



Notes to the accounts (continued)

33 Pension and Similar Obligations (continued)

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £240,558 (2020: £240,641).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by City and County of Cardiff (CCC) and Gwynedd Council (GC). The total contributions made for the year ended 31 July 2020 were £911,807 of which employer's contributions totalled £734,225 and employees' contributions totalled £177,582. The agreed contribution rates for future years are 30.8% from April 2021 and 32.7% from April 2022 for Cardiff & Vale of Glamorgan LGPS and 23.7% for Gwynedd LGPS for the Organisation and range from 5.5% to 12.5% for employees, depending on salary.

Due mainly to the exceptional circumstances linked to the Covid-19 pandemic, the net pension liability recognised on the balance sheet increased to £6.3million as at 31 July 2020 compared to £2.5million at 31 July 2019. This was mainly due to reduced yields on corporate bonds (upon which the discount rate is determined) and volatile investment returns linked to the pandemic. The pension liability has now reduced to £5.4million as at 31 July 2021.

Local Government Pension Scheme - Cardiff & Vale of Glamorgan LGPS

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021 by AON:

	At 31 July 2021	At 31 July 2020
	% pa	% pa
Discount rate	1.7	1.4
CPI Inflation	2.6	2.2
Pension Increase	2.6	2.2
Pension accounts revaluation rate	2.6	2.2
Salary increases	3.6	3.2

Mortality Assumptions

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2021	At 31 July 2020
	years	years
<i>Retiring today</i>		
Male	22.3	22.2
Female	24.7	24.6
<i>Retiring in 20 years</i>		
Male	23.3	23.2
Female	26.1	26.0



