

University of Liverpool Pension Fund

SUMMARY FUNDING STATEMENT

The Trustee Directors of the University of Liverpool Pension Fund (ULPF) are pleased to provide you with the latest Summary Funding Statement. It is recommended you read this statement as it contains important information about your pension.

The Trustee Directors are responsible for providing you with a Summary Funding Statement from time to time to let you know about ULPF's financial security and the funding of ULPF. The information in this summary is based on the actuarial valuation that was produced for the Trustee Directors as at 31 July 2021.

If you have any questions about the contents of this statement then please see "**How do I contact the Pensions Team?**" section later in the statement.

HOW IS MY PENSION PAID FOR?

ULPF is a defined benefit scheme. This means that members are provided with a defined level of benefit when they retire or leave. ULPF comprises two sections; the Final Salary Section and the CARE Section. The Final Salary Section provides members with benefits based on their pensionable service and their pensionable salary (if applicable) as well as their pensionable earnings and the CARE Section provides members with benefits based on their earnings for each year they are a member. If you are currently contributing to ULPF the appropriate calculation will be carried out at your retirement or date of leaving service, if earlier and you will be advised of the amount of your benefits at that time.

Your pension does not come from a pot of money held in your name but comes from

a larger pool of money put aside with the aim of meeting all of ULPF's future pension payments. All contributions and investment income are held in this common fund and make up the fund's assets. The Trustee Directors' policy is to seek to invest in a broad range of assets that maximize investment income and limit ULPF's exposure to market volatility and high risk investments. This will include assessing and ensuring that the level of investment risk being run by the fund is appropriate. The policy is agreed with the University and takes into account the level of support provided to ULPF by the University and the ability to withstand the shocks of periods of market uncertainty and poorer returns.

Further details of the fund's investment strategy are given in the Statement of Investment Principles, which is available on the Pensions website.

HOW WELL FUNDED IS THE SCHEME?

The latest triennial actuarial valuation of ULPF showed that on 31 July 2021 the funding position was as follows:

Assets	£620,934,000
Amount needed to provide benefits earned to date (technical provisions)	£461,259,000
Surplus	£159,675,000
Funding level	135%

CHANGE IN FUNDING POSITION

Over the period from the 31 July 2018 actuarial valuation to the 31 July 2021 actuarial valuation, the funding level improved from 128% to 135%. This is mainly due to asset returns being significantly better than expected, although this has been partially offset by adverse changes in financial conditions.

DID THE FUNDING LEVEL REDUCE DUE TO VOLATILITY CAUSED BY THE SEPTEMBER 2022 “MINI” BUDGET?

No – the funding position has actually improved further since 31 July 2021 as a result of market movements. You may have seen reference in the news at the time to some schemes similar to ULPF being impacted by the market volatility and especially those using something called Liability Driven Investments or LDI for short. ULPF does not hold any LDI investments, which is why it was not impacted by the particularly volatile movement in this type of asset.

PLANNING FOR THE FUTURE

The Trustee Directors agree a funding plan with the University that aims to make sure there is enough money in ULPF to pay for pensions now and in the future. The amount of money that the University pays into ULPF may go up or down following regular funding checks by the Scheme Actuary (known as actuarial valuations), which are carried out at least every three years. Following each full actuarial valuation, the Trustee Directors come to an agreement with the University on future contributions required to ensure there is sufficient funding for future benefits being built up by active members and to allow for making good any shortfall over an agreed timescale. These matters are documented in the Statement of Funding Principles, any Recovery Plan and the Schedule of Contributions. As ULPF was in surplus as at 31 July 2021, there was no requirement

for a recovery plan. Copies of these documents are available on request.

Under the provisions of the Pensions Act 2004, the Pensions Regulator has the authority to:

- Change the rate at which members earn benefits.
- Instruct a pension scheme on how to value members’ benefits.
- Set a deadline for making good the shortfall.
- Set the future level of contributions.

Such a course of action is rare and has not occurred for ULPF.

THE IMPORTANCE OF THE UNIVERSITY’S SUPPORT

The University’s continuing support is crucial to ensure that the Trustee Directors’ primary objective – which is to have enough assets to pay pensions now and in the future – can be met. To assist in achieving this objective, the Trustee Directors regularly monitor the University covenant (the ability of the University to support ULPF) to ensure that it safeguards benefits. However, there are a number of potential barriers to achieving this objective, which include the fact that the funding level can fluctuate and also the funding level may not turn out to be enough. In these situations, there may be a need to increase contributions, amend benefits, or a combination of both.

The Trustee has not made any payments to the University since the last Summary Funding Statement was produced.

WHAT WOULD HAPPEN IF ULPF STARTED TO WIND UP?

Please be reassured that it is a legal requirement to provide this information and does not imply that the University has any intention to wind up ULPF.

The valuation as at 31 July 2021 showed that the assets could not have paid for the full benefits of all members to be provided by an insurance company if ULPF had wound up at that date, with the funding level on this basis being 91% with a shortfall of £60,805,000.

If ULPF were to terminate, the law requires the University to pay sufficient money so that the full benefits built up in ULPF can be purchased with an insurance company. It may be, however, that the University would not be able to pay this full amount. If the University became insolvent, the Pension Protection Fund might be able to take over ULPF and pay compensation to members.

Further information and guidance is available on the Pension Protection Fund's website at www.ppf.co.uk

Alternatively, you can write to the Pension Protection Fund by sending an email to information@ppf.co.uk

ANNUAL REPORT AND ACCOUNTS

A copy of the latest Annual Report and Accounts including the investment Implementation Statement is available from the Pensions website. The Implementation Statement explains how and the extent to which the Trustee has followed its policy on stewardship as detailed in the Statement of Investment Principles.

CHANGES OF ADDRESS AND EXPRESSION OF WISH FORM

You should advise us in writing if you change your address and you should also ensure that your "Expression of Wish form", is kept up to date to guide the Trustee on who should receive any lump sum benefits payable on your death. A copy of this form is available from the Pensions website or you can contact the Pensions Team for a copy.

PENSION SCAMS

There are many different types of pension scams but they can all lead to you having a lifetime's worth of savings stolen.

Pension Scam victims have an average of £51,000 stolen from them according to the Financial Conduct Authority (FCA) and the Pensions Regulator.

Scams are hard to spot and are often disguised with websites, testimonials and materials that all look very credible. To help you spot the signs of a scam the FCA and the Pensions Regulator suggest following four simple steps:

1. Reject unexpected offers including pension cold calling which is illegal
2. Check who you are dealing with
3. Do not be rushed or pressured into making a decision you may regret
4. Get impartial information or advice.

If you are thinking of transferring your ULPF pension benefits to another arrangement you should always consult a professional advisor, such as an Independent Financial Adviser, before taking any action.

Read more about being scam smart at: www.fca.org.uk/scamsmart

WHERE CAN I GET MORE INFORMATION ABOUT ULPF?

If you have any questions, or would like any more information about ULPF, visit the Pensions website, or ask the Pensions Team for a copy of any of ULPF's documents including:

- ULPF Booklet,
- Trust Deed and Rules,
- Actuarial Report,
- Statement of Funding Principles,
- Schedule of Contributions,
- Statement of Investment Principles
- Annual Report & Accounts
- Implementation Statement

HOW DO I CONTACT THE PENSIONS TEAM?

The University's Pensions Team is part of the Human Resources Department,

The Team is available to provide information to all ULPF members including prospective, active, deferred, pensioner and dependent members.

Our email address for all enquiries is: pensions@liverpool.ac.uk

Our website address is:

www.liverpool.ac.uk/hr/pensions

Our normal working hours are 9.00am to 5.00pm

Pensions Manager: Christine Jones

For general enquiries please email pensions@liverpool.ac.uk or call one of our Pensions Administrators:

Jennie Hall	0151 795 4674
Maria Hornby	0151 794 2125
Dave Mallon	0151 795 2229

The Payroll Administrator to call for enquires relating to your pension payments or tax related issues is:

Andrew Campbell, 0151 795 5246

Our postal address is:

Pensions Team
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502 Training Hub
150 Mount Pleasant
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