

CLWYD PENSION FUND

SCHEME OF DELEGATION

The Clwyd Pension Fund has certain functions which are delegated to the Chairman, Vice-Chairman and/or Officers of the Fund by the Pension Fund Committee. This paper outlines the decision made, the powers under which it is made, when the decision was taken, and by whom.

DELEGATED POWERS BEING USED (extracted from agreed PFC delegations):	Delegation:	Agreeing the terms and payment of bulk transfers into and out of the Fund where there is a bulk transfer of staff from the Fund. Exceptions to this would be where there is a dispute over the transfer amount or it relates to significant assets transfers relating to one employer or the Fund as a whole.
	Delegated Officer(s):	HCPF and either the CFM or CE after taking appropriate advice from the Fund Actuary.
	Communication and Monitoring of Use of Delegation	Ongoing reporting to PFC for noting

Subject matter	Bulk transfer of the Newport Vision staff from the Rhondda Cynon Taf Pension Fund to the Clwyd Pension Fund.
Recommendation	Agree the terms of the bulk transfer as set out below and agree to the acceptance of the bulk transfer which would have been in the region of £1.8-1.9m at the point of transfer (noting that the data is still in the process of being finalised).

BACKGROUND:

A bulk transfer of 37 members took place on 1 April 2018 from Rhondda Cynon Taf County Borough Council (in the Rhondda Cynon Taf Pension Fund - RCTPF) to Denbighshire County Council (in the Clwyd Pension Fund).

A draft Actuary's letter has since been provided for agreement by the CPF Actuary, and this sets out the proposed assumptions to use in the calculation of the payment amount.

In order to determine whether the proposed assumptions are appropriate, the Actuary has approximately calculated:

- a) the value of the member's liabilities using the assumptions proposed in the Actuary's letter (e.g. this determines the payment that will be made to CPF)
- b) the value of the member's liabilities using the CPF 2019 valuation assumptions (e.g. this determines the liabilities that CPF will be taking on)

Based on the initial data provided (noting that some data queries are outstanding), the Actuary calculates that the liabilities of the members joining CPF will be c£70,000 higher than the payment that will be made to CPF (compared to a total liability transferring of potentially £1.8m-£1.9m on CPF's 2019 valuation basis).

Due to this relatively small shortfall, the Actuary recommends that the Fund accepts the terms in the letter to avoid the potential cost of protracted negotiations with RCTPF's actuaries with the only variation being to request they include reference to the McCloud remedy costs being included. It is unlikely that there would be any such cost (or if so it would be very small) so it is likely to be only a cosmetic change to the terms. Therefore, if RCTPF do not agree to this amendment then Actuary has confirmed that the Fund can still accept the current terms to avoid the cost of further discussions which could outweigh any benefits. It will also bring the matter to a swift conclusion given the original delay in the Fund being notified of the potential transfer and subsequent resolution of the final member data.