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London Pensions Fund Authority 2022 Valuation – An Employer's Guide

March 2022



London Pensions Fund Authority – 2022 Valuation

What is the valuation?

The valuation is a statutory requirement that is held every three years for all of the Funds in the Local Government Pension Scheme ('LGPS'). Our independent Fund Actuary (Barnett Waddingham) will value the assets and liabilities in the Fund and set the level of employer contributions for the next three years. You can find the previous valuation report on our website¹.

What impact does the valuation have on your organisation?

- The valuation process helps maintain the pension fund's financial health ensuring that we can deliver this valuable and appreciated part of the reward package for your employees.
- The valuation assesses the funding level for each employer and the contributions that your organisation will make over the next three years.
- While we want to keep employer contributions as stable as possible, the valuation may result in changes and it's important to us that we're as transparent as possible.

What do we need from employers?

We need your help in three main ways to help make the valuation a success.

- **Data:** Please provide membership data as soon as possible in April/May 2022. Incorrect data can lead to delays and errors in the valuation results.
- **Input:** We welcome your input in the valuation approach. Please respond to the consultation on our Funding Strategy Statement to express your point of view.
- **Engagement:** It is important that all employers engage with LPFA throughout the valuation. It is crucial that you respond to LPFA when you receive the initial valuation results so that any issues can be properly addressed.

Who should I call?

Your first point of contact should be Ushma Shah:



Ushma Shah
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Valuation timeline

The below outlines the key milestones in the 2022 valuation timeline. These timings might change but we will let you know if they do.

- **31 March 2022:** The effective date of the valuation. All benefits built up before this date will be valued.
- **April – May 2022: ACTION NEEDED** Employers provide up to date membership data for the year ending 31 March 2022. It is important that the data you provide is accurate and provided as soon as possible. LPPA have been in touch with all employers about the data you need to provide.
- **June 2022:** We will submit data to the Fund Actuary. The actuary will use this data to calculate each employer's funding level and contribution rate.
- **July 2022:** We will prepare employer risk assessments. Details on how we do this can be found by clicking on the Employer Risk Management drop down in our library section². We will also consult with employers on our proposed Funding Strategy Statement. This is the document that sets out how we will deal with any surplus or deficit, among other things. Employer feedback on the consultation is very welcome.
- **November 2022:** The final Funding Strategy Statement will be issued. Initial valuation results will be issued to each employer. This will include notification of the new contribution rate.
- **November 2022 – February 2023:** During this period we will be available to meet with any employer who would like to discuss the results of the valuation.
- **March 2023:** All valuation results are finalised. The Fund Actuary issues a "Rates and Adjustments" certificate to each employer confirming the new contribution rate.
- **1 April 2023:** The valuation is complete and new employer contributions take effect.

1 The previous valuation report can be found here:
<https://www.lpfa.org.uk/library/our-performance/lpfa-valuation>

2 The drop down can be found here:
<https://www.lpfa.org.uk/library/our-policies-and-procedures>