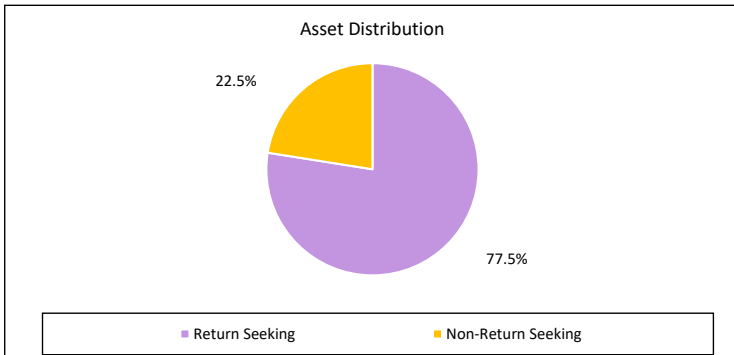
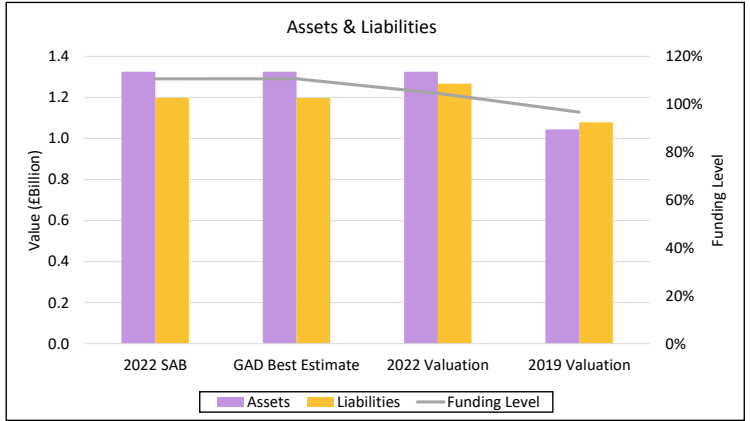
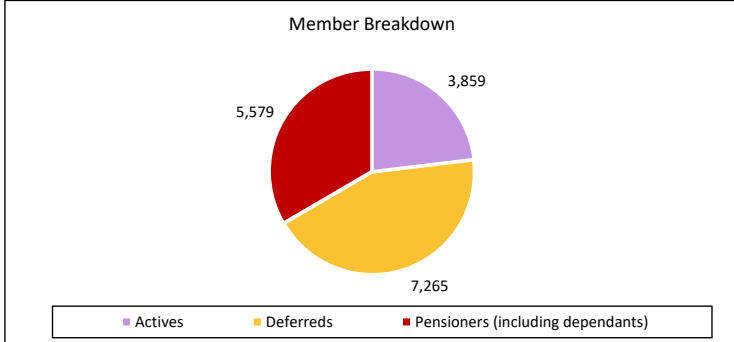




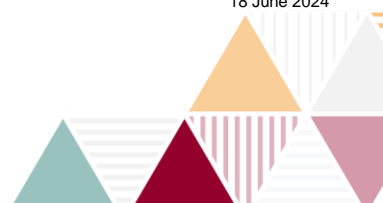
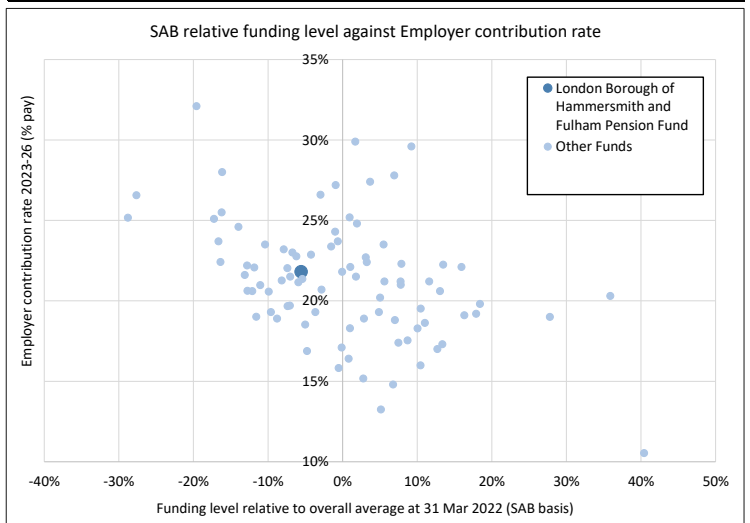
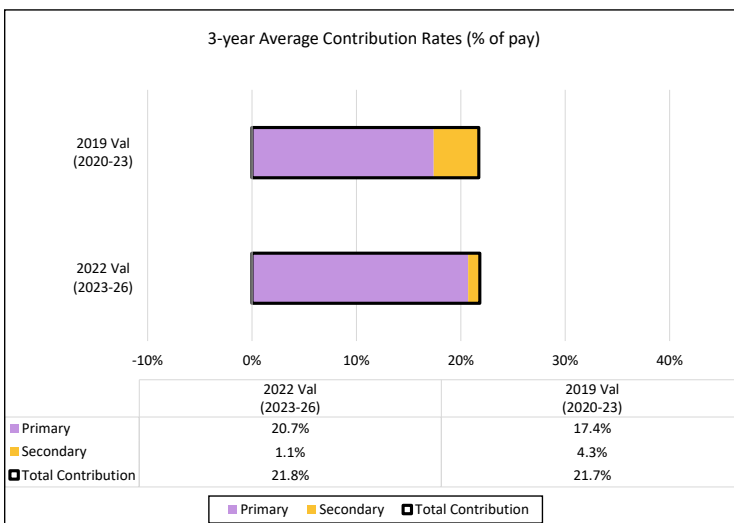
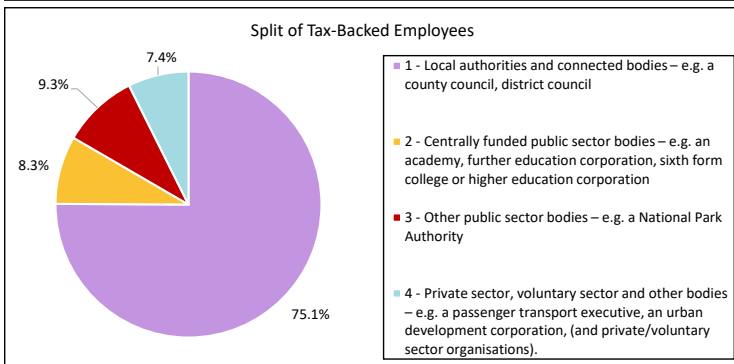
Government Actuary's Department

LGPS (E&W) Section 13 Report at 31 March 2022 - Data Summary - London Borough of Hammersmith and Fulham Pension Fund

The purpose of GAD sharing these summaries is to give you an opportunity to consider the preliminary results including any flags indicated and to let GAD know if you think we have misinterpreted the data provided or if there are any material inaccuracies in the data used. Please note these summaries are only intended for funds and their advisors and should not be shared more widely. For more information on the metrics shown please see the [2019 LGPS \(E&W\) Section 13 report](#), where details on the calculations and methodology can be found in the [Appendices](#)



Local Authority	Core Spending (£m)	Core Spending (%)
Total	246	100%
Hammersmith And Fulham	185	75%
Hammersmith and Fulham GLA	61	25%



LGPS (E&W) Section 13 Report at 31 March 2022 - Data Summary - London Borough of Hammersmith and Fulham Pension Fund

<u>Solvency Breakdown</u>	
Fund Open/Closed	Open
SAB Funding Level	110.6%
Percentage of Non-Statutory Employees (Group 3 + Group 4)	16.6%
Asset Shock	
<i>The calculations for the asset shock:</i>	
(a) Assets are classified as: (i) Return seeking - Equity, Property, Infrastructure (equity type) & other return seeking assets; and (ii) Non-return seeking - All other assets	
(b) Return seeking assets are stressed, with a one-off reduction of 15%	
(c) New deficit allocated to tax-raising authorities	
= (Pre-stress asset value - Post-stress asset value) × % Tax backed employees	
(d) The new deficit is then spread over 20 years of annual payments, and compared to the fund's core spending	
	£m
Pre-stress asset value	1,324.9
Post-stress asset value	1,170.9
New deficit allocated to tax raising authorities (Group 1 + Group 3)	129.9
Annual deficit payment (spread over 20 years)	7.1
Deficit percentage of core spending (where core spending is £246m)	2.9%
Deficit percentage of core spending (allowing for post-asset shock surplus)	2.9%
Employer Default Shock	
<i>The calculations for the employer default shock:</i>	
(1) Determine funding level on GAD's best estimate basis	
(2) If the fund is in deficit, non-tax backed deficits are allocated to tax-backed	
(3) The non-tax backed deficit is spread over 20 years and compared to the fund's core spending	
	£m
Deficit on best estimate basis	0.0
Proportion of deficit allocated to non-tax raising authorities	0.0
Annual deficit payment (spread over 20 years)	0.0
Deficit percentage of core spending	Surplus

<u>Long Term Cost Efficiency</u>	
Deficit Recovery Period	
<i>Implied deficit recovery period calculated on GAD's best estimate basis</i>	
Recovery period (years)	Surplus
Ranking of fund (out of 87 funds)	N/A
Required Return	
<i>Required investment return rates to achieve full funding in 20 years' time on GAD's best estimate basis</i>	
Required return under best estimate basis (ranking)	3.6%
Ranking of fund (out of 87 funds)	59
Repayment Shortfall	
<i>Difference between:</i>	
(i) actual contribution in excess of GAD's best estimate of future service cost; and	
(ii) the annual deficit recovery contributions required as a percentage of payroll to pay off deficit in 20 years, where the deficit is calculated on GAD's best estimate basis	
Actual contribution rate paid less SCR on best estimate basis	4.7%
Annual deficit recovery payment as % of implied 31 March 2022 payroll	0.0%
Difference	4.7%
Return Scope	
<i>Fund's expected best estimate future returns, assuming current asset mix maintained, compared with the required investment return rates, as calculated in required return above</i>	
Expected return	4.6%
Required return	3.6%
Difference	1.0%
Ranking of fund (out of 87 funds)	75
Deficit Reconciliation	
<i>Confirmation that the deficit period can be demonstrated to be a continuation of the previous deficit recovery plan</i>	
2020-23 Average Contribution Rate	21.7%
2023-26 Average Contribution Rate	21.8%
Difference in Average Contribution Rate between 2020-23 and 2023-26	0.1%
Valuation	2019
Deficit Recovery End Point	2036
Increase in deficit recovery end point (years)	Surplus
Surplus Retention	
<i>For funds in surplus on GAD's best estimate basis:</i>	
(i) comparison of the average actual employer contribution rate with the contribution rate required to meet the cost of accruing future benefits, calculated on GAD's best estimate basis; or	
(ii) where the rate is less than the best estimate future service cost the implied surplus sharing period over which a surplus on a best estimate basis might be spread is not considered too short	
Actual contribution rate paid less SCR on best estimate basis	4.7%
Implied surplus payment period	N/A

