

# 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 report that was produced for the Trustee Directors as at 31 July 2023.

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 the fund'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 the fund by the University and the fund's 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 approximate assessment of ULPF showed that on 31 July 2023 the funding position was as follows:

<b>Assets</b>	£565,083,000
<b>Amount needed to provide benefits earned to date (technical provisions)</b>	£293,226,000
<b>Surplus</b>	£271,857,000
<b>Funding level</b>	193%

It should be noted that these figures have been calculated using the actuarial assumptions derived from the funding plan (statement of funding principles) agreed at the last full actuarial valuation which was carried out as at 31 July 2021. There is no requirement to update this funding plan between full actuarial valuations, which are carried out at least every three years. Significant changes in circumstances might mean that, were a full actuarial valuation to be carried out in the intervening period, different actuarial assumptions would be used that would show a different position. The next full actuarial valuation as at 31 July 2024 is currently in progress with the results due later this year.

## CHANGE IN FUNDING POSITION

Over the year to 31 July 2023, the funding level improved from 150% on 31 July 2022 to 193% on 31 July 2023. This was mainly due to market conditions, which caused a small decrease in asset values, but a much larger decrease in liabilities, due to the rise in gilt yields.

## 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 full actuarial valuations. 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 on 31 July 2021, the last full actuarial valuation

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 actuarial valuation on 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. The funding level on this basis was 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 are available on the Pension Protection Fund's website at [www.ppf.co.uk](http://www.ppf.co.uk)

Alternatively, you can write to the Pension Protection Fund by sending an email to [information@ppf.co.uk](mailto:information@ppf.co.uk)

## ANNUAL REPORT AND ACCOUNTS

A copy of the latest Annual Report and Accounts along with the Annual Engagement Policy Implementation Statement is available on 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. This will guide the Trustee on who should receive any lump sum benefits payable on your death. A copy of this form is available on 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 had an average of £47,000 per person stolen from them in 2023 according to Action Fraud.

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](http://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](mailto:pensions@liverpool.ac.uk)

Our website address is:

[www.liverpool.ac.uk/hr/pensions](http://www.liverpool.ac.uk/hr/pensions)

Our normal working hours are 9.00am to 5.00pm

Pensions Administration Manager:  
Dave Mallon

For general enquiries please email [pensions@liverpool.ac.uk](mailto:pensions@liverpool.ac.uk) or call one of our Pensions Administrators:

Ellie Judge	0151 795 5259
Jennie Hall	0151 795 4674
Maria Hornby	0151 794 2125

For enquires relating to your pension payments or tax related issues email [payroll@liverpool.ac.uk](mailto:payroll@liverpool.ac.uk) or call

0151 794 6769

Our postal address is:

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