

# University of East Anglia Staff Superannuation Scheme

## *SUMMARY FUNDING STATEMENT*

We recommend you read this statement as it contains important information about your pension.

We are responsible for providing you with a summary funding statement from time to time to let you know about the scheme's financial security and the funding of the scheme. The information in this summary is based on the valuation that was carried out as at 31 July 2023.

If you have any questions about the contents of this statement, then please contact us at the address below.

### **Trustees of the University of East Anglia Superannuation Scheme**

c/o Mr Duncan Sides  
University of East Anglia  
Norwich Research Park  
Earlham Road  
Norwich  
NR4 7TJ

Or email: [pensions.ueasss@uea.ac.uk](mailto:pensions.ueasss@uea.ac.uk)

Please ensure that correspondence is sent to the address above (and not to any other address which may appear on previous correspondence) quoting the reference "summary funding statement" along with your full name, National Insurance number and pension scheme name.

### **HOW IS MY PENSION PAID FOR?**

Your benefit entitlement under the scheme is calculated using a formula based on your earnings and length of active membership of the scheme. This calculation is carried out at your retirement or earlier date of leaving service and you are advised of the

amount of your benefit 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 the scheme's future pension payments.

All contributions and investment income are held in this common fund and make up the scheme's assets. The scheme's assets are broadly classified as follows: 12% in UK Equities, 19% in Overseas Equities, 35% in Liability-Driven Instruments, 6% in Diversified Growth Funds, 6% in Government Bonds, 12% in Property, and the remainder in Net Current Assets. Further details of the scheme's investment strategy are given in the statement of investment principles, which is available on request.

### **HOW WELL FUNDED IS THE SCHEME?**

The latest valuation of the scheme showed that on 31 July 2023 the funding position was as follows:

<b>Assets</b>	£105.4m
<b>Amount needed to provide benefits earned to date (technical provisions)</b>	£117.8m
<b>Shortfall</b>	£12.4m
<b>Funding level</b>	89%

The above figures include approximate allowance for additional liabilities or costs that have arisen due to sex inequality of

benefits that results from unequal Guaranteed Minimum Pensions, as confirmed by the judgment in the case of Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC and others.

## CHANGE IN FUNDING POSITION

The funding level dropped from 93% as at 31 July 2021 to 89% as at 31 July 2023. This is mainly due to the return on assets which was lower than anticipated over the inter-valuation period. However, this has been partially offset by the increase in gilt yields which have resulted in a decrease in the technical provision liabilities. The impact of inflation over the period being higher than expected resulted in higher deferred revaluation, pension increases and salary increases which acted to increase the liabilities. The liabilities reflect a more prudent target based on an updated review of the University's strength.

## HOW WILL THE SHORTFALL BE MET?

We have agreed a recovery plan with the University which aims to eliminate the shortfall by 31 July 2031. This is being achieved through payment of contributions of £900,000 per annum from 31 July 2023 to 31 October 2024 and £1,900,000 per annum from 1 November 2024 to 31 July 2031 in respect of the shortfall

We have agreed a funding plan with the University that aims to make sure there is enough money in the scheme to pay for pensions now and in the future. The amount of money that the University pays into the scheme may go up or down following regular funding checks by the actuary (known as actuarial valuations), which are carried out at least every three years. Following each actuarial valuation, we come to an agreement with the University on future contributions, which allow for making good any shortfall over an agreed timescale. These matters are documented in the statement of funding principles, recovery plan and schedule of

contributions. A copy of these documents is available on request.

We have not made any payments to the University since the last summary funding statement was produced.

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 this pension scheme.

## WHAT WOULD HAPPEN IF THE SCHEME 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 the scheme.

The valuation as at 31 July 2023 showed that the assets could not have paid for the full benefits of all members to be provided by an insurance company if the scheme had wound up at that date, with the funding level on this basis being 76%. The shortfall on this basis was £32.7m.

If the scheme were to terminate, the law requires the University to pay sufficient money to the trustees so that we can purchase the full benefits built up in the scheme with an insurance company. It may be, however, that the University would not be able to pay this full amount. In the unlikely event that the University became insolvent, the Pension Protection Fund might be able to take over the scheme and pay compensation to members. Further information and guidance is available on the PPF website at [www.ppf.co.uk](http://www.ppf.co.uk).

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

## THE IMPORTANCE OF THE UNIVERSITY'S SUPPORT

Our objective is to have enough assets to pay pensions now and in the future. However, success of the funding plan relies on the University continuing to support the scheme because:

- The University will be paying the future expenses of running the scheme on an annual basis.
- The funding level can fluctuate and where there is a funding shortfall the University will usually need to put in more money.
- The target funding level may turn out not to be enough so that the University may need to put in more money.

## EXPRESSION OF WISH FORM AND CHANGES OF ADDRESS

We take this opportunity to remind you of the need to ensure that your “expression of wish form”, indicating who you would like lump sum benefits to be paid to in the event of your death, is kept up to date. Please contact the Trustees if you want to update this form or if you have changed address.

## WHERE CAN I GET MORE INFORMATION?

Please contact the Trustees at the address given earlier if you have any questions, or would like any more information including a copy of the scheme booklet, trust deed and rules, actuarial valuation, recovery plan, statement of funding principles, schedule of contributions, statement of investment principles or annual report & accounts. These can be viewed free of charge but, if you require a copy, this may involve a charge to cover copying and posting for some of the items.

***Important: If you are thinking of leaving the scheme for any reason you should always consult a professional advisor, such as an independent financial adviser, before taking any action.***

**January 2025**