

Welcome to the 2025 Employer Forum

Agenda...the morning

Time	Topic and speaker	
9.30 – 10.00	Registration - Coffee & pastries	
10.00 - 10.10	Welcome	
10.10 – 10.25	Introduction and update – Councillor Paul Redstone (Pension Committee)	
10.25 – 10.40	Update from Board – Ray Martin (Chair of Pension Board)	
10.40 – 11.00	Fit for the Future (Investment pooling and Local Government Reorganisation) – Susan Greenwood (Head of Pension Fund) & Ian Gutsell (Chief Finance Officer)	
11.00 – 11.15	Coffee break	
11.15 – 11.35	Communications update – Paul Linfield (Pensions Communication Manager)	
11.35 – 12.10	Pension administration – Paul Punter (Head of Pensions Administration)	
12.10 - 12.30	Governance update – Dave Kellond (Head of Governance)	
12.30 – 13.15	Lunch	

Agenda...after lunch

Time	Topic and speaker	
13.15 – 14.00	Valuation update – Barnett Waddingham – Barry Mckay and Karen Jamieson	
14.00 – 14.20	Funding Strategy Statement – Barnett Waddingham and Susan Greenwood	
14.20	Surgery for employers who want to speak to us about valuation or any other subject. Then close.	



Pension Committee update

Councillor Paul Redstone

The Fund

- Number of Members: 83,211
 - Active 24,654 / Deferred 34,018 / Pensioners 24,539
- Number of Employers 153
- Value of Fund c£5.2bn
- The Team
 - Susan Greenwood (Head of Pensions)
 - Russell Wood (Head of Investments & Accounts)
 - Paul Punter (Head of Pension Administration)
 - Dave Kellond (Head of Governance & Compliance)
 - Paul Linfield (Communications Manager)

The Committee: Cllr Fox, Cllr Hollidge, Cllr Redstone, Cllr Taylor, Cllr Tutt
The Board: Ray Martin, Zoe O'Sullivan, Trevor Redmond, Neil Simpson, Philippa

Buckingham, Linda Hughes, Cllr Wilson



2025: A big year for the Pension Fund

- Government's 'Fit for the Future' consultation generated a great deal of work.
- End result was that the Fund's current investment pooling partner – ACCESS – was no longer supported by government, which required the Fund (along with 20 other LGPS funds) to seek a new pooling partner.
- Moving to Border to Coast Pension Partnership Pool by I April 2026
- Triennial valuation year very important event for the Fund and employers.
- Ongoing work to implement McCloud Remedy and connect to the Pensions Dashboard.

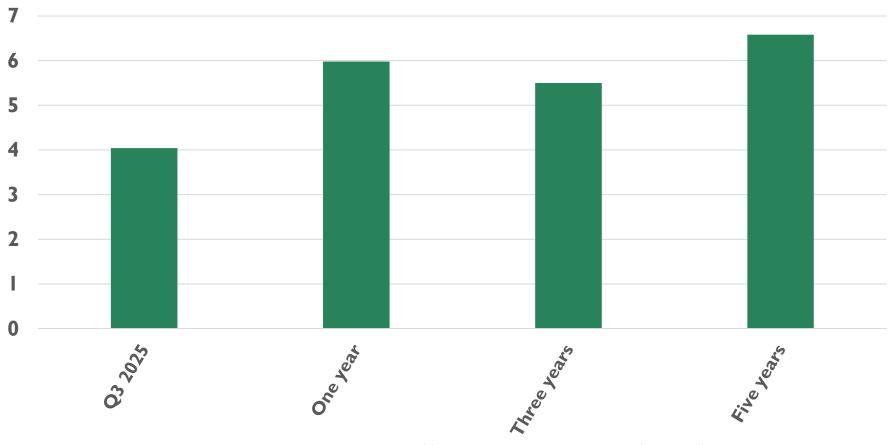


Investment strategy – Challenges in 2025

- The Fit for the Future consultation has created uncertainty around the Investment Strategy, and implementation of agreed changes and led to the Fund delaying proposed investments in Property and Private Equity.
- Further detail on the impact of the consultation in later presentation.
- Allocation to Private Debt was implemented.
- The Fund successfully took advantage of changes in market conditions that have lead UK Index-linked Gilts to offer positive real yields – implemented increase in allocation.
- Analysis has shown that the Fund will need to increase its income generation in the mid to long term – this will be a key focus for the Fund in future.
- Disappointing performance of equity mandates relative to benchmarks.



East Sussex Pension Fund returns – to 30 September 2025



Notes: Totals may not sum precisely due to rounding. All returns are net of fees. Unless stated otherwise, all performance figures and objectives provided by Northern Trust as at 30 September 2025. Fund Total value excludes cash held with Northern Trust. Valuation and performance information for Private Equity as at 30 June 2025. Valuations for Private Equity, Infrastructure and Real Estate Debt are either 3m or 6m lagged and adjusted for distributions / drawdowns and currency movements.

Source: Investment Managers, Northern Trust, Isio calculations.

Investment strategy - Looking Forward

- Ongoing conversations with Border to Coast Pool to ensure that Property and Private Equity investments can be progressed promptly
- How the Fund works with the investment pool will change significantly in coming years – detail to follow.
- Continue to review opportunities with the portfolio to generate income from the assets, with a view to long-term planning around cash management.
- Implemented allocation to Private Debt in 2025 and this will continue over 2026.
- Review the performance of the Fund's managers on an ongoing basis
- Continue to work to meet challenges and uncertainty
 -" new world" of pooling







Pension Board update

Ray Martin

Chair of Pension Board

The Current Pension Board

• Scheme member representatives:

Zoe O'Sullivan - Active/Deferred member representative

Trevor Redmond – Active/Deferred member representative

Neil Simpson - Pensioners representative

• Employer representatives:

Linda Hughes - The Southfield Trust

Councillor Andrew Wilson - Wealden Council

Phillipa Buckingham - Beacon Academy, MARK Education Trust

Independent member:

Ray Martin - Independent Chair

The Board meets four times per year ahead of Pensions Committee

Role of the Pension Board

- Assists the Pension Committee in its role as scheme manager of the Fund to comply with scheme regulations and other legislation relating to the governance and administration of the scheme and regulator requirements.
- Provides scrutiny and oversight of governance and administration, making recommendations to the Committee on all aspects of the Fund, particularly the Fund's governance and administration.
- Must report any potential breaches of pension law to the Pensions Regulator.



Focus of the Board in 2025...to provide input from the perspective of members and employers into administration and governance matters of the Pension Fund

- I. Completion of i-Connect onboarding.
- 2. Improved engagement.
- 3. To help support the improvement in communications between the Scheme Manager, the Pensions Administration Team (PAT) and Participating Employers.
- 4. To continue to improve data quality of members records held to ensure effective administration of Pensions and high reliability of records.
- To help drive the improvement in communications between the PAT and scheme members.
- 6. To ensure all Members receive their annual benefit statements within Statutory requirements.
- 7. To focus on impact of McCloud judgement on pensions administration delivery and the delivery of other key pensions projects such as connection to the pensions' dashboard.

Pension Board focus for 2026



In 2026 the Pensions Board will continue to focus on helping the Scheme Manager with:

- Improved and increased engagement
- Roll out of comprehensive training/learning to employees and employers
- To continue to monitor the administration of the Fund –with a focus on pension projects and compliance
- Working with Officers to implement governance changes from the Government's 'Fit for the Future' review





Fit for the Future

Susan Greenwood – Head of Pension Fund

Fit for the Future

- 14 November 2024 Mansion House Speech by Rachel Reeves
- The 'Fit for the Future' looked to strengthen the management of LGPS investments in three primary areas:
 - Reforming the LGPS asset pools
 - Boosting LGPS investment in their localities and regions in the UK
 - Strengthening the governance of both LGPS Administering Authorities and LGPS pools
- The government launched a public consultation on these proposals in November 2024 and published its response in May 2025.
- By March 2026, administering authorities must delegate all assets to the management of their chosen pool and take their principal investment advice from the pool.

Pooling – impact on ESPF

- The proposals submitted by ACCESS to comply with the new pooling requirements were not supported by government.
- In April, the Government asked ESPF to confirm (by 30th September) a decision in relation to which Pool the Fund wishes to merge with.
- A detailed evaluation process then took place to select a new preferred pooling partner.
- ESPF made an in-principle decision to become a shareholder in the Border to Coast Pensions Partnership.



Pooling – impact on ESPF

Edit East Sussex

Gineary | My Pension' extends (opens in new tabl) | News | Melp & support

Pension Fund

About the Scheme | Your pension | Forms and publications | Employers | Investment | Contact us

Q

Border to Coast Pensions Partnership identified as preferred pooling partner

Covernment guidance states that Local Government Pension Funds (LOPS) should work together to pool investments. They should do this to reduce costs, while maintaining investment performance. Since 2016 East Sussex Pension Fund (ESPF) has been part of the <u>ACCESS</u> LQPS Asset Pool – along with ten other LGPS Funds.

The Government bunched is "Fifty of the Future" consultation in late 10.04. This is do us key reforms to investment management in the LDFS, cutting implement standards of policing for all LDFS polici. The Covernment has since published its consultation response, which confirmed that Administrating Authorities (IBP ESFIP) in continue to be responsible for statings from investment strategies but must divergate the implementation of this strategy to a Financial Conduct Authority IPCA authorises and resoluted in investment reasons are strategies.



The proposed approach of our current pooling partner ACCESS to comply with the requirements of the consultation was not supported by government. As a result, ESPF is required to identify a one peoling partner by 30 personner 2019.

ESPF, in conjunction with its advisors and West Sussex Pension Fund, has carried out a detailed evaluation process, to identify a partner to deliver in line with the Covernment's guidance, whilst ensuring alignment with its investment strategy and taking account of employers' and members best interest.

On 25 Septimber 2023, the Persion Committee made an in-principle decision to become a shareholder in the affect the Coast Federic Pediatric Pedia

The decision marks a significant effection for ESFP shead of the deadline from generating the control of the co

Important note: The government has been very clear that LOPS members' benefits and pensions are guaranteed in law and will not be affected by these changes.

Please direct any queries to <u>Susan.Greenwood@eastsussex.gav.uk</u> (Head of Pensions) and lan.Gutseli@eastsussex.gav.uk (Chief Finance Officer).

- The decision marks a significant milestone to transition assets to the new pool by 31 March 2026.
- Other Funds will also be moving to Border to Coast Pensions Partnership meaning it will manage around £110bn of assets in future.
- These changes do not affect member benefits or how the ESPF team operates.
- Governance and legal work to formally bring new LGPS Funds into the new asset pool as equal shareholders is expected to be completed by 31 March 2026.

Local investment – impact on ESPF



- Government want the LGPS to invest more locally
- LGPS funds will be required to set out their approach to local investment, with a target range for local opportunities in their investment strategies.
- It was proposed that funds work with local entities, such as the mayoral authorities being set up as part of Local Government Reorganisation, to plug into local economic growth plans to find investment needs and opportunities.
- All local investments would be made through asset pools.
- The pools will have to report on local investments, both the value and their impact.

Governance changes – impact on ESPF

- The Government put forward proposals to address the recommendations of the Scheme Advisory Board's (SAB's) Good Governance review.
- These include:
 - publishing policies on governance, training, conflicts of interest and administration
 - appointing a senior LGPS officer
 - participation in a triennial independent governance review
 - Pension Committee to appoint a pensions professional in an advisory, non-voting capacity
 - knowledge and understanding requirement for Pension Committee members



Employer Forum 2025

Local Government re-organisation

Ian Gutsell
Chief Finance Officer

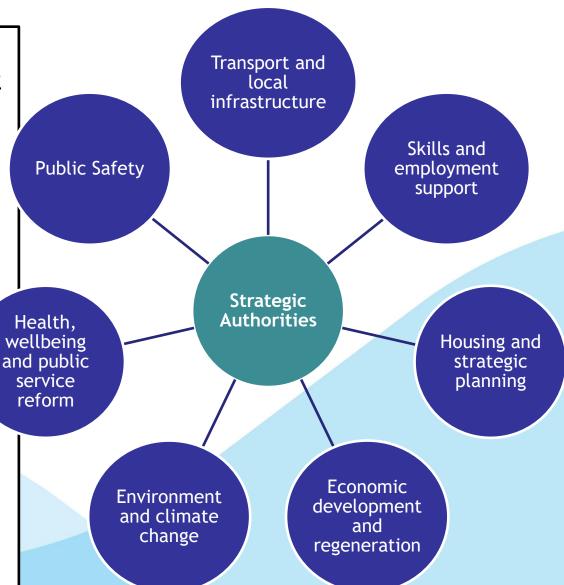


Devolution

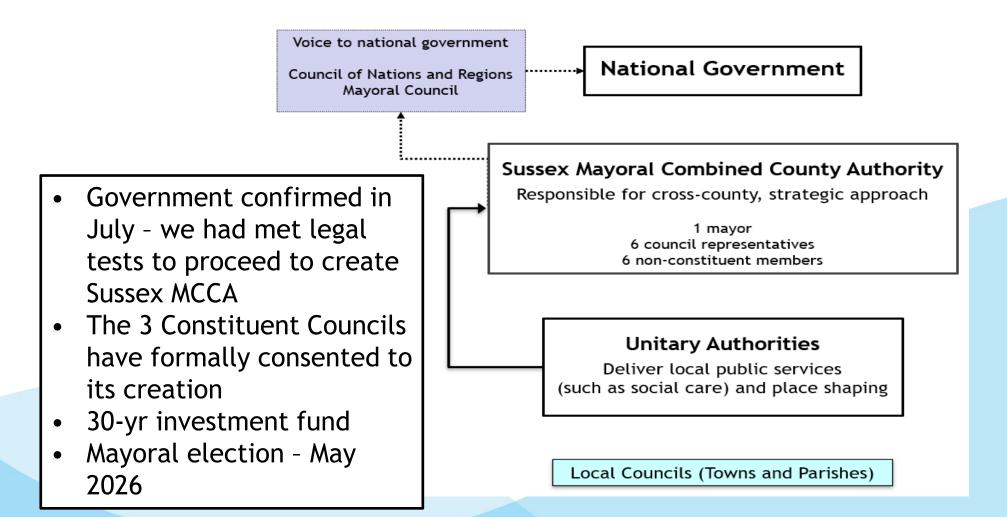
 On 5 February 2025 the Government confirmed that Sussex/Brighton was one of 6 areas successful in applying for the Devolution Priority Programme (DPP)

 Consultation on the establishment of a Mayoral Combined County Authority (MCCA) took place from February -April

 English Devolution and Community Empowerment Bill introduced to Parliament in July



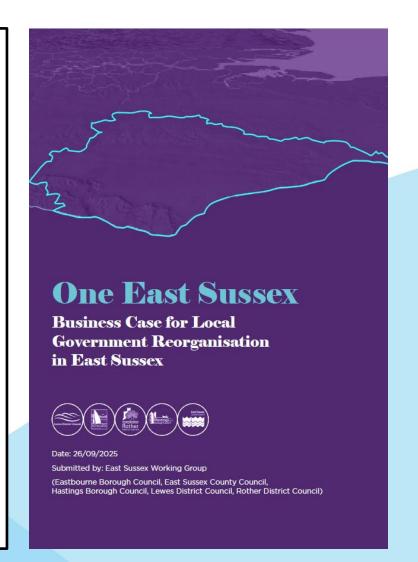
Devolution





Local Government Reorganisation

- February 2025 Government invited proposals for new unitary councils with populations of 500,000 or more to:
 - achieve efficiencies
 - improve capacity
 - withstand financial shocks
- March 2025 interim plans submitted
- Extensive local consultations with residents
- September 2025 full business case for a unitary government on the East Sussex boundary submitted
- Government to consult on valid proposals from November
- Decision due March 2026







Coffee break





Communication

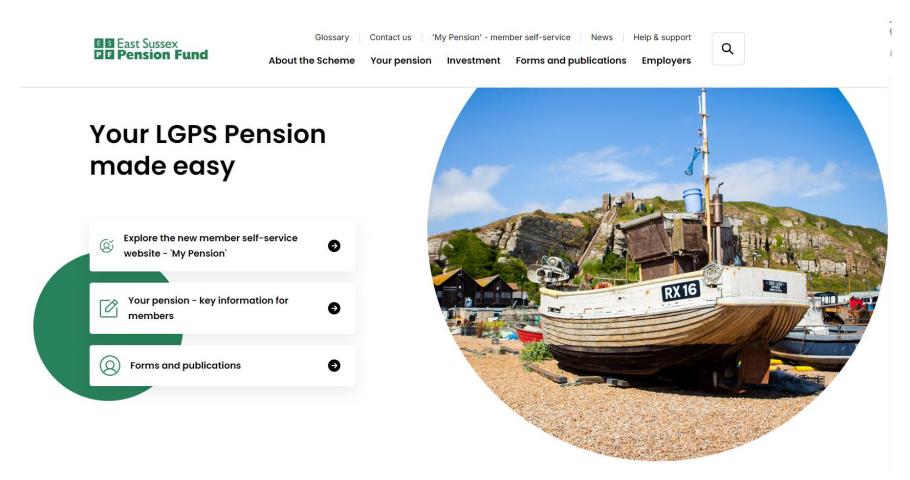
Paul Linfield
Pension Communication Manager

Key communication messages for employers

- Provide information which enables employers to carry out their duties effectively.
- Work with employers to enable them to fulfil their responsibility to communicate and share information with members in relation to the Scheme.
- To help employers respond to LGPS issues/consultations that affect them or their employees

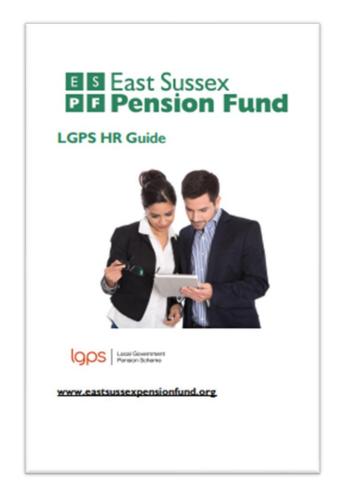
To assist scheme employers participating in the LGPS, the Fund has a range of communication materials and methods that aims to increase your understanding of pension issues and help you fulfil your responsibilities as scheme employers.

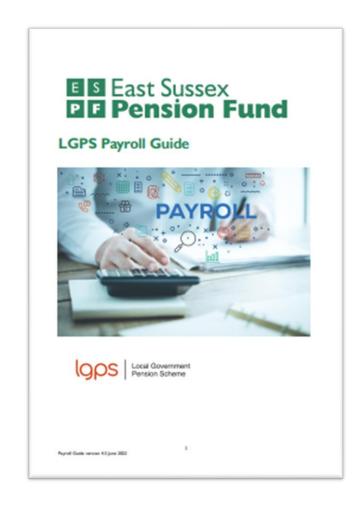
Website – East Sussex Pension Fund



www.eastsussexpensionfund.org

Guides for LGPS employers







LGPS HR Guide / LGPS Payroll Guide / Ill health retirement guide for employers

New support material 2025



The Rule of 85

What is the Rule of 85

If you were a Local Government Pension Scheme (LGPS) member at any time between 1 April 1998 and 30 September 2006, you may be protected under the 85-year rule when you retire. From the 1 October 2006, the rule was shased on

The 85-year rule is a tool used to determine whether a member's benefits should be reduced, where benefits are cold early.

You satisfy the 85-year rule when your age and length of LGPS membership add up to 85. Your age and Scheme membership are both measured in full years for this purpose. If you work part time, your membership counts towards the 85-year rule at its full calledn't enight.



The 85-year rule will apply if you are over age 60 when you retire. If you fully retire between age 55 and 60, the 85-year rule will not automatically apply and your benefits will be reduced. Your employer can choose to allow the 85-year rule to apply. This is a <u>discretion</u>. You can ask your employer about their policy on this.

Rule of 85 Factsheet

BB East Sussex DD Pension Fund

Redundancy fact sheet

If you are made reducidant by your employer by reason of voluntary or compulsory reducidancy or efficiency of service your Local Government Person Scheme (LOPS); can hap, Provided you are againg 55° or one and have at least end yours' qualifying service in the LOPS, you will be settled or the inventions payment of your benefits. Your benefits are calculated to your date of redundancy and paid to you which can aper servicement reductions.

However, if you have bought any Additional Pension Contributions or Additional Regular Contributions, this will be reduced because of early payment.

If you paid Additional Voluntary Contributions (AVCs), you have some choice about how to use that fand. We will send you those details once we know your AVC fund value.



Your retirement benefits will not be automatically enhanced to your Normal Pension Age.

If you are upod 55 or more. But Sussec Persolo Prud must pay your persolon at the point you become redundant, so it cannot be stolen train. You'r redundancy persolon will be pupible from the day star your employment coases. Their persolon is these pupible for your lifetimes, normally on the last working day of every mosth. If you become re-employed your persolon will still continue to be set.

EB East Sussex
EB Pension Fund

Appointing a payroll provider

Find out about responsibilities you can delegate and what you need to tell us when appointing a payroll provider.



Scheme employers can outsource and delegate scheme administration tasks to a third-parry payroll provider. You must let us know the details of the payroll provider you use to administer the LCPS on behalf of your organisation.

If you change payroll provider, to ensure continuity of your employee pension records, you must let us know 30 days in advance of their appointment.

Note: For data protection compliance we can only respond to employer-related pension queries received from appointed authorised payroll contacts.

www.eastsussexpensionfund.or

East Sussex DD Pension Fund

Employer fact card...25/26



DISCRETIONARY POLICIES

Base the rate on the pay they get in each job

PART-TIME MEMBERS (INCLUDING TERM TIME) includes members who choose to work serm time in a post that would otherwise be needed all year-roun Base the rate on their actual pay.

FEE EARNIERS

The rate is the band relative to the actual fee, so if the fee is £18,500 the contribution rate will be 5.8%.

CONTRIBUTION BATES FROM

£81,001 to £114,800 9.9% 4.95%

Under Regulation (01) a scheme employer must prepare a written statement of its policy in relation to the secretics of its functions under these regulations, and the secretics of its functions under these regulations.

Explore more about employer contributions

Review your policy regularly and send us a copy. MONTHLY RETURNS

HHRC ALLOWANCES 25/26

When paying contributions, you must also send us monthly return that gives us all this supporting propered reductions to minimum of £ (1000 on information we need for your payment. This is do depending on earnings.

ANY REELUNES SUM ALLOWANCE — Use to find no learn which the minimum of £ (1000 on the minim

Access LGPS 31 form
Access LGPS 31 form completion note:

Est Sussex
Dension Fund

Becoming an employer in the Fund



OOS Local Government Pension Scheme

www.eastsussexpensionfund.org

Rule of 85 Factsheet / Redundancy fact sheet / Appointing a payroll provider / Employer Fact Card 25/26 / Becoming a Fund employer

Newsletters

Employers | East Sussex **Pension Fund**



Employer newsletter - June 2025

We're excited to bring you our second newsletter of 2025. The newsletter allows us to share important news and insights. This helps you to remain informed and supported every step of the way. We hope you find the content helpful and engaging, if you have any feedback on the neweletter or have any ideas for future articles, then please let us know by emailing:

Employer Forum 2025

about the Fund, to meet key fund persons that lie shead.



This wast's Forces will be held face to face The date: 13" November 2025 The times 9.30 am until approx 2.30 We would kindly ask that you put the dat

East Sussex Pension Fund - Employer o

In July 2024 we relaunched our self-service website called "My Pension" which provides member



We have previously asked for your support in like to ask again. For contributing members, we

The uptake differs between employers (we have wish to access it). Increased registration ensures members have a pensions effectively, reducing queries and admit Fund.

Our communications manager is happy to assist newsletters, intranets etc. He can be contacted

East Sussay Pension Fund - Employer newsla



The Fund has started running training sessions to support actively contributing members. In Januar and May 2025 we can the following courses (2 sessions per capic).

Name of course	What's does the course cover? Whether you are new to the Scheme or bose a reamber for a while, this session covers the benefits of being in the LGPS.	
Introduction to the Local Government Pension Scheme		
Your Pension MOT	A course designed to help you keep up to date and engaged with your pension, with lots of handy tips thrown in.	
Preparing for retirement	This course will help if you are thinking ahead to recirements and want to know more about the process. how your benefits are calculated and answers to key retirement questions.	



Shown below is a link to a page on our Pension Fund planning for members.

We would like your help to share this link with your reset courses we are running in October this year.

East Sussex Pension Fund - Employer newsletter ju

The page highlights:

Members will need to book each course separately. For hours we can provide a pre-recorded version. If any emp

We will soon be introducing an annual check to ensure that the right individuals at employer/payrol (companies have appropriate access to perform their roles on i-Connect. This will also help us tidy up any accounts that are no longer needed.

There is an i-Connect support page available on our Pension Fund website, which includes a range of guides to help you carry out your roles.

Triennial Valuation 2025

K N O W LEDGE

As mantioned in the newsletter we produced in February, our fund Accusty Barnett Woddingham will be preparing for the next trienals valuation of the Fund at 11 March 1003. May coupses of this valuation are the review of each employers' funding level and setting of new contribution rates for the Fund's participating employers for the period 1 April 2026 to 31 March 2029.

The below outlines the key milestones in the 2015 valuation. These timings might change but we

11 March 2025: The effective date of the valuation. All benefits built up to this date will be

September / October 2025: The fund will review initial whole Fund valuation results and review and revise the Funding Strategy statement, to recognize different employer strategies and any regulatory changes.

Access III Health retirem Forms

We have standard and ed Access forms here

Please also pay particular receive invalid or incorre

The Employer Engagement team are hap employers. If you have a specific training

The LGA also have training opportunitie LGA bite-sized training - <u>Employs</u>

Further support for employers

The Fund offer a range of support materi New documents...

Employer training

Appointing a payroll provider

Employer Fact Card 25/26 Scheme

A handy document with reminders of all

Access Timplower Fact Card here Redundancy fact sheet (for membe

Existing support... Employer Toolkit

It can be daunting as an employer in the

HR guide - This guide sets out the requ East Sussex Pension Fued - Employer noveletter June 2025 Access HR Guide here

Payroll guide - This guide sets out the requirements for payrolls in respect of the LGPS

East Sussex Pension Fund - Employer newsletter June 2025

For queries on i-Connect please contact the team by email at: iconnect@ear

East Sussay Panalon East - Employer nevalatter have 2025

The Employer Toolkit

ABSENCES

Authorised unpaid

APCs during absen

Child related leave

Sickness or injury

CONTRIBUTIONS

50/50 section

Additional Pension

Additional volunta

Assumed Pensiona

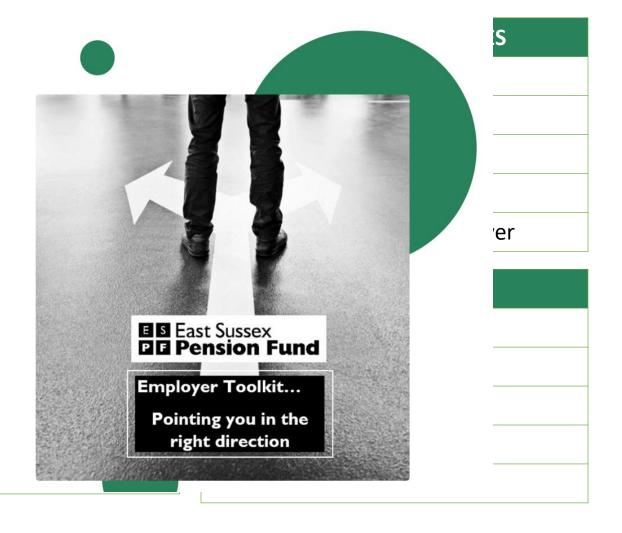
Pensionable Pay

Employer toolkit

Our employer toolkit has been designed to support you in the main processes and procedures you are responsible for under the Local Government Pension Scheme.

We would encourage you to look at the Employer Toolkit in the first instance when you have a process query as the toolkit was designed to cover information that employers often ask East Sussex Pension Fund.

Employer Toolkit



The East Sussex Pension Fund website

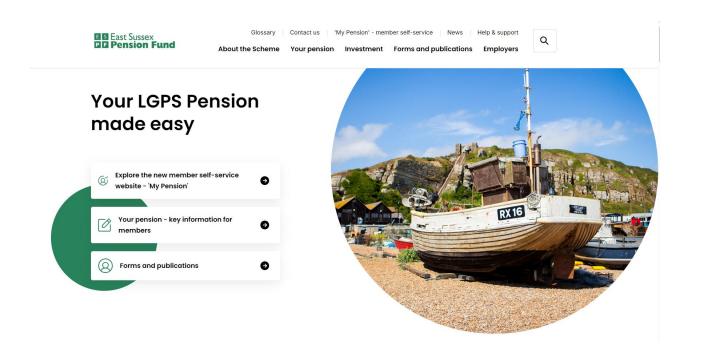
Homepage | East Sussex Pension | Fund – gateway to the site

Paying in | East Sussex Pension | Fund - Page dedicated to active members of the Scheme

Forms and Publications | East Sussex Pension Fund - forms, guides, newsletters and more

Help & support | East Sussex
Pension Fund – general support

Contact us | East Sussex Pension Fund - how to get in touch



Guides

- The Fund produce two newsletters a year currently for active members
- There are also some helpful guides...here's a few to mention:
 - A brief guide to the LGPS
 - Planning for retirement
 - AVCs and the LGPS



A brief guide to the Local Government Pension Scheme (LGPS) for employees in England and Wales







Retirement Planning Guide



This guide is for you if you are currently paying into the Local Government Pension Scheme (LGPS) and are planning your retirement.



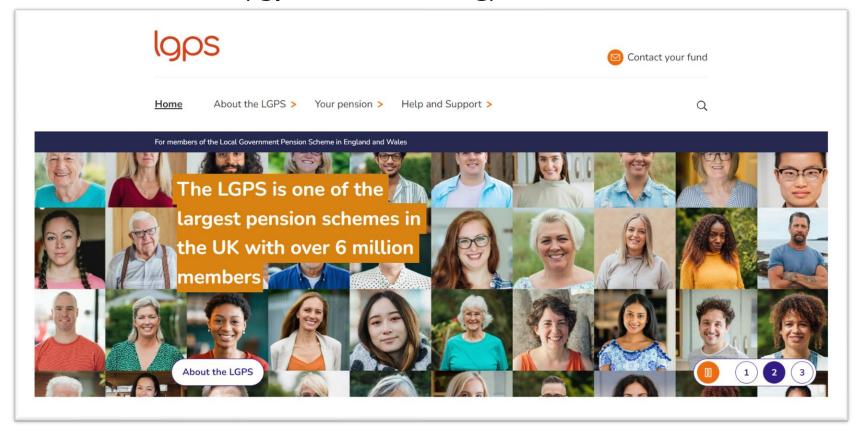
A guide to additional voluntary contributions (AVCs) in the Local Government Pension Scheme (LGPS)





National LGPS website

Home :: LGPS (Igpsmember.org)



Active member	Deferred member
Cost of living adjustments	Deferred question and answers
'My Pension' promotion	✓
The benefits of staying in the LGPS	Rejoining the LGPS
Nominated beneficiaries	✓
Simplifying pensions with videos	
Help with the cost of living	
Pensions Dashboard	✓
Normal pension age changes	✓
How is your pension worked out?	
Retirement living standards	✓
Scams	✓
McCloud	✓
Pension awareness week	✓





AVC payments and payroll files

- There have been changes implemented for submission of AVC payments and payroll files this year.
- Payroll training for employers was delivered by the Prudential in May, June,
 September and October.
- Historically, if the payroll file is not formatted correctly, Prudential staff have tried to correct any errors.
- With effect from January 2026, any formatting issue, irrespective of size, shape or importance, will result in the file being automatically returned to the employer. Any delays could result in member claims or settlements being delayed.

AVC support - employers

AVC payroll support for employers - Employers | East Sussex Pension Fund

Support for Additional Voluntary Contributions (AVC) payroll

Prudential are committed to making the administration of your AVC scheme as streamlined as possible, while providing scheme members a safe and secure way of saving for their retirement. That's why it's important they receive the relevant AVC payroll information in the correct format, so payments can be invested on time, each time.

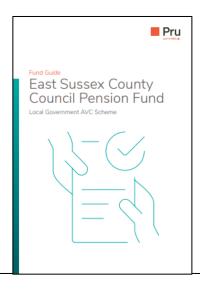
To help you do this, they've put together some useful training material which gives guidance on creating, formatting and submitting payroll information – take a look below.

Note: If the payroll file is not formatted correctly, historically Prudential staff have tried to correct any errors. With effect from January 2026, any formatting issue, irrespective of size, shape or importance, will result in the file being automatically returned to the employer. Any delays could result in member claims or settlements being delayed.

Support material	Link
Administering your AVC payroll	Explore training guide
Your questions answered for administering your AVC payroll	Explore questions and answers
Sample CSV format file	Explore CSV format file
Guide to administering your AVC payroll	Explore online guide
Simplifying submissions for AVC Pension contributions	Explore Simplifying submissions for AVC Pension contributions

AVC support - members

- New webpage built for members <u>Increase my</u> pension | <u>East Sussex Pension Fund</u>
- AVC guide and investment fund guides available for members
- Default Fund for new members has now changed from With Profits to Prudential Dynamic Growth Lifestyle strategy (targeting 100% Cash)
- Other Fund closures and a new fund launched -Prudential HSBC Islamic Global Equity Index
- Existing members informed October 2025
- Important information about your AVC investments | East Sussex Pension Fund





A guide to additional voluntary contributions in the Local Government Pension Scheme





Additional Voluntary Contributions (AVCs)

When you pay Additional Voluntary Contributions (AVCs), you build up a pot of money which you use to provide benefits on top of your LDPS benefits, AVCs are taken directly from your pay before your tax is worked out, so if you pay tax, you receive tax relief automatically.

All Local Government Pension Funds have an arrangement with an AVC provider that you can invest money in – an in-house AVC. East Sussex Pension Fund uses the Prudential. You have your own personal account and you decide how the money in your pot is invested. You can pay AVCs if you are in the main or 50/50 section of the LOPS. The maximum you can contribute to Additional Voluntary Contributions is 100% of your pensionable pay. However, this is on a pen-job basis, not a combined total for all jobs. You also need to ensure there's enough remaining from your pay for your main LOPS contributions and stautory deductions. Some employers may offer you the choice of a standard AVC or a Shared Oct AVC further details below!

Information on the Prudential AVC

East Sussox Pendion Fund has an arrangement with an AVC provider (Prudential) through which members can invest money in a range of funds. The employee has their own personal account that, over time, builds up with the contributions they pay in and the accest they choose to linestend into. At retirement they have a range of options they can select based on the pot of money they have accrued.

Employees have the right to reduce, increase or stop paying AVCs at any time.

ESPF has selected a range of funds for you to linest your pension savings in. The Prudential have created (and maintain) a "Fund guide" which includes information to help you understand the fund options and investment risks. The guide has detailed descriptions of the funds that are available to you. And includes a glossary and other practical information. Please read the guide fully before your phones where to invest.

Explore Fund Gulde here

Prudential also provide fact sheets which provide the latest information on the Funds available including performance. Go to <u>Workplace pensions fact sheets</u>. Once there, click on the Workplace Pensions fund prices tool and filter the fund series to view Series 3 funds. The <u>With-Profit funds</u> factsheet (which is the defoult offering) is ovalibble here.

How to apply for a 'standard' Prudential AVC

You can apply to take out a Local Government AVC through the <u>Prudential's website</u>.

You will then need to select 'East Sussex County Council Pension Fund' from the list of LGPS Funds and enter your employer. To apply you will need your payslip and details of your investment choice.

The AVC arrangement will be set up between the Prudential and yourself. Prudential will pass information to your payroll department with details of your start date and how much needs to be deducted from your salary each month.

Once you have set up your AVC, Prudential offer an online service that gives you quick and secure access to your policy whenever you like. You have access to a whole range of features to help you manage and control your policy quickly and easily.

Explore what the online service offers

Register for the online service

Shared cost AVC

Your employer may offer a Shand Cond AVC through a salary sacrifice arrangement (usually via a third party called "Money Matters", in these circumstances, in addition to saving on income Tax you can also benefit from National Insurance contributions savings on the AVC contributions paid through a salary sacrifice arrangement. Your employer also benefits because they also pay lower national insurance contributions. You will need to check with your employer whether they offer a Shared Cost AVC scheme and make them waver you are applying.

You can apply for Shared Cost AVCs via the My Money Matters website. My Money Matters can also convert a Standard to a Shared Cost AVC if this is of interest.

The East Sussex Pension Fund use the Prudential as its provider of choice for Shared Cost AVCs. Members get the same investment fund choices as indicated in the 'information on the Prudentia

Using your AVC at retirement

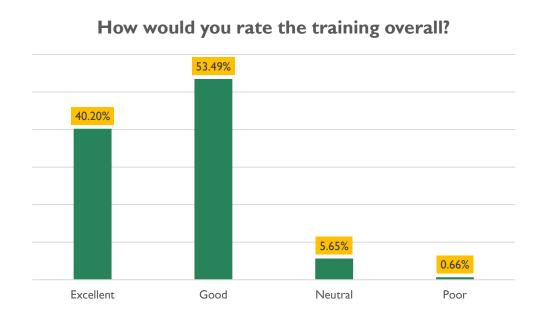
There are several options available to you when you retire which include buying a regular income for life (via the Fund, AVC provider or provider of your choice) or taking a tax-free lump sum (in full or partial value). You can transfer your AVC to another pension arrangement.

Member training

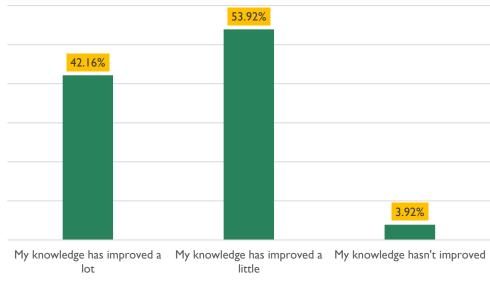
Name of course	What does the course cover?
Introduction to the Local	Whether you are new to the Scheme or been a
Government Pension	member for a while, this session covers the
Scheme	benefits of being in the LGPS.
Your Pension MOT	A course designed to help you keep up to date and engaged with your pension, with lots of handy tips thrown in.
Preparing for retirement	This course will help if you are thinking ahead to retirement and want to know more about the process, how your benefits are calculated and answers to key retirement questions.

Member training feedback

 I, I I 5 active members have attended in 2025 (January, May and October sessions)







Free Pension Training | East Sussex Pension Fund

Employer training

The Local Government Association provide 4 bite-sized training modules for employers:

Active – III health
Deferred – III health
Assumed Pensionable Pay
Final Pay

Employer bite size training

They also offer a one-day employer role training course. 2026 dates will be released in December 2025. Cost is £255 (plus VAT) per person for online training and £295 (plus VAT) per person for in person training.

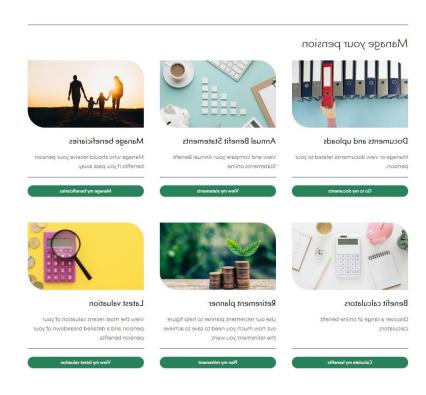
Other employer training

'My Pension' - keep track of your LGPS

https://mypension.eastsussex.gov.uk/

- Simple registration and login
- Updated look and design
- Online annual benefit statements
- New retirement planning tool
- Benefit calculators

My Pension kept many of its existing features, including the ability to update personal details, nominations for death benefits and more.



'My Pension' Helpline on 0300 200 1027 or email pensions@eastsussex.gov.uk

'My Pension' - video support

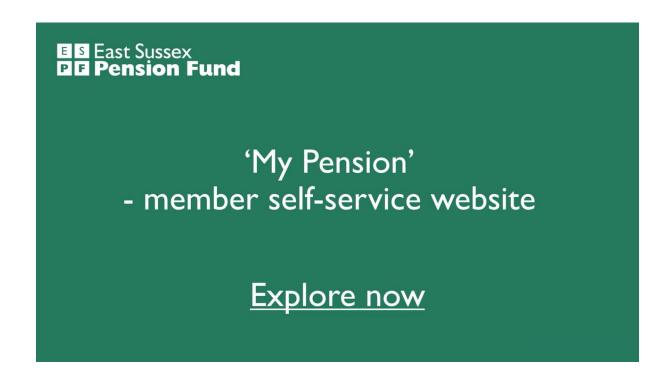
How do I use the pension calculators?

There are a range of different pension calculators to try. You can check your pension value and run pension estimates to give you an idea of what your pension will be under different circumstances e.g. what happens to your pension if you leave, voluntary retirement.

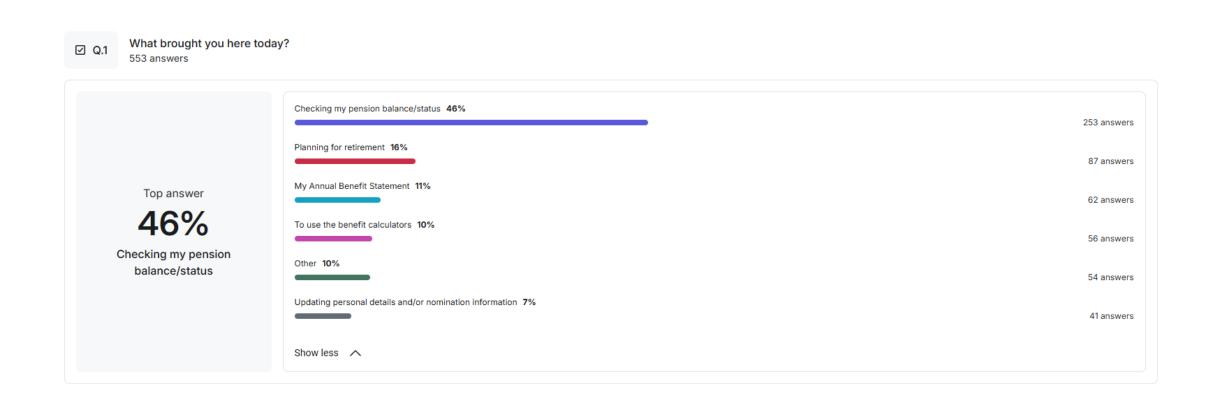








'My Pension' - statistics



We're making progress...

Location/Employer	On 'My Pension' 31.10.25
00XIU: University of Brighton	70.25%
00X80: Bexhill 6th Form College	68.72%
00XAA: Hailsham Academy (HCCAT)	61.73%
00X8A: East Sussex College Group	59.78%
00X02: East Sussex County Council	59.34%
00X81: BHASVIC	59.32%
00XUI: Royal Pavilion & Museums Trust	58.85%
00XA7: DCAT	54.35%
00X15: Eastbourne Borough Council	52.92%
00XIP:Wealden District Council	51.31%
00XA0:ARK School H	50.59%
00XAM: SABDEN	49.15%
00X5L: East Sussex Fire & Rescue Svce	48.26%
00X1K: Rother District Council	47.13%
00X83: Plumpton College	46.62%
00XAY: Southfield Trust	43.80%
00XA1:AURORA ACADEMY Trust	43.65%
00XBV:Varndean School (BHCC)	42.99%
00XAB: UoBAT	42.37%
00X10: Brighton and Hove City Council	40.55%
00XAH: South Downs Learning trust	40.16%
00X1A: Hastings Borough Council	39.87%
00XA9: Glyne Academy	34.00%
00XA5: Brighton Aldridge Community Ac	31.00%

East Sussex Pension Fund

How can you help us?

- Feedback tell us what you want, what are you struggling with, where you need our support
- Employee contact details provide us with up-to-date email and home address details for employees on all occasions.
- Employer contact details ensure you keep us informed of any changes in contact or authorised signatories.
- **Keep yourself up to date** familiarise yourself with the website (particularly the employer page), read newsletters and important communications from the Fund and make use of the toolkit and guides we provide
- Encourage members to sign up for 'My Pension,' refer them to the ESPF website, tell them about guides etc
- **Training** let your employees know about the free pension training or tell us if you require any face-to-face training



Contact me

For support with communication:

Email: paul.linfield@eastsussex.gov.uk

Pension Administration Team update

Paul Punter

Head of Pension Administration

Last year we said we would aim to achieve by now:

- Excellent KPI/SLAs performance & expand MI coverage
- Good Annual Benefit Statements results
- Implement Pensioner CPI Pension Increase at 1.7%
- Implement McCloud data & calcs
- Data Quality high TPR validator common/conditional scores
- Complete GMP reconciliation and rectification project
- Last ten existing employers onboarded to i-Connect & all employers monthly submissions up-to-date
- Pensions Dashboard data cleansed, connect and onboard by 31 October 2025
- Backdated pay awards implemented, and leaver benefits recalculated
- Digital Assistant (Chatbot) created and live on the ESPF website
- Actuarial Valuation & Mortality data validated and submitted to Barnett Waddingham
- Have a happy team [©]

Pay the right people the correct benefits in a timely manner

Continue to improve the member experience

Achieve both projects and BAU targets

Activity	ESPF SLA Target	Items o/s at 01/04/2024	Post received	Post completed	Completed within SLA	Completed in SLA %	O/S at end of period 31/03/2025
Aggregation- Payment	10	146	2,977	2,717	1,816	66.8%	140
Aggregation- Quote	15	309	2,020	1,657	902	54.4%	213
APC/AVC's	10	18	488	468	459	98.1%	30
Deaths – initial letter acknowledging death of member	2	5	369	372	369	99.2%	I
Deaths-With Benefits	5	123	698	633	531	83.9%	130
Deaths-No Further Benefits	5	44	509	520	428	82.4%	23
Deferred Benefits	15	244	3,023	2,718	2,243	82.5%	332
Divorce Quotes	15	5	51	48	48	100%	4
Divorce - Proceeding	25	0	127	124	124	100%	4
General Enquiries	10	108	2,936	2,874	2,807	97.7%	97
Interfund in- Payment	25	57	929	554	550	99.3%	118
Interfund In- Quote	10	344	827	378	219	57.9%	377
Interfund Out- Payment	25	23	579	521	448	86.0%	32
Interfund Out- Quote	15	33	399	330	293	88.8%	26
Refunds- Frozen	10	83	2,167	2,005	1,449	72.3%	167
Refunds- Payment	5	23	1,104	1,082	984	90.9%	21
Retirements – letter notifying actual retirement benefits	7	48	1,962	1,933	1,759	91.0%	39
Retirements – letter notifying estimate of retirement benefits	15	15	2,259	2,245	2,205	98.2%	18
Retirements – process and pay pension benefits on time	5	267	2,556	2,129	1,988	93.4%	267
Transfer In- Payment	25	49	314	189	184	97.4%	38
Transfer In- Quote	10	116	272	169	69	40.8%	116
Transfer Out- Payment	10	15	80	53	49	92.5%	25
Transfer Out- Quote	10	25	522	461	410	88.9%	30
Trivial Commutation	10	0	104	96	96	100%	3

27,272

24,276

84.2%

20,430

2,251

2,100

Priority I Priority 2 Priority 3 Priority 4 Priority 5 92%+ 87%+ <87%

The Admin Strategy is a mixture of 90% or 95% SLA targets and these can vary within the task list

Grand Totals

Activity SLA Target 01/04/2025 received completed within SLA within SLA of period		ESPF	Items o/s at	Post	Post	Completed	% Complete	O/S at end
Aggregation- Payment	Activity							of period
Aggregation- Quote 15 183 603 660 458 59.4% 27 APC/AVC's 10 28 307 306 303 99.0% 26 Deaths - initial letter acknowledging death of member acknowledging death of death acknowledging death acknow		SLA larget	01/04/2025	received	Completed	WICHIII SLA	within SLA	30/09/2025
APC/AVC's 10 28 307 306 303 99.0% 26 Deaths – initial letter acknowledging death of member Deaths-With Benefits 1 137 137 136 99.3% 0 Deaths-Not Further Benefits 5 127 310 329 307 93.3% 84 Detachs-Not Further Benefits 5 23 212 204 194 95.1% 26 Deferred Benefits 15 304 1,067 1,073 932 86.9% 250 Divorce Quotes 15 4 5 6 6 100% 3 Divorce Proceeding 25 4 87 83 83 100% 6 General Enquiries 10 89 1,407 1,344 1,333 99.2% 80 Interfund in- Payment 25 120 335 215 211 98.1% 101 Interfund Out- Payment 25 28 154 126 115 91.3% 41	Aggregation- Payment	10	121	828	950	776	81.7%	99
Deaths - Initial letter 2	Aggregation- Quote	15	183	603	660	458	69.4%	27
1 137 136 99,3% 0	APC/AVC's	10	28	307	306	303	99.0%	26
Deaths-With Benefits 5 127 310 329 307 93.3% 84 Deaths-With Benefits 5 127 310 329 307 93.3% 84 Deaths-No Further Benefits 15 304 1,067 1,073 932 86.9% 250 Divorce Quotes 15 4 5 6 6 100% 3 Divorce - Proceeding 25 4 87 83 83 100% 6 General Enquiries 10 89 1,407 1,344 1,333 99.2% 80 Interfund in- Payment 25 120 335 215 211 98.1% 101 Interfund Out- Quote 10 359 233 151 111 73.5% 317 Interfund Out- Quote 15 22 218 205 195 95.1% 15 Recalculations - NEW June 2025 30 N/A 364 197 195 99.0% 168		2		137	137	136	99.3%	0
Deaths-No Further Benefits 5 23 212 204 194 95.1% 26 Deferred Benefits 15 304 1,067 1,073 932 86.9% 250 Divorce Quotes 15 4 5 6 6 100% 3 Divorce - Proceeding 25 4 87 83 83 100% 6 General Enquiries 10 89 1,407 1,344 1,333 99.2% 80 Interfund in- Payment 25 120 335 215 211 98.1% 101 Interfund In- Quote 10 359 233 151 111 73.5% 317 Interfund Out- Payment 25 28 154 126 115 91.3% 41 Interfund Out- Quote 15 22 218 205 195 95.1% 15 Recalculations - NEW June 2025 30 N/A 364 197 195 99.0% 168 <t< td=""><td></td><td>_</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>		_						
Deferred Benefits								
Divorce Quotes			23	212	204	194	95.1%	26
Divorce - Proceeding 25	Deferred Benefits		304	1,067	1,073	932	86.9%	250
General Enquiries 10 89 1,407 1,344 1,333 99.2% 80 Interfund in- Payment 25 120 335 215 211 98.1% 101 Interfund In- Quote 10 359 233 151 111 73.5% 317 Interfund Out- Payment 25 28 154 126 115 91.3% 41 Interfund Out- Quote 15 22 218 205 195 95.1% 15 Recalculations - NEW June 2025 30 N/A 364 197 195 99.0% 168 Refunds- Frozen 10 155 670 732 632 86.3% 70 Refunds- Payment 5 20 308 314 265 84.4% 7 Retirements - letter notifying actual retirement benefits 15 17 1,102 1,042 956 91.7% 20 Retirements - process and pay pension benefits on time 15 13 1,164 1,129 <td>Divorce Quotes</td> <td>15</td> <td>4</td> <td>5</td> <td>6</td> <td>6</td> <td>100%</td> <td>3</td>	Divorce Quotes	15	4	5	6	6	100%	3
Interfund in- Payment	Divorce - Proceeding	25	4	87	83	83	100%	6
Interfund In- Quote	General Enquiries	10	89	1,407	1,344	1,333	99.2%	80
Interfund Out- Payment 25 28 154 126 115 91.3% 41	Interfund in- Payment	25	120	335	215	211	98.1%	101
Interfund Out- Quote	Interfund In- Quote	10	359	233	151	111	73.5%	317
Recalculations - NEW June 2025 30 N/A 364 197 195 99.0% 168 Refunds- Frozen 10 155 670 732 632 86.3% 70 Refunds- Payment 5 20 308 314 265 84.4% 7 Retirements - letter notifying actual retirement benefits 7 37 1,012 1,042 956 91.7% 20 Retirements - letter notifying estimate of retirement benefits 15 17 1,124 1,108 1,104 99.6% 19 Retirements - process and pay pension benefits on time 5 234 1,302 1,164 1,129 97.0% 253 Transfer In- Payment 25 38 111 67 67 100% 37 Transfer In- Quote 10 104 171 72 46 63.9% 155 Transfer Out- Payment 10 25 44 42 42 100% 20 Transfer Out- Quote 10 21	Interfund Out- Payment	25	28	154	126	115	91.3%	41
Refunds- Frozen I0 I55 670 732 632 86.3% 70 Refunds- Payment 5 20 308 314 265 84.4% 7 Retirements - letter notifying actual retirement benefits 7 37 I,012 I,042 956 91.7% 20 Retirements - letter notifying estimate of retirement benefits 15 17 I,124 I,108 I,104 99.6% 19 Retirements - process and pay pension benefits on time 5 234 I,302 I,164 I,129 97.0% 253 Transfer In- Payment 25 38 111 67 67 100% 37 Transfer In- Quote 10 104 171 72 46 63.9% 155 Transfer Out- Payment 10 25 44 42 42 100% 20 Transfer Out- Quote 10 21 432 422 415 98.3% 7 Trivial Commutation 10 2 49	Interfund Out- Quote	15	22	218	205	195	95.1%	15
Refunds- Payment 5 20 308 314 265 84.4% 7 Retirements – letter notifying actual retirement benefits 7 37 1,012 1,042 956 91.7% 20 Retirements – letter notifying estimate of retirement benefits 15 17 1,124 1,108 1,104 99.6% 19 Retirements – process and pay pension benefits on time 5 234 1,302 1,164 1,129 97.0% 253 Transfer In- Payment 25 38 111 67 67 100% 37 Transfer In- Quote 10 104 171 72 46 63.9% 155 Transfer Out- Payment 10 25 44 42 42 100% 20 Transfer Out- Quote 10 21 432 422 415 98.3% 7 Trivial Commutation 10 2 49 48 48 100% 2	Recalculations – NEW June 2025	30	N/A	364	197	195	99.0%	168
Retirements – letter notifying actual retirement benefits 7 37 1,012 1,042 956 91.7% 20 Retirements – letter notifying estimate of retirement benefits 15 17 1,124 1,108 1,104 99.6% 19 Retirements – process and pay pension benefits on time 5 234 1,302 1,164 1,129 97.0% 253 Transfer In- Payment 25 38 111 67 67 100% 37 Transfer In- Quote 10 104 171 72 46 63.9% 155 Transfer Out- Payment 10 25 44 42 42 100% 20 Transfer Out- Quote 10 21 432 422 415 98.3% 7 Trivial Commutation 10 2 49 48 48 100% 2	Refunds- Frozen	10	155	670	732	632	86.3%	70
actual retirement benefits Retirements – letter notifying estimate of retirement benefits Retirements – process and pay pension benefits on time 5 234 1,302 1,164 1,129 97.0% 253 Transfer In- Payment 25 38 111 67 67 100% 37 Transfer In- Quote 10 104 171 72 46 63.9% 155 Transfer Out- Payment 10 25 44 42 42 100% 20 Transfer Out- Quote 10 21 432 422 415 98.3% 7 Trivial Commutation 10 2 49 48 48 100% 2	Refunds- Payment	5	20	308	314	265	84.4%	7
17	, 0	·	37	1,012	1,042	956	91.7%	20
pension benefits on time 234 1,302 1,164 1,129 97.0% 253 Transfer In- Payment 25 38 111 67 67 100% 37 Transfer In- Quote 10 104 171 72 46 63.9% 155 Transfer Out- Payment 10 25 44 42 42 100% 20 Transfer Out- Quote 10 21 432 422 415 98.3% 7 Trivial Commutation 10 2 49 48 48 100% 2	, 3	15	17	1,124	1,108	1,104	99.6%	19
Transfer In- Quote 10 104 171 72 46 63.9% 155 Transfer Out- Payment 10 25 44 42 42 100% 20 Transfer Out- Quote 10 21 432 422 415 98.3% 7 Trivial Commutation 10 2 49 48 48 100% 2		5	234	1,302	1,164	1,129	97.0%	253
Transfer Out- Payment 10 25 44 42 42 100% 20 Transfer Out- Quote 10 21 432 422 415 98.3% 7 Trivial Commutation 10 2 49 48 48 100% 2	Transfer In- Payment	25	38	111	67	67	100%	37
Transfer Out- Quote 10 21 432 422 415 98.3% 7 Trivial Commutation 10 2 49 48 48 100% 2	Transfer In- Quote	10	104	171	72	46	63.9%	155
Trivial Commutation 10 2 49 48 48 100% 2	Transfer Out- Payment	10	25	44	42	42	100%	20
	Transfer Out- Quote	10	21	432	422	415	98.3%	7
Grand Totals 2,066 11,491 10,955 10,036 91.6% 1,833	Trivial Commutation	10	2	49	48	48	100%	2
	Grand Totals		2,066	11,491	10,955	10,036	91.6%	1,833

East Sussex Pension Fund

Priority I Priority 2

Priority 3

Priority 4

Priority 5

92%+ 87%+ <87%

The Admin Strategy is a mixture of 90% or 95% SLA targets and these can vary within the task list

Pensions Helpdesk

...in house from April 2024

80.00% of enquiries dealt with at 1st point of contact 89.58% of emails responded to within three days

Month	Telephone Calls	Email's Processed	Call Back's	MSS Tasks	i-Connect Tasks	Post Tasks	Total
Oct 24	1,007	1,690	42	141			2,880
Nov 24	948	1,471	28	110			2,557
Dec 24	1,071	617	30	65			1,783
Jan 25	1,166	1,561	33	283			3,043
Feb 25	1,009	1,371	19	369			2.768
Mar 25	908	1,261	0	435			2,604
Apr 25	1,081	1,097	46	399			2,623
May 25	983	1,030	36	203			2,252
Jun 25	805	1,316	24	220			2,365
Jul 25	861	1,319	13	234	76		2,503
Aug 25	727	935	0	246	151		2,059
Sep 25	922	1,432	12	392	25	67	2,850

The helpdesk team also assist with indexing, reply due reminders and occasionally face to face visitors

Pensions Helpdesk

Month	MSS login / Issues	TV-in	Claim form guidance	Leaver form received	Document or Form enquiry	Progress update	Change of Address	Tax, P60 Payroll	Retirement Quote
Oct 24	st		2 nd		5 th	3 rd	4 th		
Nov 24	5 th		3 rd		2 nd	st			4 th
Dec 24	5 th	3 rd	st			2 nd			4 th
Jan 25	2^{nd}	5 th	3 rd			4 th			st
Feb 25		5 th	3 rd		st	2^{nd}	4 th		
Mar 25			4 th	st	2 nd	3 rd	5 th		
Apr 25	3 rd		st		5 th	2^{nd}	4 th		
May 25	st		3 rd	4 th		5 th		2^{nd}	
Jun 25	st		2^{nd}		3 rd	4 th	5 th		
Jul 25			3 rd	st	4 th	2^{nd}	5 th		
Aug 25	5 th		st	3 rd	2 nd		4 th		
Sep 25	st		4 th		3^{rd}	5 th	2^{nd}		

Working on a digital assistant (chatbot) called ESPA designed to sit on the pension fund website and answer frequently asked questions (260). We are in UAT phase, and it should go live in early 2026.



Good Annual Benefit Statements results

Year/status	Number produced	Success %
2025	23,736	99.03%
2024 active members	23,770	99.24%
2023	22,609	95.90%
2025 2024 deferred members 2023	33,518 34,541 31,808	99.20% 99.99% 99.76%



Annual Benefit Statements results for 2025 include McCloud Remedy

Status	Group I	Group 2	Group 3	Group 4	Total
Active	758	3,444	400	18,903	23,505
Deferred	119	4,455	233	28,444	33,251
Total	877	7,899	633	47,347	56,756

As a result of the numbers in Group 3 the Fund reported itself to the Pensions Regulator.

We will be looking to undertake a review of the 633 by 31/12/25 and some historical member calculations where we now know McCloud applied, circa 300 retirements etc by 31/08/26.



Timely Annual Allowance exercise for 2024/25

- All the calculations were completed ahead of the statutory deadline on 6/10/25 with eight cases over AA and only three with tax due.

Pension Increase

- 1.7% CPI implemented in April 2025.

Data Quality

- High TPR validator scores Common 97.0% Conditional 97.1%
- Review old status 2 records

Status	30/11/2021	17/10/2022	29/08/2024	26/11/2024	02/10/2025
2 – undecided leavers	1,109	1,567	1,776	927	881



Actuarial Valuation & Mortality data validated & submitted to BW

- The valuation starts with an assessment of data quality. Undertaken at employer level (inc ceased employers, with BW quality scores ranging from A+ to F.

A+	Α	A-	B+	В	B-	С	D	F
30.6%	32.8%	15.3%	11.4%	4.4%	3.1%	1.3%	1.3%	
70	75	35	26	10	7	3	3	

Overall, the data graded as A (failure rate 0.3%) compared to B+ (failure rate 0.8%) in 2022.

Pensions Dashboards

Onboarding was completed on 24/09/25, go live for public date unknown.

Backdated Pay awards

Where data has been submitted, we are busy recalculating benefits.

Complete GMP reconciliation & rectification

The final 600 pensioner population being reviewed – data with Mercers & will be finalised in early 2026.

i-Connect onboarding

We now down to the last five employers, all are now actively engaging with us.



Pensions Admin - Other projects in 2025



Robots Processing Automation

We now have five live robots in the PAT where the work is prepared ready for checking which has saved us thousands of hours and circa £150k+a year.

Arundale – deferred's approaching Normal Retirement

Belle Tout – setting up deferred benefits

Camber – frozen refund quotation

Drusillas – processing refund payments

Harvey – pension increase process and report generation for scheme types

Prudential AVCs

Changes were made to the AVC fund range on 31/10/25 - AVC Fund Guide - Prudential The most significant was to the default fund for new policy holders — the With Profits fund was changed to a Lifestyle fund "Dynamic Growth Targeting Cash".

Plead for accurate data from employers

...it's always about data quality (albeit much improved this year!)

Correlation between Contributions and CARE Pay

Generally, both employers' & members' pay a fixed percentage contribution. Employer payroll teams or providers need to understand the special cases and spot checking them.

Reply Due Tasks – awaiting further information or data to progress

As at 30/09/25 PAT has 1,833 outstanding tasks but could only actively work on 570 items. Data being right first time!



Pension Administration - focus for 2026

In 2026 the Pension Administration Team will be looking for much of the same in terms of hitting many of the same successes:

- Excellent SLA performance
- Implement Pensioner CPI Pension Increases at 3.8%
- Data Quality maintain high TPR validator common/conditional scores
- Complete the McCloud recalculations
- Complete GMP reconciliation & rectification project for last 600 pensioners
- Last five existing employers onboarded to i-Connect & all employers monthly submissions up-to-date
- Digital Assistant (ESPA) live
- Begin to create automated workflows and interaction on MSS
- Video Annual Benefit Statements
- Have a happy team ⁽³⁾





Governance and compliance update

Dave Kellond

Head of Governance and Compliance

Government consultations

- Inheritance Tax on pensions: liability, reporting and payment*
- LGPS (England and Wales): Fit for the future

 LGPS (England and Wales): Access and fairness

• LGPS (England and Wales):Scheme improvements (access and protections)

^(*) This is a non-LGPS consultation but impacts on the LGPS

Access and Fairness - Key proposals



- Survivor Benefits and Death Grants
- Gender Pensions Gap Benefits
- Gender Pensions Gap Reporting
- Opt-Outs
- Forfeiture

Access and Protection – Key proposals

- Normal Minimum Pension Age
- Pension Access for Mayors and Councillors
- Academies in the LGPS
- New Fair Deal



Consultations with you

- Funding Strategy Statement (FSS)
 - Presentation after lunch
 - includes III health insurance provision (external vs in-house)
 - Opens: around 18th November 2025
 - Closes: 9th January 2026

Pensions Administration Strategy

- Interim update of the 2023 version
- A further revision is likely following further legislation
- Key changes, include a strengthening of the fund position on use of i-Connect and revised reporting details to accommodate what is reported to Board and Committee and also CIPFA Annual Report requirements.
- Opens : week commencing 1st December 2025
- Closes: I6th January 2026

Finally.....

• Independent Registered Medical Practitioner (IRMP)

- Must be registered with the GMC, and;
 - hold a diploma in OH medicine, or an equivalent qualification issued by a competent authority in an EEA state, or
 - be an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA state
- Must not have advised, given an opinion or otherwise been involved previously.

Internal Dispute Resolution Procedure (IDRP)

- Regulation 74 of The LGPS Regs 2013 requires each Scheme Employer to appoint a person ("the adjudicator") to consider applications from any person whose rights or liabilities under the Scheme are affected by a decision, or other act or omission.



Lunch...restart at 13.15





East Sussex Fund

2025 Employer Forum

13 November 2025

Barry McKay, Partner and Senior Consulting Actuary

Karen Jamieson, Actuary



What's on the agenda

- 1. Setting the scene
- 2. Valuation assumptions
- 3. Whole Fund-level results
- 4. FSS and engagement plan
- 5. Approach to ill-health retirement



Setting the scene



What is a funding valuation?

Liabilities

- Financial value of a promise
- Member entitlements
- Funded scheme

Assets

- Long-term investments
- Suitable risk
- Investment return on assets

Employer results

- Employers pooled or standalone
- Tracked separately over time



Valuing liabilities for each employer



Member data

For details of benefits



Assumptions

About future **amount** of benefit and **when** benefits will be paid



Model

Actuary builds a model and runs (lots of) calculations



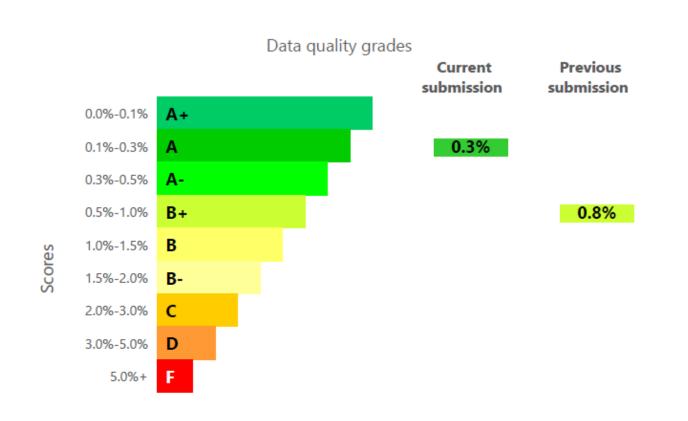
Results

Liability for each individual employer, in line with FSS



Data quality

2025 initial results data compared to 2022 data



Great improvement in data from 2022 to 2025

If McCloud failures were ignored the failures would be at 0.1% so A+



Valuation assumptions





Key assumption – discount rate

The BW "best estimate minus" approach

Varies by Fund Standardised for S13

Varies over time
Updated for market conditions

Expected return

- Weighted average
- Long-term investment strategy

Expenses

- All employers
- Explicit element

Smoothing

- Six-month period
- Reduces volatility

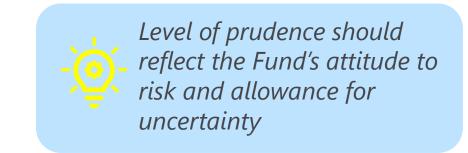
Prudence

- Attitude to risk
- Allowance for uncertainty



Allowing for prudence

Factors to consider



Area of prudence	Change in risk since 2022	Comment
Investment returns		Our best estimate asset returns are higher than in 2022 (6.4% p.a. at 2025 vs 5.7% p.a. at 2022) but recent Fund returns have been volatile and, given the current economic and political climate, future returns may also be more volatile.
		Annual returns ranged from -2.5% in 2022/23 to 8% in 2023/24 and overall average return of 2.1% p.a. was lower than assumed discount rate of 4.6% p.a.
Mortality trends	•	There is more information on post COVID-19 mortality, uncertainty about future trends in life expectancy is lower than in 2022 (though a significant degree of uncertainty remains)
Regulatory uncertainties	~	 The outcome of McCloud is more certain, however, the impact on the Fund is still based on estimates More government intervention into the LGPS could continue and lead to greater uncertainty for the Fund's objectives and operations. The recently published Access and Fairness consultation will result in further (backdated) benefit changes and survivor benefit changes.
Expenses	~	Expenses are explicitly allowed for in the discount rate and, at 0.2% p.a. of Fund assets, are in line with experience over the last few years.
Climate change	1	Our early analysis suggests that the downside risks from climate change are greater than modelled in 2022 – in particular, we view an "early action" scenario (as modelled in 2022) as unlikely and therefore not one we will include in our set of scenarios in 2025. Other observations include poor asset returns in the medium term suggesting care should be taken if reducing any contribution rates.

Summary of key financial assumptions

Assumption	2025	2022	Impact on liabilities
Discount rate	5.0% p.a.	4.6% p.a.	
Inflation	2.7% p.a.	2.9% p.a.	
Salary increases	3.7% p.a.	3.9% p.a.	

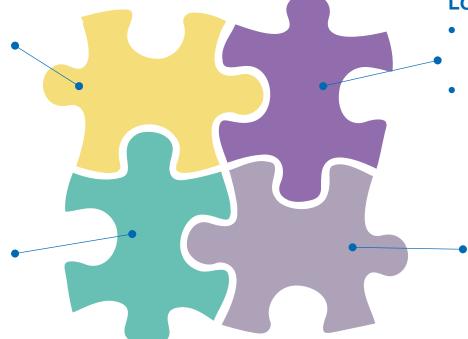
Mortality

Base mortality assumption

- Specific to the Fund
- Best estimate of today's mortality

Future changes in mortality

- Called "improvements"...
- but not always true



Longevity analysis

- Bespoke socio-economic analysis
- Fund's own recent experience

Uncertainty

- Long-term impact of Covid on mortality and morbidity
- What's next?



A socio-economic analysis has been carried out by BW's specialist longevity team using the Fund's 2019-2024 data.

The proposed mortality assumptions will reduce the funding position by 0.7% and increase Fund primary contributions by 0.3%.



Proposed mortality assumptions - impact

The resulting life expectancies are set out in the table below. The table sets out the change relating to the updated base mortality assumption as well as the change relating to the updated future changes in mortality assumption.

Life expectancy from age 65 (years)	2022 val	2025 current mortality, 2022 improvements	2025 current mortality, 2025 improvements	Total change frm 2022 to 2025
Male, retiring today, age 65	21.3	21.7	21.7	0.4 years
Female, retiring today, age 65	24.5	24.2	24.0	-0.5 years
Male, retiring in 20 years, current age 45	22.6	23.1	23.4	0.8 years
Female, retiring in 20 years, current age 45	25.9	25.6	25.8	-0.1 years

Funding

Impact is small

The proposed mortality assumptions will decrease the funding position by 0.7% and increase Fund primary contributions by 0.3%.



Fund-level results





What's happened since 31 March 2022?

Factors that affect the cost and the value of liabilities



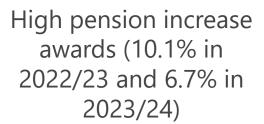
Actual Fund investment returns

Lower than assumed investment returns (2.1% per annum compared to 4.6% discount rate)

This has reduced the funding position



Inflation



This has reduced the funding position



Life expectancies

Assumed life expectancies are higher for males and lower for females compared to 2022 assumptions

This has little impact on the funding position



Expected Fund investment returns

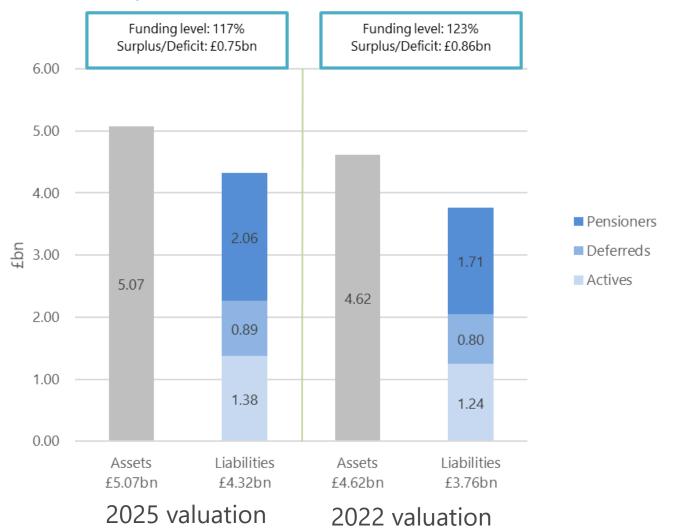
Expected future returns are higher than at the previous valuation

This has improved the funding position but means <u>higher</u> future returns are needed to maintain funding levels



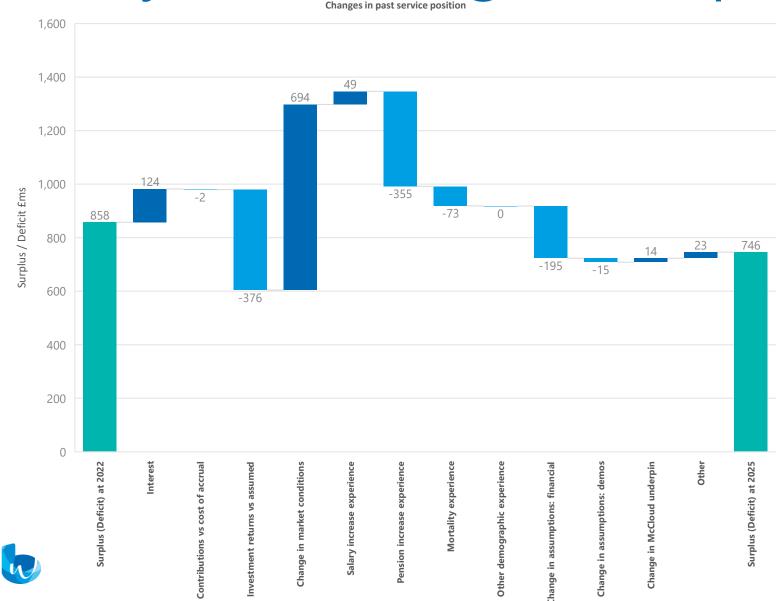
2025 Fund-level results

Using the proposed assumptions the results of the valuation are set out in the chart below. We have included the funding position at the previous valuation for comparison.





Analysis of change in surplus / deficit



The largest impacts are from investment returns being lower than assumed (**-£376M**) and inflation being higher for longer than expected (**-£355M**).

This has been offset by favourable changes in market conditions (**+£694M**) but an increase in the prudence margin and changes to the derivation of the financial assumptions (**-£195M**) has reduced the surplus.

Other items have had a smaller impact.

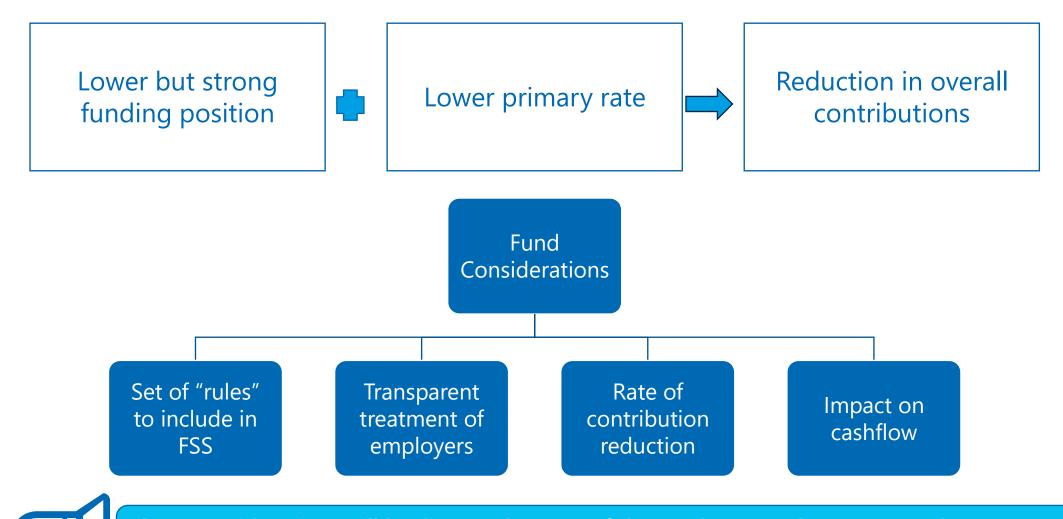
2025 primary rate (Fund-level)

Using the proposed assumptions the resulting average primary rate across the whole Fund is set out in the table below. Note that expenses are dealt with in the derivation of the discount rate and therefore we make no explicit allowance in the primary rate for expenses.

Primary rate	2025 Proposed basis	Previous valuation	
	of payroll p.a.	of payroll p.a.	
Average total future service rate	23.7%	26.7%	
Less average member rate	6.4%	6.5%	
Fund primary rate	17.3%	20.2%	



What does this mean for contributions?





These considerations will be discussed as part of the employer results process and any appropriate amends will be included in the draft FSS for the consultation with employers.

The FSS and the engagement plan



What is in the new FSS?

Key sections of the new FSS

A. Purpose of the Fund and the FSS

- Aims and objectives of the FSS
- Monitoring and review of the FSS

B. Key funding principles

- Funding target
- Managing risk
- Actuarial assumptions
- Links to the ISS
- How employer contributions are calculated
- Actuarial valuations
- Reviewing employer contributions between valuations
- How surpluses and deficits are managed
- Employer covenant
- Guarantors
- Admission bodies

c. Employer events

- Joining the Fund and employer contribution rate setting/monitoring
- Preparing for exit and events that may trigger termination
- DDAs and DSAs
- Suspension notices
- Partial terminations
- Bulk transfers (to and from the Fund)



Funding Strategy Statement – what's new?

What are the proposed changes to the funding strategy as part of the 2025 valuation?







Stabilisation mechanism has been removed (i.e. previously only 1% p.a. changes)



Academies & FE colleges treated similarly to councils

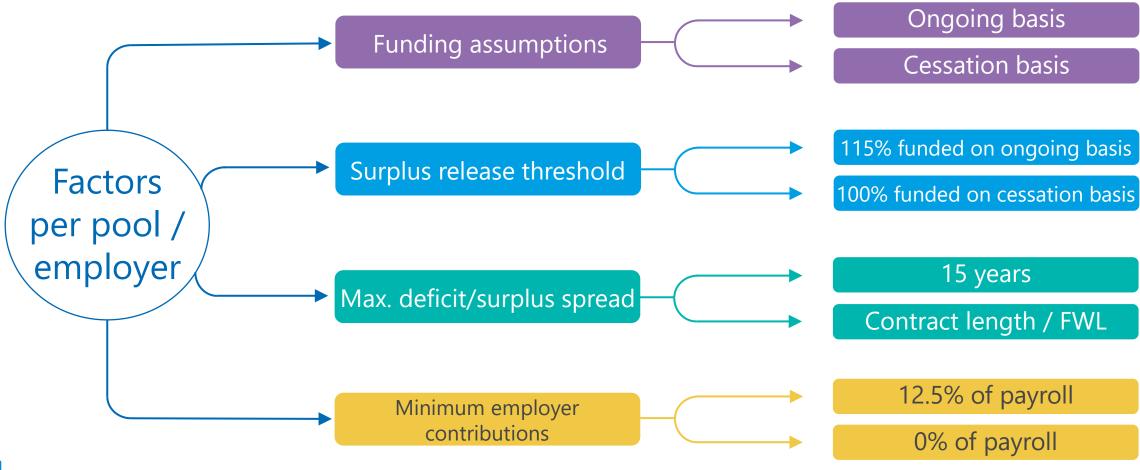


Clear demonstration of meaningful engagement with employers



2025 FSS – main funding approaches

Key elements will vary by employer/pool category, for example:





Engagement plan



September

Inform Investment and Pension Fund Committee of key changes proposed at meeting on 25 September 2025



October

Following comments from Committee agree draft with Fund officers High level employer results inform final few elements in FSS



November

Draft FSS issued to employers alongside their results BW attend employer forum on 13 November 2025 to help with any questions Launch of consultation following employer forum



December

Remind employers about responding before consultation closes





Review responses to consultation and consider any changes to FSS Write to employers to confirm outcome of consultation



February/March

Final version shared with Investment and Pension Fund Committee for formal approval FSS published on Fund's website by 31 March 2025



A new approach to ill-health retirement costs





Self insurance for ill health

New proposal for 1 April 2026

- Fund previously used external insurer to provide protection for some employers regarding ill health retirements
- Now have sufficient data to determine Fund specific premium
- Proposing to bring protection in house
- Employers won't see any change to total contribution rate illhealth "premium" included in total rate

Ill-health retirements can be extremely costly to employers (up to £1m) so want to protect employers from that one-off cost



Benefits of self-insurance

Mitigating adverse experience

Shares the experience across all employers

Protects against adverse experience

Stability and cost

Improves stability of funding level and contribution rates, particularly for smaller employers

Lower overall cost as not paying expenses profit and commission (circa 0.75% of pay)

Administration and process

No need to invoice employers for strain cost arising on deaths in service or ill-health retirements

No need to purchase external insurance policy



Your questions





Thank you for attending the 2025 Employer Forum

Opportunity to ask actuaries or Fund personnel any questions you may have