requirements, 21 Funds
- Seven of these are joining the Border to Coast Pool, making 18 in total
- Our Pool will be responsible for:
 - c£110bn of assets
 - Over 2 million scheme members



Our Expanded Pool

**c.2 million
members**

**c.£110bn of
assets**



Pooling

- All assets to transfer to the Pool or be under the management of the Pool from April 2026
- Pool becomes principal source of investment advice
- Cumbria sets investment strategy and Pool implements



Governance

- Publish governance and training, and administration strategies, and a conflicts of interest policy
- Appoint a senior LGPS officer
- Undertake independent governance reviews every three years
- Improve accessibility of annual reports
- Appoint an independent adviser supporting the Pensions Committee.
- Ensure that scheme members' views are understood and taken into account by the pools, and should publish their policy on how this is done
- Pensions Committee members would be required to have the appropriate knowledge and skills.



Local Investment

- Set out our approach to local investment in our investment strategy including a target range for investment
- Have regard to local growth plans and priorities, including local economic priorities
- Work with local authorities, and Combined Authorities, to identify local investment opportunities;
- Set out our local investment and their impact in our annual reports.



Other Legislation

- New Fair Deal - aimed at reducing costs through simplifying the outsourcing arrangements for pensions, allows staff transferred through a TUPE arrangement to remain within the LGPS.
- Access & Fairness
 - Survivor benefits - giving parity to survivors be they same or opposite sex, married or cohabiting partners;
 - Removal of the age 75 cut-off on eligibility for death grants(backdated for all deaths on or after 1 April 2014);
 - Measures to help address the gender pensions gap and mandating reporting in this area,
- Introduction of reporting on the number of potential scheme members opting out of the Scheme



Other Changes

- LGPS Changes
 - Pension Access for mayors and councillors
 - Academies - remove Secretary of State consent requirements
- Wills Act
 - Provision for the introduction of electronic Wills and remote witnessing
 - Abolishing the rule that marriage or civil partnership revokes a Will
 - Mental capacity test as set out in the Mental Capacity Act 2005
 - Reducing the minimum age from 18 to 16
 - Introduction of a court power to dispense with the formalities of making a valid Will





Local Pensions Partnership
Administration

Cumbria Pension Fund Forum

Thursday 27th November 2025

Chris Batts – Senior Client Relationship Manager
Tyrone Samuel - Head of Data and Employer Engagement



**WORKING
TOGETHER**



**COMMITTED TO
EXCELLENCE**



**FORWARD
THINKING**



**DOING THE
RIGHT THING**

Cumbria Pension Fund Forum

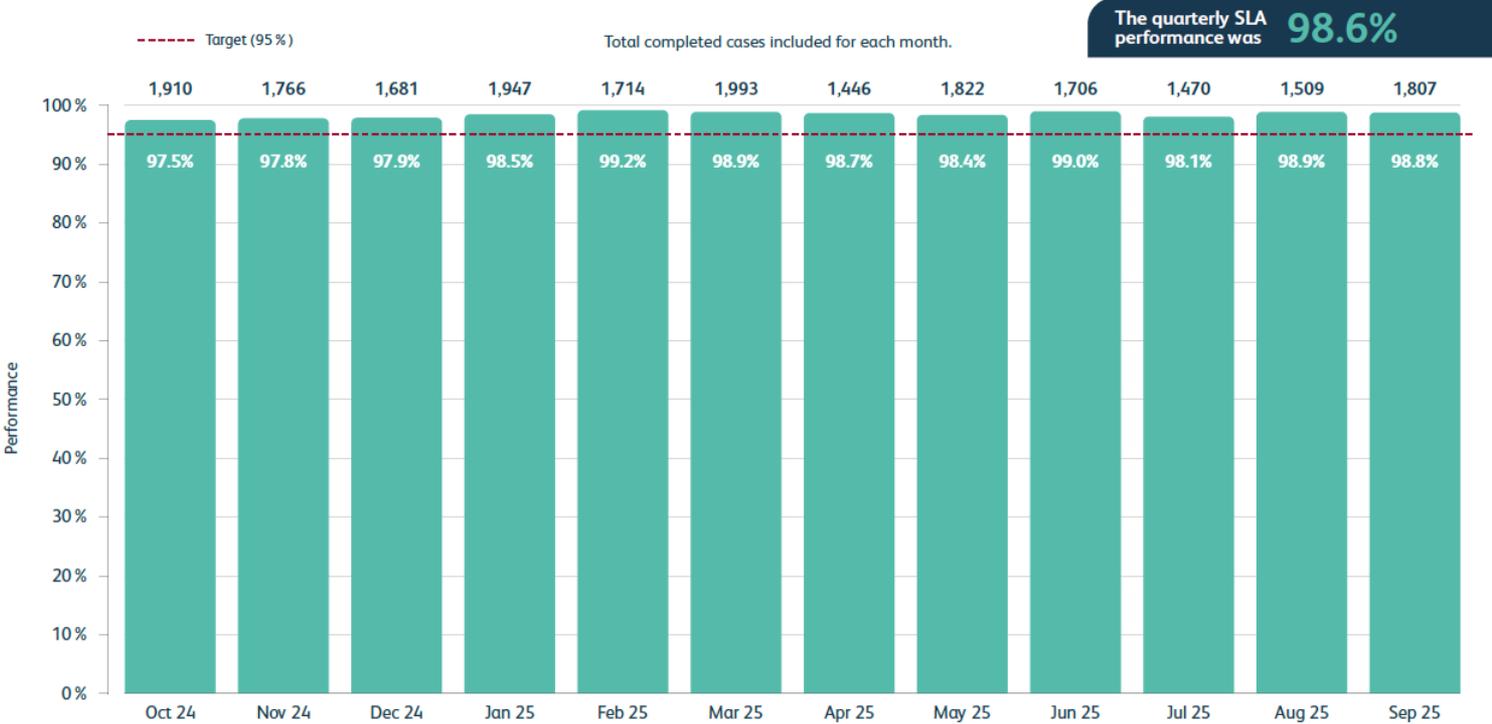
CONTENTS

- **LPPA Performance – KPIs and satisfaction**
- **Service Improvement**
- **Employer Portal**
- **How you can help us?**
- **New Approach to Employer Engagement**
- **Communications and Training**
- **LPPA Projects**
- **Any questions?**

Thursday 27th November 2025

LPPA Performance – KPIs and satisfaction

LPPA Casework Performance October 24 – September 25 (Cumbria)



Thursday 27th November 2025

LPPA Contact Centre Call Performance October 24 – September 25 (Cumbria)



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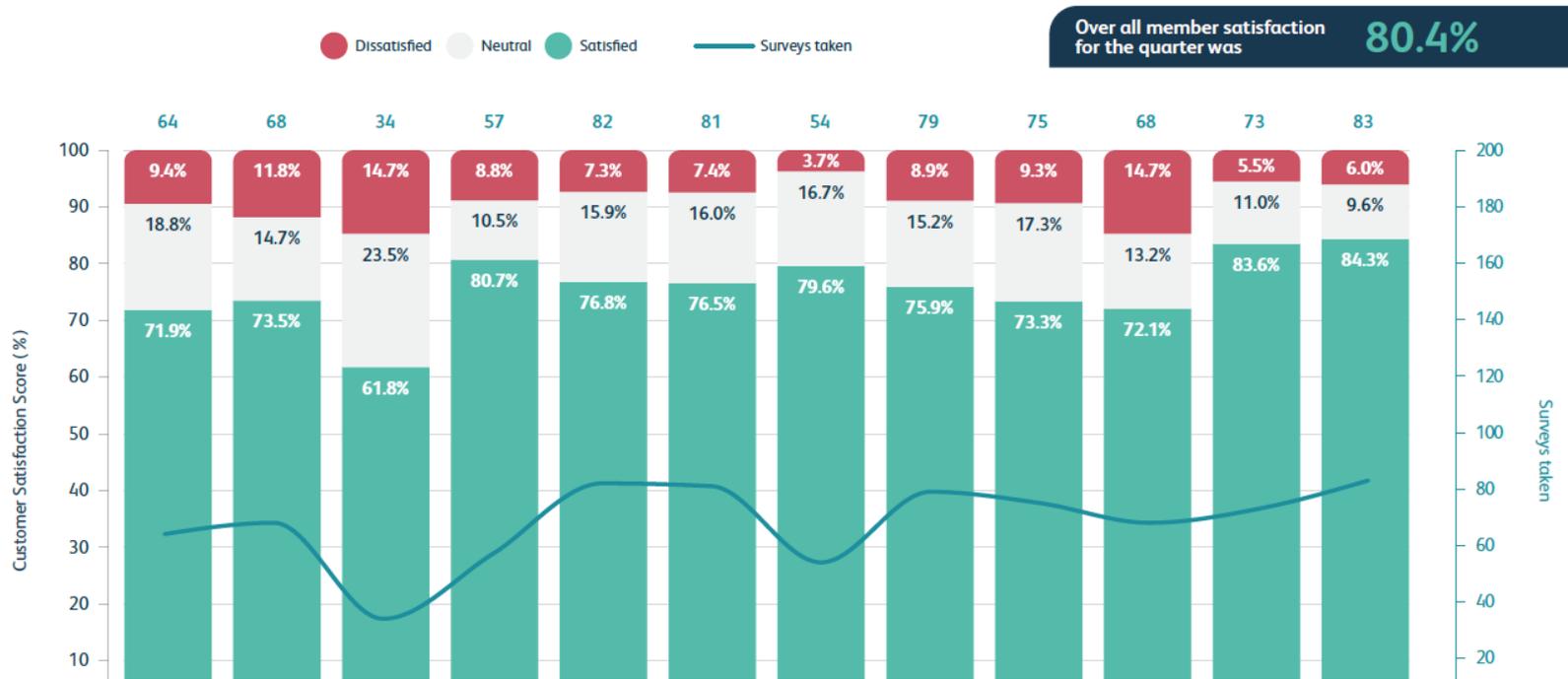
Moving to a Member-First Approach

- ✓ We know that traditional measures in pensions administration are not fit for purpose
- ✓ That's why we are expanding the metrics that we use to measure whether we are delivering a good service
- ✓ Increasing focus on member, employer and client satisfaction....and other measures of experience and outcomes
- ✓ We established a member panel in late 2024:
 - We periodically invite members to join the panel
 - Member panel has grown from a base of 200 in Nov 24 to over 4,600 today
 - We ask for feedback on member communications, new joiner information, LPPA website and PensionPoint
- ✓ We have surveyed members on key processes for some time (e.g. active and deferred retirements)
- ✓ We are introducing new surveys:
 - New joiner satisfaction survey
 - Sent to members after 6 months of joining
 - Reviewing first impressions
 - Also reminding of key actions for new members to take (register to PensionPoint, timescale for transfers)

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Member experience – measuring satisfaction levels

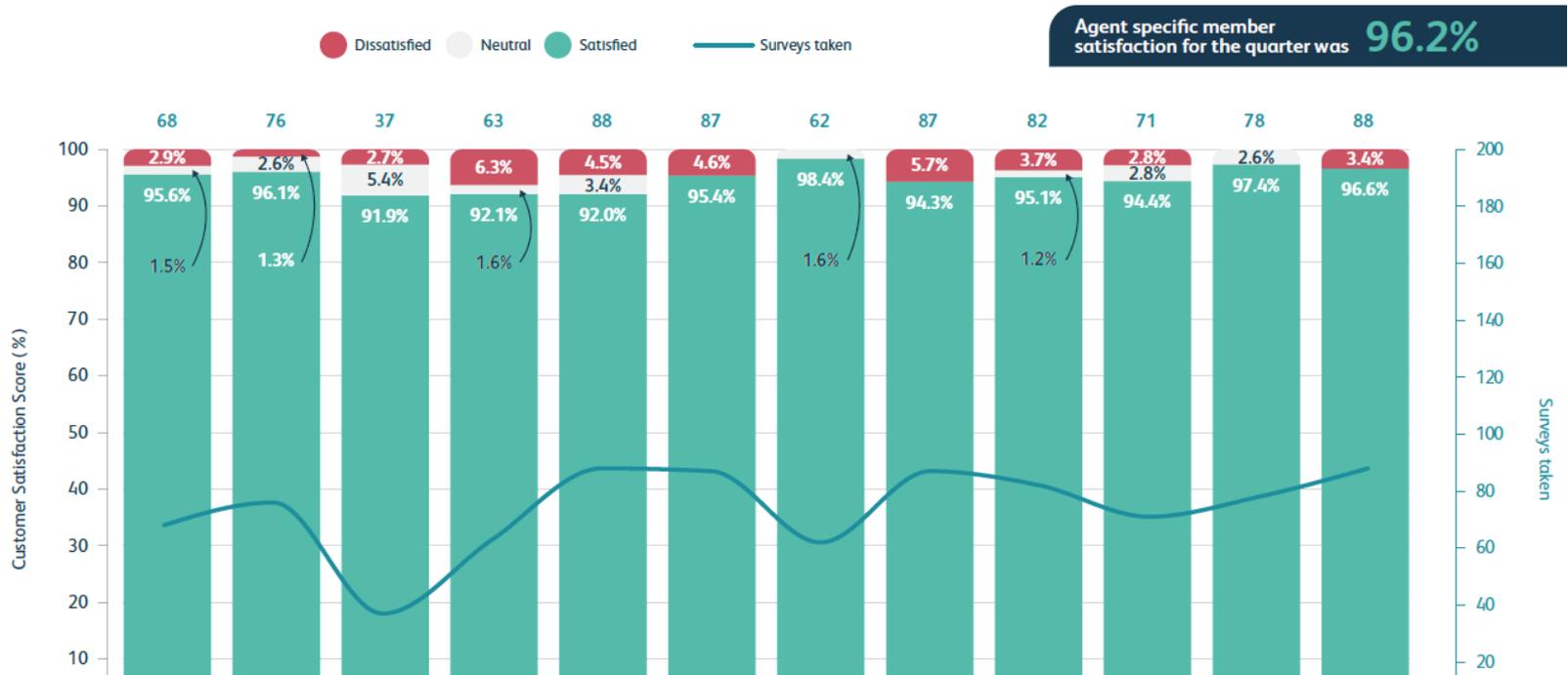
LPPA Contact Centre ratings (last 12 months) – Cumbria specific



“How satisfied are you with the overall service you have received from LPPA?”

Member experience – measuring satisfaction levels

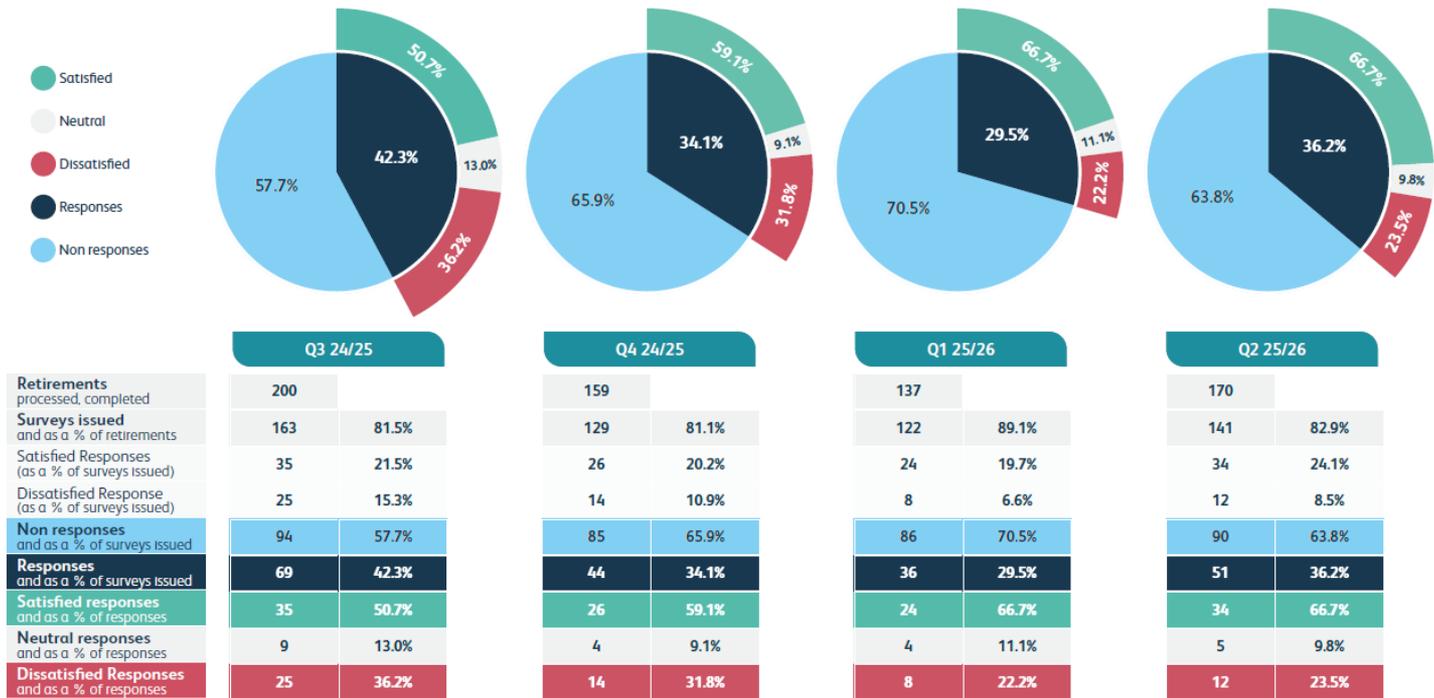
LPPA Contact Centre ratings (last 12 months) – Cumbria specific



“In connection with the adviser you have just spoken to, how satisfied are you with the service they provided?”

Member experience – measuring satisfaction levels

Cumbria Active Retirements (last 12 months)



Retirement satisfaction score with non-responders and neutrals included

85%

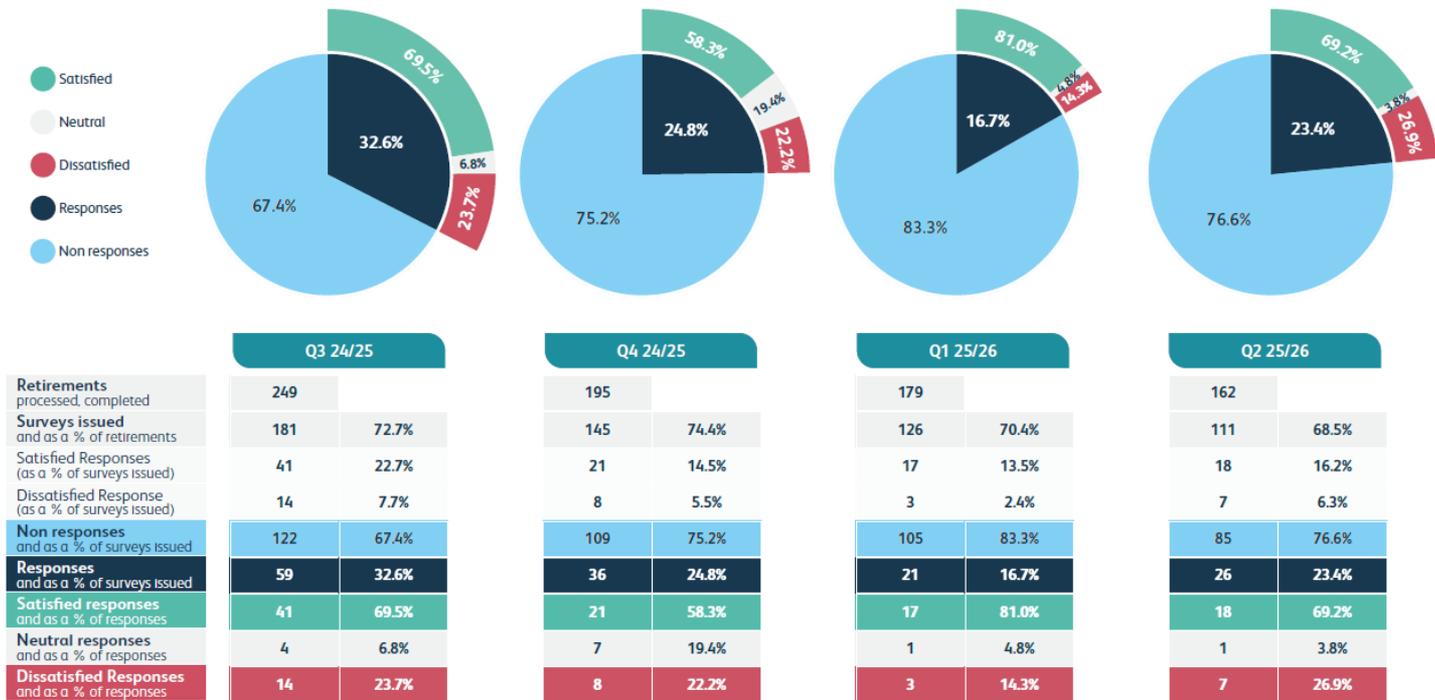
89%

93%

92%

Member experience – measuring satisfaction levels

Cumbria Deferred Retirements (last 12 months)



Retirement satisfaction score with non-responders and neutrals included

92% 94% 98% 94%

Service Improvement

Service Improvement

LPPA's Service Improvement Programme (ESIP) is designed to leverage the investment in UPM, delivering automation and improved self-service capability and member experience.

- ✓ Automated deferred quotes have been live for over a year - 50% now going through automation.
- ✓ Automated Deferred Retirement Payment process - now seeing cases go through full end to end automation.
- ✓ Online retirement form – now seeing a response (return) rate of 70% with online forms, compared to 40% for paper forms, and average return times of 6 days with online compared to 33 days with paper.
- ✓ Planning underway for other projects including Automated Active Retirement Payment (AARP) process, employer monthly return real-time validations, member contact form and remaining bank account verification processes.
- ✓ Employer Portal improvements.....

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Employer Portal

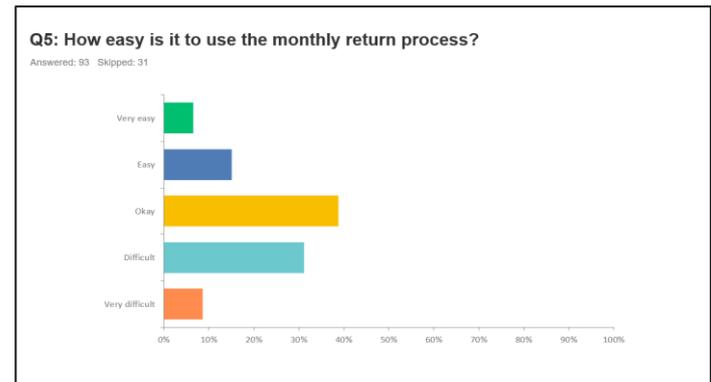
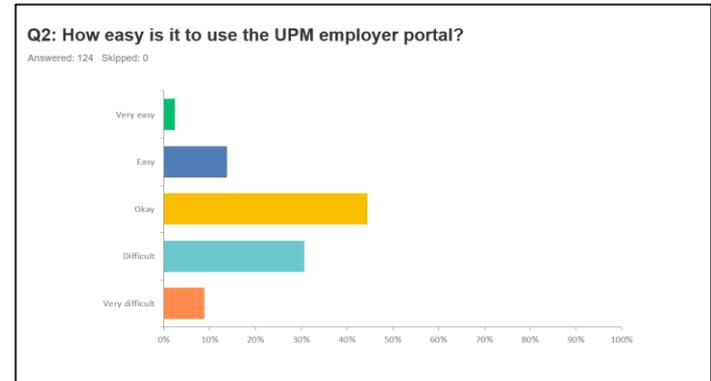
UPM employer portal survey December 2024

Background

- Audience: UPM employer portal users (including payroll providers)
- 9 questions: including three open-ended questions
- **124** responses (**13%** response rate): in December 2024

Findings

- **63%** use the portal monthly (27% weekly)
- **61%** Easy or 'OK' to use (39% difficult)
- **60%** find monthly returns process 'OK' (40% difficult)



UPM employer portal – Improvements Delivered



You said...

User experience / monthly returns

- Interface around portal and data submission process could be more 'user-friendly'
- Work tray management can feel overwhelming with the number of queries following submission of data return

Online form improvements

- Forms are unclear (not easy to understand)
- Too much information is being requested that isn't required



We did...

User experience / monthly returns

- Enhanced portal functionality (member search, ability to 'sort and filter' and process reassignment)
- Monthly return process speed improvements
- Introduction of concurrency rules for 'missing member' queries to reduce employer worktray traffic

30

UPM employer portal – Coming Soon



User experience / monthly returns



Online form improvements

- Introduction of a progress notification to provide employers with an update confirming that the file format check is in progress
- Fewer remittance advice confirmations and a new option to roll-back and resubmit data at any stage
- Up front validations when uploading data returns
- Simplified leaver form, with fewer fields and no longer required to submit data that's already captured in the monthly return
- Functional validation improvements on the new leaver form, which will perform instant checks and enable employers to resolve data queries at the point of submission

UPM employer portal – Benefits Matrix



Category	Improvement	Employer Experience	Member Experience
User experience	Sort & Filter	✓	
User experience	Processing speed	✓	
Monthly returns	Concurrency rules	✓	✓
User experience	Progress notification on monthly return file format	✓	
Monthly returns	Data roll-back functionality	✓	✓
Monthly returns	Upfront validations	✓	✓
Leaver form	Simplified form and data	✓	✓

LPPA will ensure that any employer system development is communicated in a timely manner and kept to a minimum to limit impact on employers, their IT suppliers and payroll providers.

How You Can Help Us?

Leaver Forms – You Said, We did

- Cumbria employers have previously asked for clarity on when to submit a **leaver form**
- We listened ... and issued a campaign in February 2025 to make it clearer.

LPPA still require a leaver form completing for the following reasons:

1. Deceased members
2. Flexible retirement aged 55 or over
3. Ill health retirement
4. Redundancy or business efficiency aged 55 or over
5. Resignation aged 55 or over including voluntary retirement

For all other reasons for leaving, information can be provided on your monthly data return.



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Help us improve the retirement process for your employees

When your employees are ready to retire, we want to make the process as smooth and stress-free as possible. But we can only do this with your support, because we rely on you for accurate, up-to-date and timely information. Here are two ways you can help:

Don't delay sending the leaver form

To avoid any unnecessary delays, it's important that you complete the leaver form on the UPM employer portal as soon as possible. As a minimum, this should be at least 30 days before the retirement date.

Use estimated figures

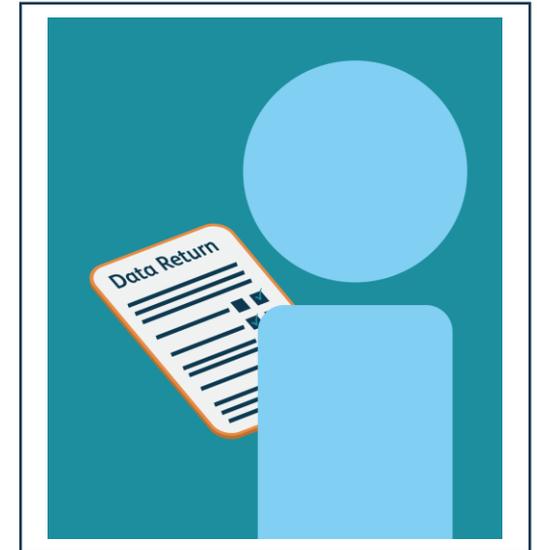
There is no need to wait until you have confirmation of your employees' final pay figures. You can complete the online leaver form using the expected final pay figures.

Why is data so important?

Good data quality is important because it...

- Ensures **correct benefit calculations** can be given to members
- **Improves efficiency and process elapsed times** by maximising the number of cases that run through our automation and reduces the number of queries between LPPA and employer
- Data drives the **actuarial valuation outcomes** – higher quality data means the actuary makes less assumptions and can result in improved funding levels
- Supports **regulatory compliance** – data quality scores are reported to The Pensions Regulator (TPR)

LPPA are actively working on data improvement across all aspects of member services, with a focus on people, process and technology.



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UPM member data submissions – Cumbria employers



Performance area	Current performance	Cumbria %	LPPA %	Cumbria RAG
Up-to-date on return	Cumbria employers consistently outperform other LG funds by reliably submitting their monthly return on time.	97.0%	83.0%	
Error rate	The error rate following completion of the monthly return is currently assessed as amber , a foundation to improve on and is comparatively slightly lower than LG peers.	6.0%	6.9%	
% of employers with a Late Leaver notification	Whilst Cumbria employers demonstrate strong performance in submitting monthly returns on time, employers are less consistent in providing retirement notifications with more than 30 days notice.	62.1%	60.2%	

PensionPoint Registrations – Cumbria employers

Top 5 employers (number of active registrations)	Total Active Members	Active Members Registered (Oct 2025)	% Total Active Members Registered
Cumberland Council	3670	2017	55.0%
Westmorland and Furness Council	3204	1830	57.1%
Cumberland Capita Payroll	1826	851	46.6%
Westmorland Furness Capita Pay	1316	566	43.0%
The Chief Constable	736	622	84.5%

Top 5 employers (% of active registrations) Minimum 100 Members	Total Active Members	Active Members Registered (Oct 2025)	% Total Active Members Registered
The Chief Constable	736	622	84.5%
Westmorland Furness - Barrow	142	112	78.9%
Westmorland Furness - Eden	110	83	75.5%
Cumberland - Allerdale	122	91	74.6%
Lake Dist National Park Auth	181	132	72.9%

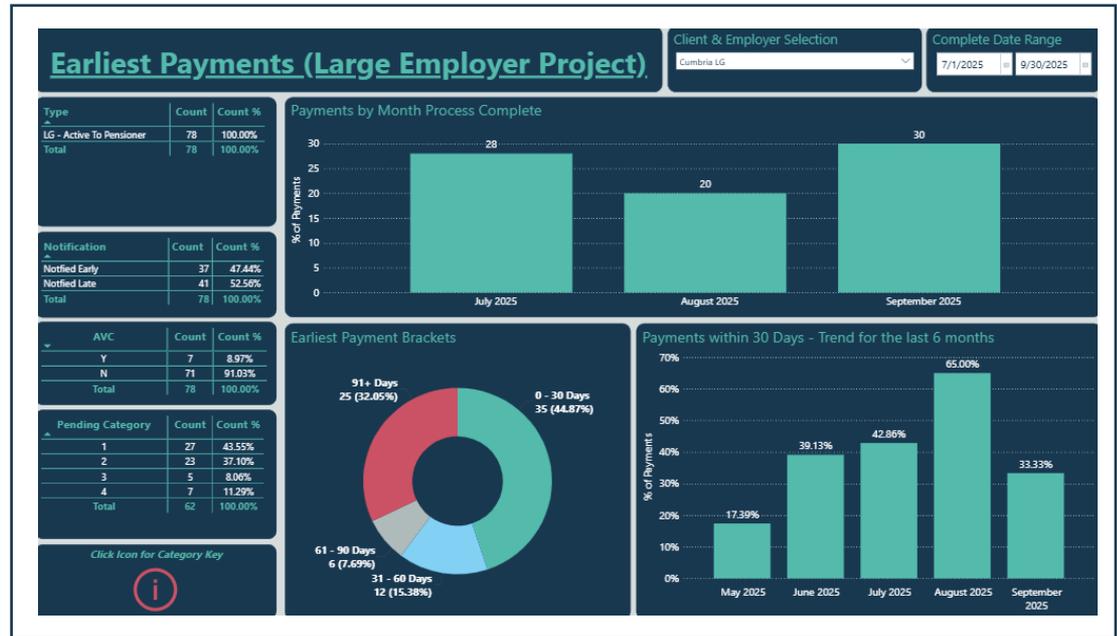
- ✓ 26 Cumbria employers with 100% members registered
- ✓ PensionPoint went live in February 2022 and has 9,459 active members registered (52% of all Cumbria active members)

All employers (% increase active registrations, 12m)	% Active Members Registered 2024	% Active Members Registered (Oct 2025)	% point Increase in Active Members Registered (last 12 months)
All Employers	46%	52%	6%

New Approach to Employer Engagement

LPPA Key Employer Strategy

- **Purpose** – dedicated engagement strategy to improve performance
- **Scope** – **Initially**, employers with >1000 active members (**4** employers in the Cumbria Fund, representing **53%** of active membership)
- **Approach** – standardised quarterly meetings including agenda items relating to collaboration on key items to support data



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Communications and Training

Communications and Training

Employer Focus

- ✓ Supporting Cumbria employers with navigation of the UPM portal and improving functionality.
- ✓ Training and provision of additional resources to support employers with the accurate and timely completion of their monthly return along with other processes, including the submission of leaver forms and estimate requests.
- ✓ Regular newsletters to keep employers fully informed of LPPA and regulatory updates.
- ✓ Responding to employer enquiries and the escalation of priority cases.
- ✓ Driving improvements to the employer portal and user experience.

Member Focus

- ✓ Providing statutory updates to members (ABS, P60, Annual Allowance).
- ✓ Issuing online newsletters to members.
- ✓ Developing online support resources, including a guide to understanding your Annual Benefit Statement.
- ✓ Improving access to pension information on the LPPA website (search facility, contact form improvements, user guides and FAQ videos), and increase Cumbria member registrations on PensionPoint to encourage self-service.

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Communications and Training

Employer Training

- ✓ These online training sessions, all bookable on the LPPA website, cover a variety of topics including:

LGPS Scheme Essentials (calculating final pay, CARE pay and assumed pensionable pay)

Employer Responsibilities (support for HR and Payroll staff) – **now combined with Scheme Essentials**

Submitting Scheme Leavers (support on how to provide leaver details)

Submitting Monthly Returns (how to upload files and resolve queries)

Managing Absence and Ill Health

- ✓ LPPA also delivers bookable training sessions to Cumbria members, including **Making Sense of Your Pension** (new starters) and **Making Sense of Retirement** (retiring members).

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LPPA Projects

Key Projects

McCloud Remedy

- Project well underway to remedy age discrimination relating to the introduction of the CARE scheme
- All active, deferred and pensioner/dependent members, as well as those that transferred out, are assessed to see if they are eligible for remedy
- c.16% of Cumbria members are eligible for remedy BUT only c.5% of those benefit from it
- This project will become Business As Usual in 2026 and will go on for decades!

Pensions Dashboard

- Government initiative to allow consumers to see all their pensions in one place
- We will shortly connect your data into the central architecture and access for consumers is expected to be 2027

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Any questions?



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Employer Focus

Ally McGuinness, Finance Manager – Pensions

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Focus for today's presentation

**Cumbria
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- **Outsourcing Payroll and Changing Payroll Providers**
- **Notification of leavers**
- **(After Mercer presentation)
Contributions from 1 April 2026**



Notification of Leavers

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- Your UPM upload should do the heavy lifting
- You don't need to submit leaver forms for the following reasons:
 - Dismissed
 - TUPE/Academy conversion/MAT Transfer
 - Resignation aged under 55
 - Opt Out of Scheme

LPPA may contact you if there are any queries with these types of cases.



Notification of Leavers

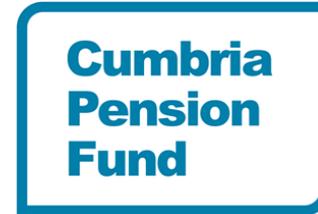
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So there are very few types of leaver you need to complete a form for:

- Resignation aged over 55
 - Retirement
 - Flexible Retirement
 - Ill Health Retirement
 - Death in Service
-
- For retirement cases you are able to submit a leaver form up to 3 months ahead of the leaving date – this helps to ensure a smoother, faster process for the Scheme member



Notification of Leavers



Did you know there is an APP (Assumed Pensionable Pay) calculator on LPPA's website (lppapensions.org.uk)?

[Calculating APP • Local Pensions Partnership Administration](#)

And here is a bitesize video to help too:

[Assumed Pensionable Pay - Overview](#)



Changing Payroll Providers

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- **Notify the Fund and LPPA as soon as possible**
 - Allows time to liaise with the new payroll provider
 - Gives time to resolve existing data queries
 - Ensure you retain the correct data (think about retention policy)
 - Consider who needs to be given access to Sharepoint or UPM?
- **Let the new payroll provider know the monthly deadlines**
 - Contributions paid by 19th of following month
 - AVCs paid by 19th of following month
 - LPPA upload by 10th of following month
 - Leaver forms – at least 2 months in advance



Considerations when outsourcing payroll

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Employers remain responsible for pension obligations under the LGPS even if payroll is outsourced.



When appointing a payroll provider

- Ensure they have **expertise in LGPS regulations** and pension administration.
- Clarify **exact responsibilities** – some providers may not handle key pension-related tasks.
- Ensure they **stay updated** on LGPS changes and attend necessary training.
- Verify their ability to **meet deadlines, store data appropriately, and handle transitions** if you switch providers.



Any questions / comments or suggestions?



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- Then please contact us at:
pensions@westmorlandandfurness.gov.uk
- Visit our website: www.cumbriapensionfund.org
- Or for helpful employer FAQs and LPPA contact details, please see: www.lppapensions.co.uk/contact/





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Cumbria Pension Fund Overview and 2024/25 Performance

cumbriapensionfund.org

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Cumbria LGPS – Key Statistics at March 2025

- 67,223 Fund Members
 - Actives 21,244
 - Deferred 25,160
 - Pensioners 20,819
- 109 Employers
- £3,478 million in assets (£3.4 billion)

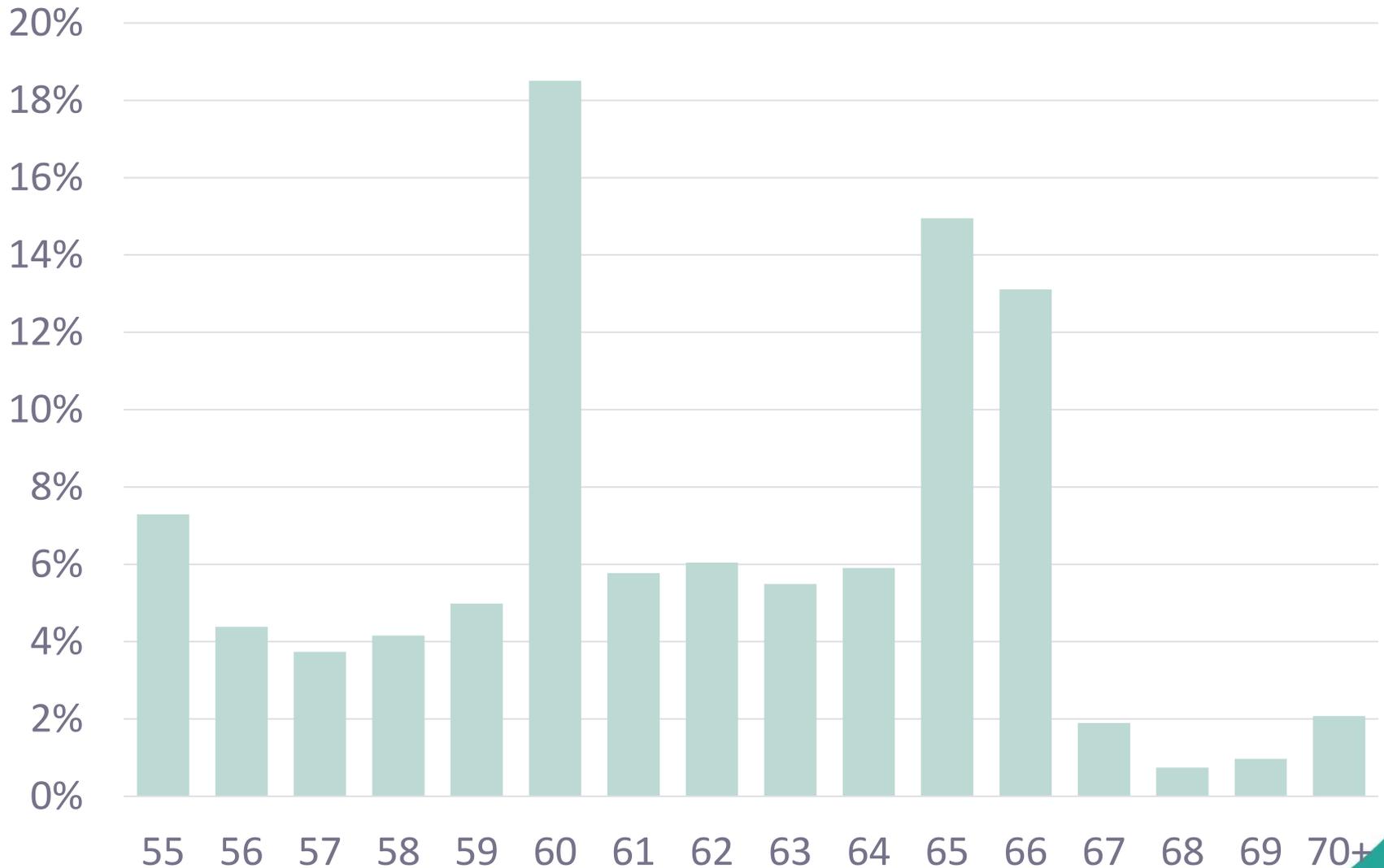


Current Profile of Cumbria LGPS Membership

- 69% of active members are part time
- 82% of part time staff are females
- 31% work less than 18.5 hours / week
- The average pension was c £4,500 pa
- Less than 1% of CLGPS pensioners have a pension of more than £30,000



Age of Retirement



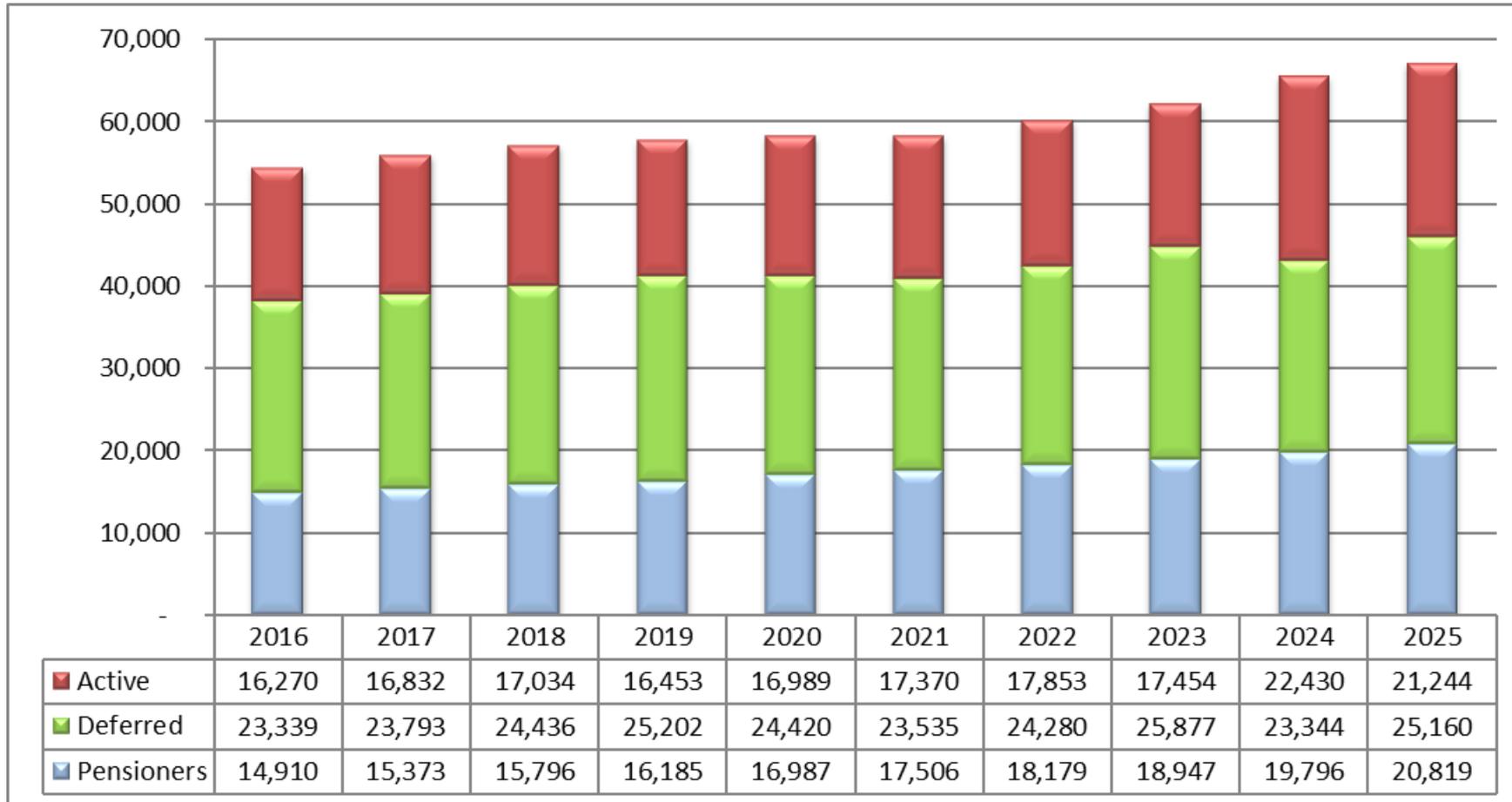
Why the LGPS Matters to Cumbria



Cumbria LGPS
has 67,223
member records –
equivalent to
15.8% of the adult
population of
Cumbria

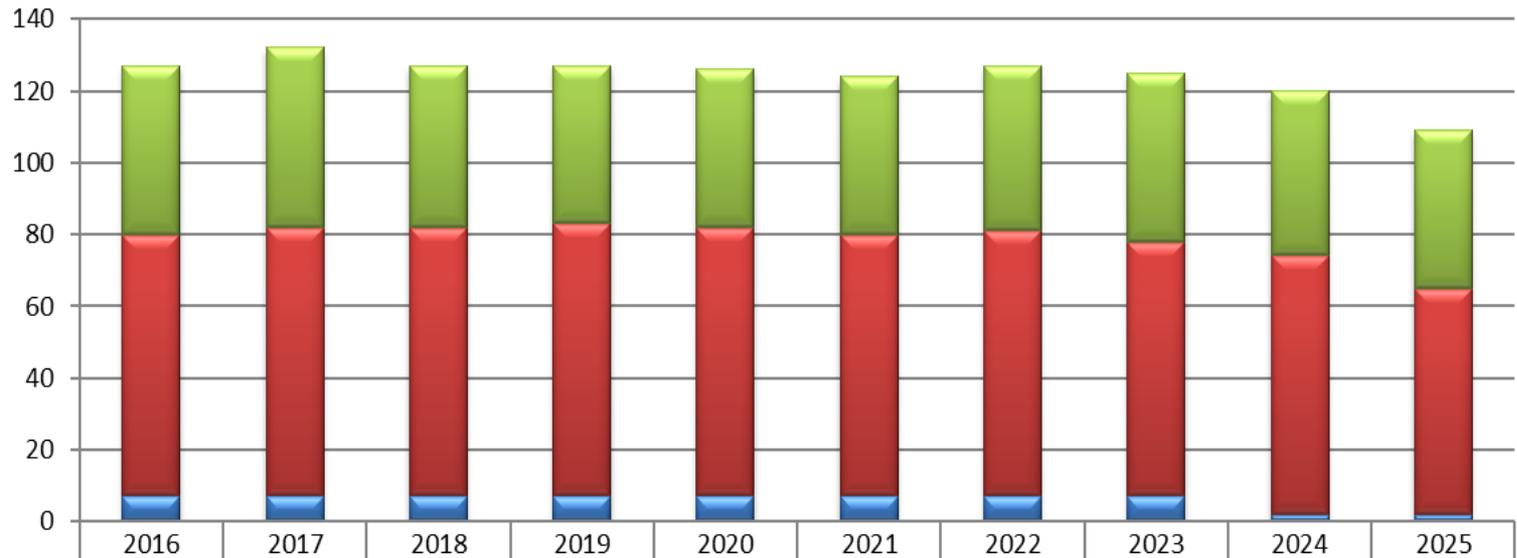


Membership Numbers



Employer Numbers

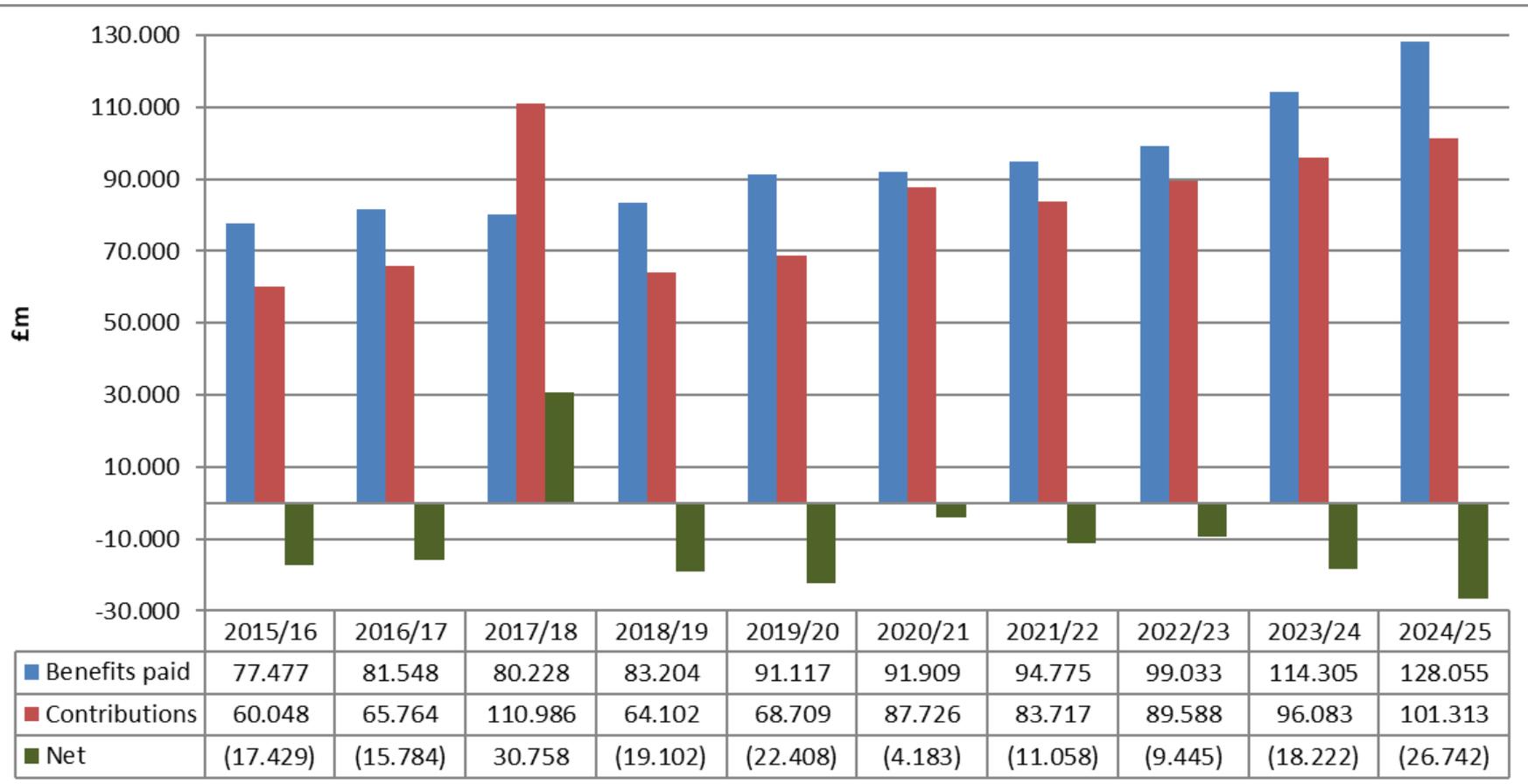
Numbers of employers in the Cumbria Fund reducing due to terminations & academy mergers



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Admitted Bodies	47	50	45	44	44	44	46	47	46	44
Other Scheduled Bodies	73	75	75	76	75	73	74	71	72	63
County & District Councils	7	7	7	7	7	7	7	7	2	2



Benefits Paid & Contributions Received





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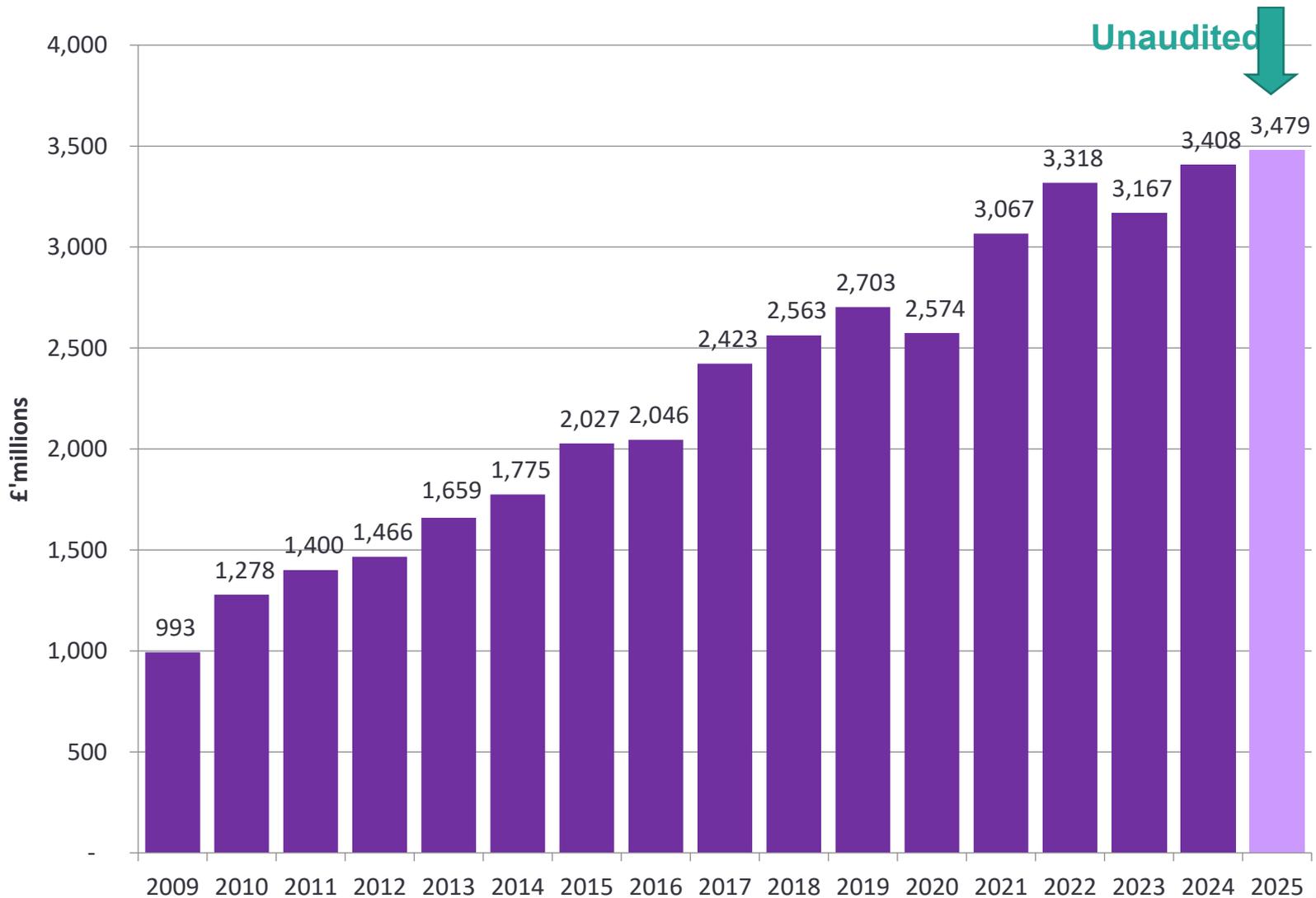
Investment Performance

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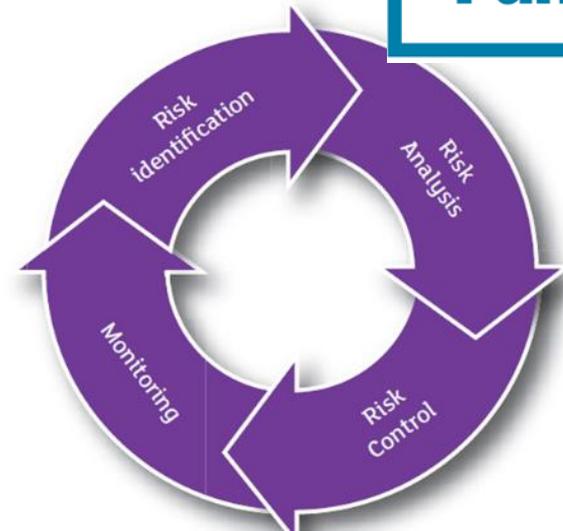
Value of the Fund's Assets



Investment Approach

Cumbria Pension Fund

- Long term investor
- Diverse portfolio, e.g.
 - Various asset classes
 - Global investments
 - Public & private markets
- LGPS Investment Pooling
- Responsible asset owner
- Risk monitoring & management.



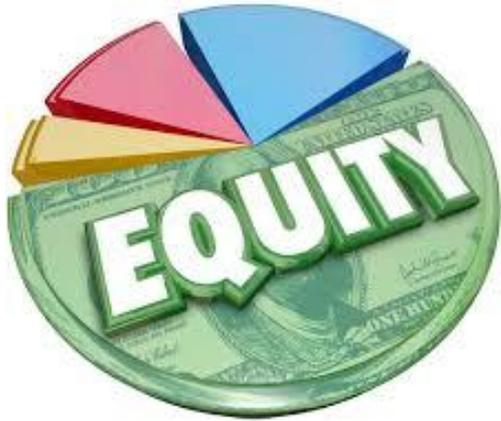
PENSIONS PARTNERSHIP

Cumbria Local
Government
Pension
Scheme

Stewardship Report
2022/23



How do we invest our members' £3.479 billion?



Investment Strategy

- Asset allocation (not manager selection) accounts for c. 85% investment return.
- Specific to each Fund & focusses on managing risk / return.

It should consider the Fund's individual liability profile.

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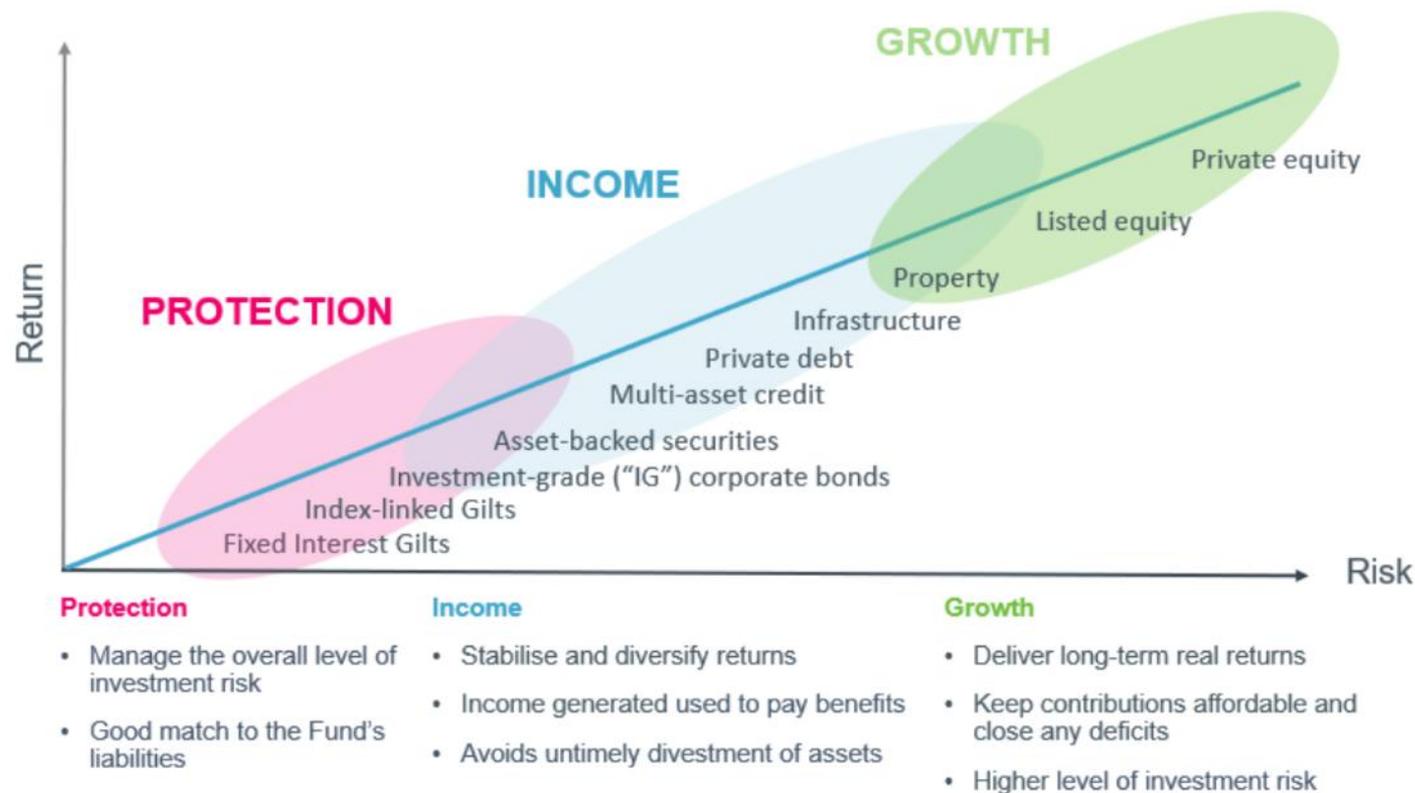
Focus on the expected long term risk adjusted returns (net of fees).

- UK Stewardship Code signatory: As a long-term investor, Environmental, Social and Governance (ESG) considerations are a fundamental element of the investment process (both in terms of risk and reward) to the Fund.
- Pensions Committee agreed the current Target Asset Allocation in June 2024.



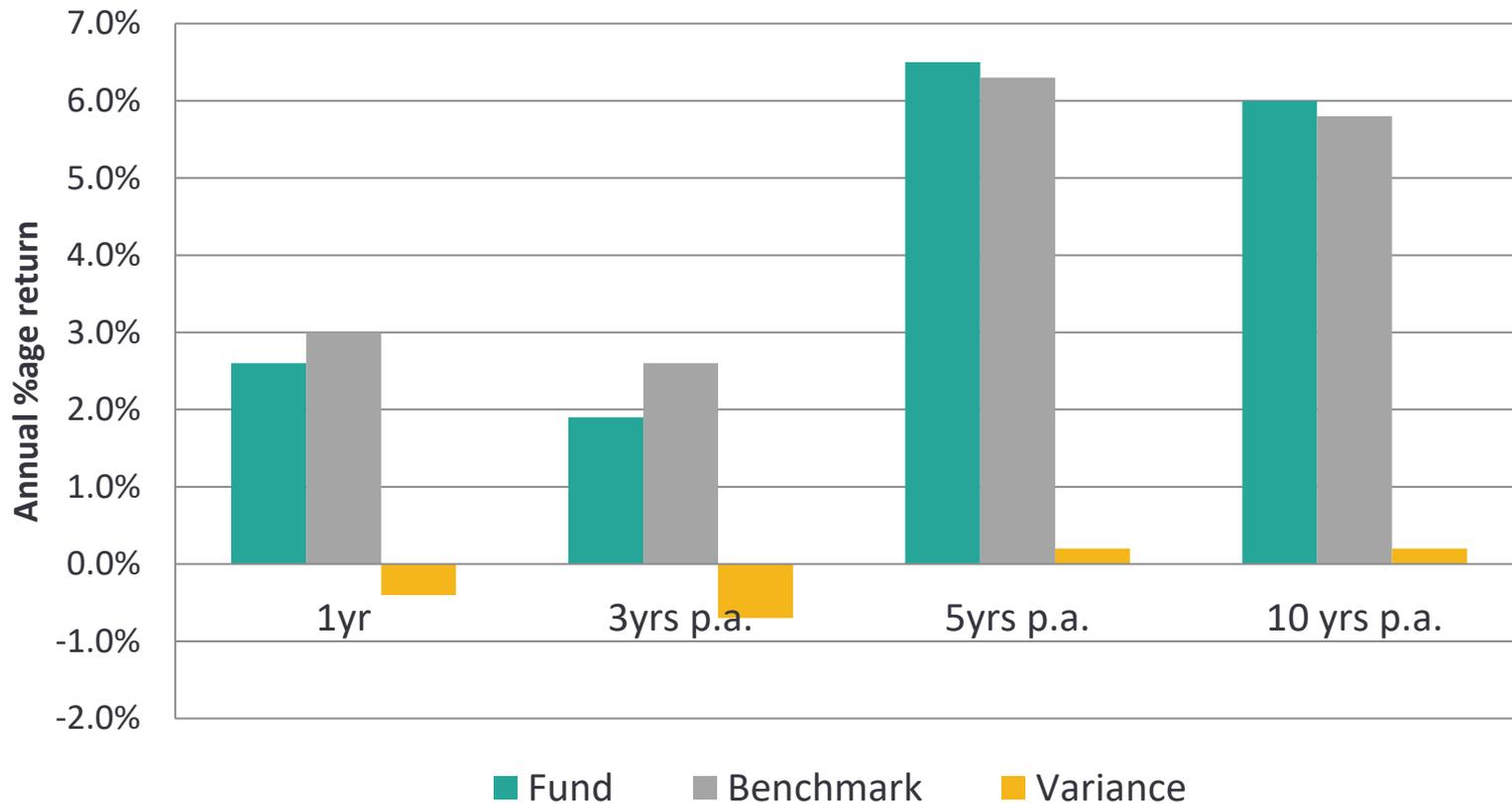
Investment Portfolio

The Investment Strategy will seek to balance risk and return. For example, the Fund may look at the mix of growth, income and protection assets.



Annual Fund Investment Performance at 31 March 2025

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Pension
Fund**

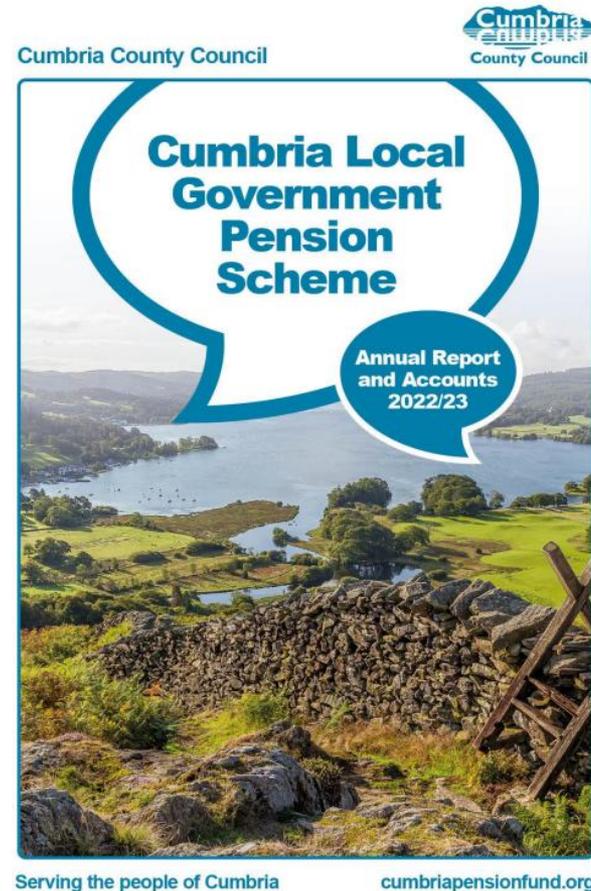


Accounts and Annual Report

**Cumbria
Pension
Fund**

- Pension Fund Accounts:
 - Available online in draft.
 - Included in the Annual Report
 - External audit currently underway.

- Available at:
cumbriapensionfund.org



2025 Valuation Briefing

Cumbria Local Government Pension Scheme

27 November 2025

Mark Wilson FIA C.Act



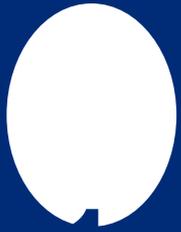
Employer Results

Agenda

1. Back to Basics
2. Preliminary 2025 Valuation Analysis and Outcomes
3. Funding Strategy Statement
4. Questions

Employer Results





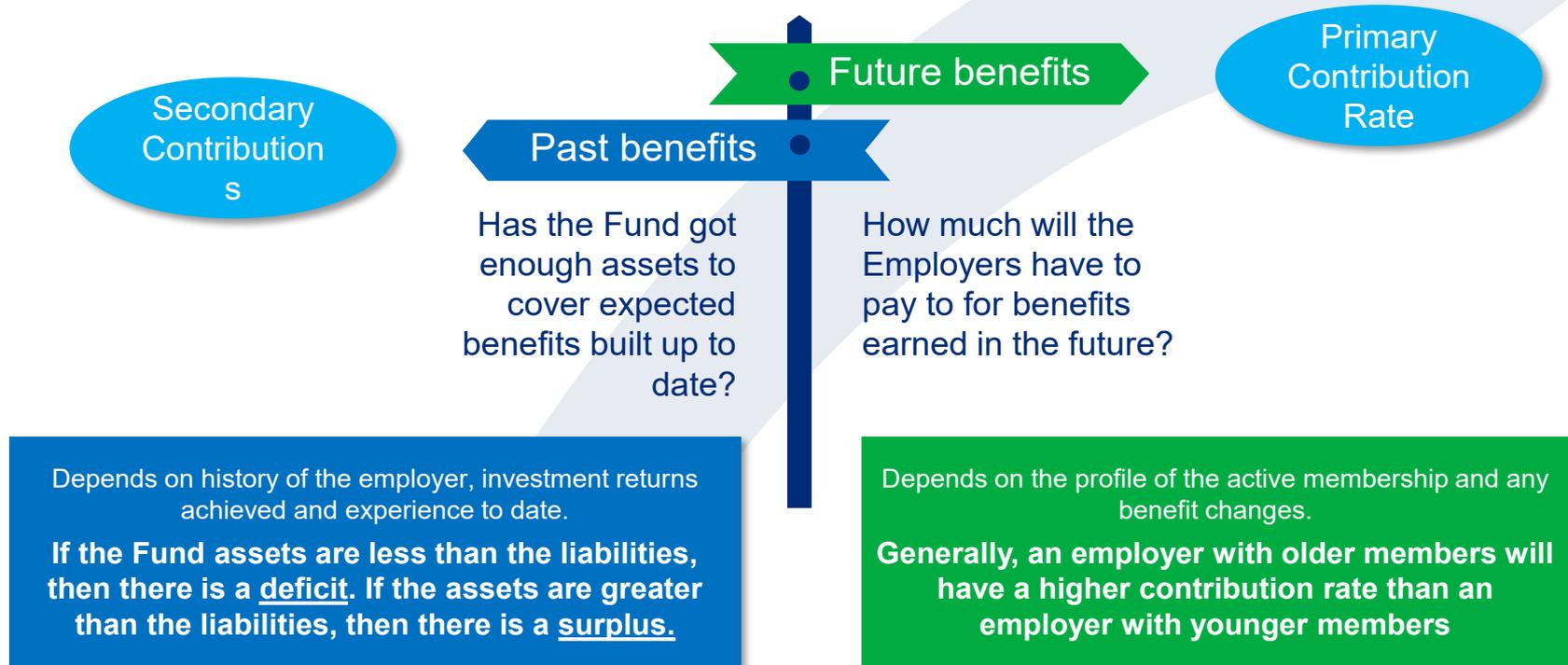
Back to Basics



Employer Results

Back to Basics

In simple terms



Calculated for the Fund, but also at employer level – each employer is responsible for their own members

Back to Basics

Actuarial Assumptions

Financial and Demographic Assumptions



Investment
Return
"Discount
Rate"



Inflation /
Pension
increases



Life
Expectancy



Normal / Early /
Ill Health
Retirement



Cash Commutation
/ 50:50 Take up etc



Salary
Increases



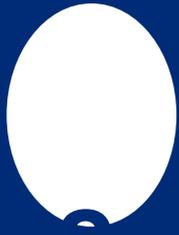
Leavers

Considers market outlook and Fund objectives around affordability & stability

Reviewed based on the latest data

Considers Fund specific analysis for base tables as well as projection trend evidence and scenarios using the national CMI models.

Ill health incidence, commutation, pay growth, leavers, etc. usually much less impactful. Considered as part of valuation process demographic analysis.

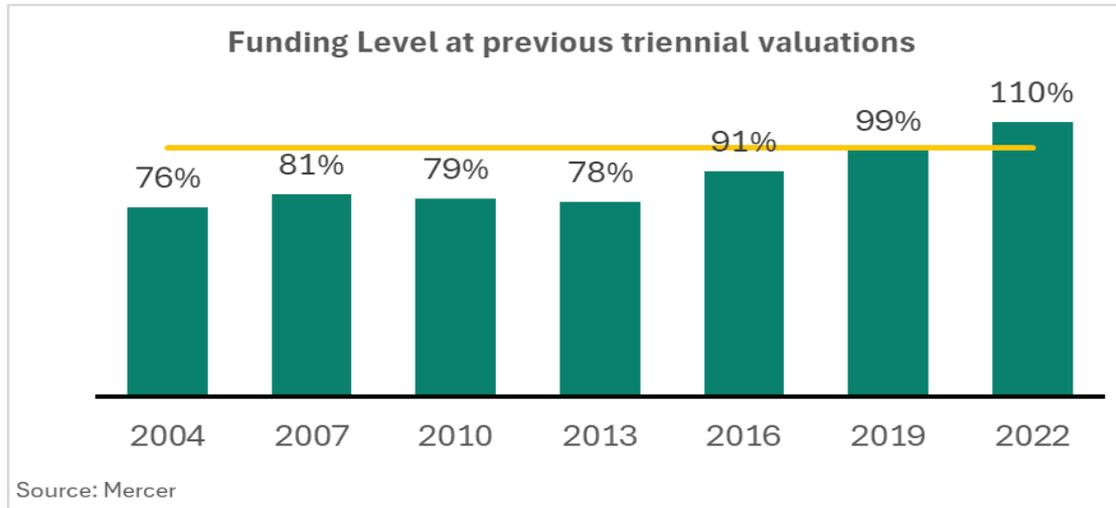


Preliminary 2025 Valuation Analysis and Outcomes

Employer Results

Preliminary 2025 Valuation Analysis and Outcomes

Funding level hasn't always been as healthy



- The chart shows the Fund's aggregate funding level* at each of the triennial valuations since 2004
- The Funding level was less than 100% (i.e. there was a deficit) until the 2022 valuation
- Over those 18 years, it was restored primarily by investment returns and additional employer contributions.

Preliminary 2025 Valuation Analysis and Outcomes

Experience since 2022 - Key factors



Investment performance

The 3-year return of **c6.5%** (2.1% p.a.) was below the main 2022 valuation assumption of 4.35% p.a. In isolation, this **reduced the funding level by around 6%**



High levels of CPI

Since 2022 total CPI was **16.6%** (**5.2% p.a.**), vs. the valuation assumption of 3.1% p.a. In isolation, this caused a **reduction in the funding level of c5%**



Increases in future investment return outlook

Interest rates increased significantly since 2022
This leads to higher expected future returns which in isolation this will **increase the funding level**
But the size of the increase depends on how much credit for these expected future returns is taken

The net result is a significantly improved position compared to 2022.

Preliminary 2025 Valuation Analysis and Outcomes

Key parameters



Real discount rate

(i.e. assumed investment return above inflation).

Higher assumption means *more risk* but also means lower assessment of liabilities and so *lower current* contributions.



Funding buffer

Provides extra contribution stability – first x% of surplus retained in employer notional asset share, remainder returned to employers via lower contributions



Recovery period

Over which excess surplus / deficit removed. Longer = more stability (as enables more smoothing)

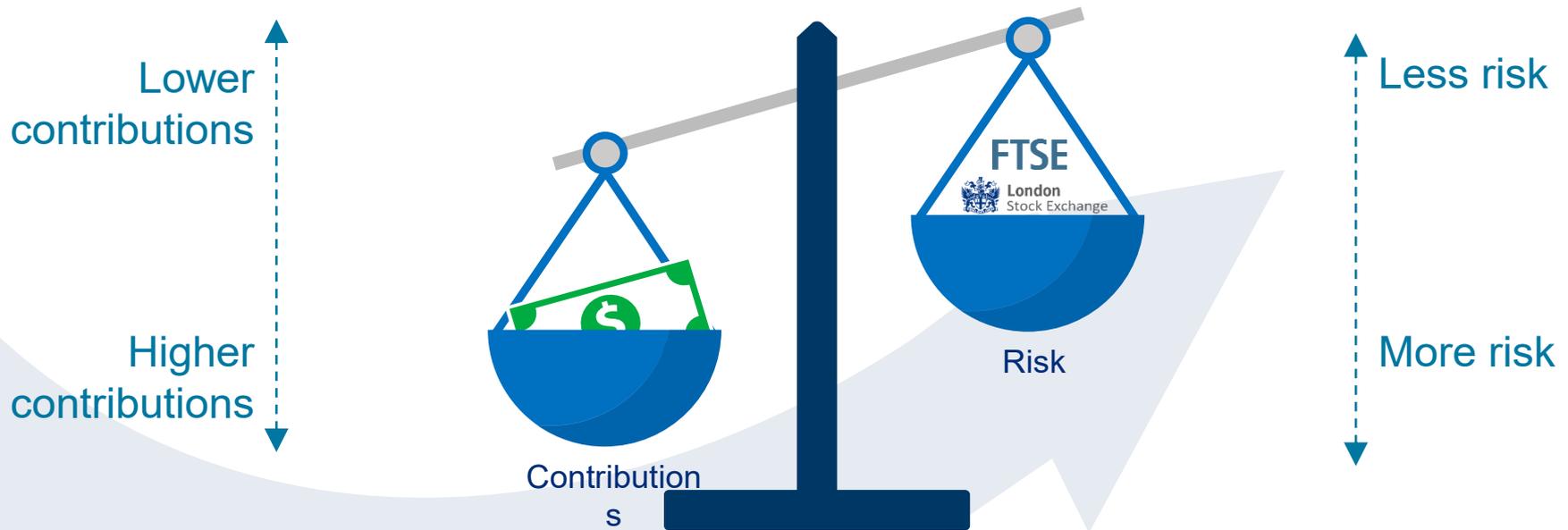
Impact (for the Fund in aggregate)

	Real discount rate changes by 0.1%	Buffer changed by 5%	Recovery period changed by 3 years
Primary rate	c0.5% of pay	No impact	No impact
Secondary rate	c0.8% of pay	c2.4% of pay	c0.8% of pay

Impacts for individual employers will vary potentially materially, depending on their own circumstances

Preliminary 2025 Valuation Analysis and Outcomes

The 2025 valuation will see contribution reductions for many employers



Balancing short-term affordability versus longer term contribution stability

Preliminary 2025 Valuation Analysis and Outcomes

2025 Valuation – preliminary results

	31 March 2022	31 March 2025
	Final valuation position	Updated position
Real discount rate - past	1.25%	2.75%
Real discount rate - future	2.00%	2.50%
Assets (£m)	3,318	3,476
Liabilities (£m)	3,009	2,804
Surplus / (deficit) (£m)	309	672
Funding level	110%	124%
Recovery period	10	15
Funding buffer	10%	15%
Secondary contributions	-0.6%	-4.4%
<i>Note: Figures allow for the employer results at the current time</i>		
Primary contributions	18.9%	16.4%
Total contributions	18.3%	12.0%



The provisional results show:

A higher funding level / lower contributions compared to any recent valuations

An increase in prudence levels

This means:

The Fund is in an **improved position to keep contributions stable** in future (although significant risks still remain).

The Fund's average contribution rate is reducing from 18.3% to 12.0%

Preliminary 2025 Valuation Analysis and Outcomes

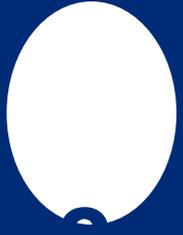
Contribution sustainability



**What is the chance of maintaining the proposed contributions for the next two valuations?
How can we improve this by using prudence in the funding plan?**

Valuation Year	Likelihood of maintaining 12% contribution rate		
	Retain 2025 valuation parameters	Reduce buffer 15% to 7.5%	Reduce buffer AND increase discount rate by 0.25%
2028	c50%	60%	75%
2031	c50%	60%	75%

If future experience is better than assumed, there may be the opportunity to reduce contributions further



Funding Strategy Statement

Employer Results

Funding Strategy Statement

Main Area



The draft FSS reflects the requirements of the updated guidance



Updated Guidance (January 2025) - key changes

- integrated risk management (incl. covenant / climate risk)
- employer engagement and consultation
- treatment of emerging issues (e.g. surplus, guarantors)
- layout and content

Funding Strategy Statement

The consultation process



**All employers
must be
consulted**



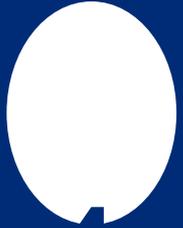
**Process decided
by the
Administering
Authority**



**Employers
views must be
considered**



**Final decision
rests with the
Committee**



Questions

Employer Results





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Employer Results

Menti poll

**Cumbria
Pension
Fund**

Join at menti.com | use code **5863 7798**

Funding Strategy Statement Consultation

Your input helps us with this consultation, please take a moment to share your thoughts.



Contributions from 1 April 2026

**Cumbria
Pension
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- New contribution rates from 1 April 2026
- Different or new surplus/deficit contributions
- Any **deficit** must be paid in 12 installments starting in April (ending March)
- Any surplus can only be recovered up to the total employer contributions due



Employers with a surplus

**Cumbria
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Example #1 of how to recover your surplus:

- Monthly employer contributions £3,000
- Annual **surplus** due to employer £24,000 (£2,000/month)
- Employer pays £3,000 per month less $\frac{£24,000}{12} = \mathbf{£1,000}$ payable to Fund

Example #2 of how to recover your surplus:

(if your surplus is greater than your employer contribs)

- Monthly employer contributions £3,000
- Annual **surplus** due to employer £42,000 (£3,500/month)
- Employer pays £3,000 per month less $\frac{£42,000}{12} = \mathbf{£zero}$ payable to Fund (you can only offset up to total employer contributions)



Employers with a surplus

**Cumbria
Pension
Fund**

- You must pay over all of your **employee contributions** each month.
- You can't offset any surplus against employee contributions



Thank you!

The logo for Cumbria Pension Fund, consisting of the text "Cumbria Pension Fund" in a bold, blue, sans-serif font, enclosed within a blue rounded rectangular border.

**Cumbria
Pension
Fund**

- The Fund appreciates all of the work you undertake each year for Scheme members.
- Thanks for attending today and sharing your views on the Funding Strategy Statement.
- Employers who have pre-booked an appointment to speak to one of the actuaries need to wait here and we will collect you for your appointment.

