

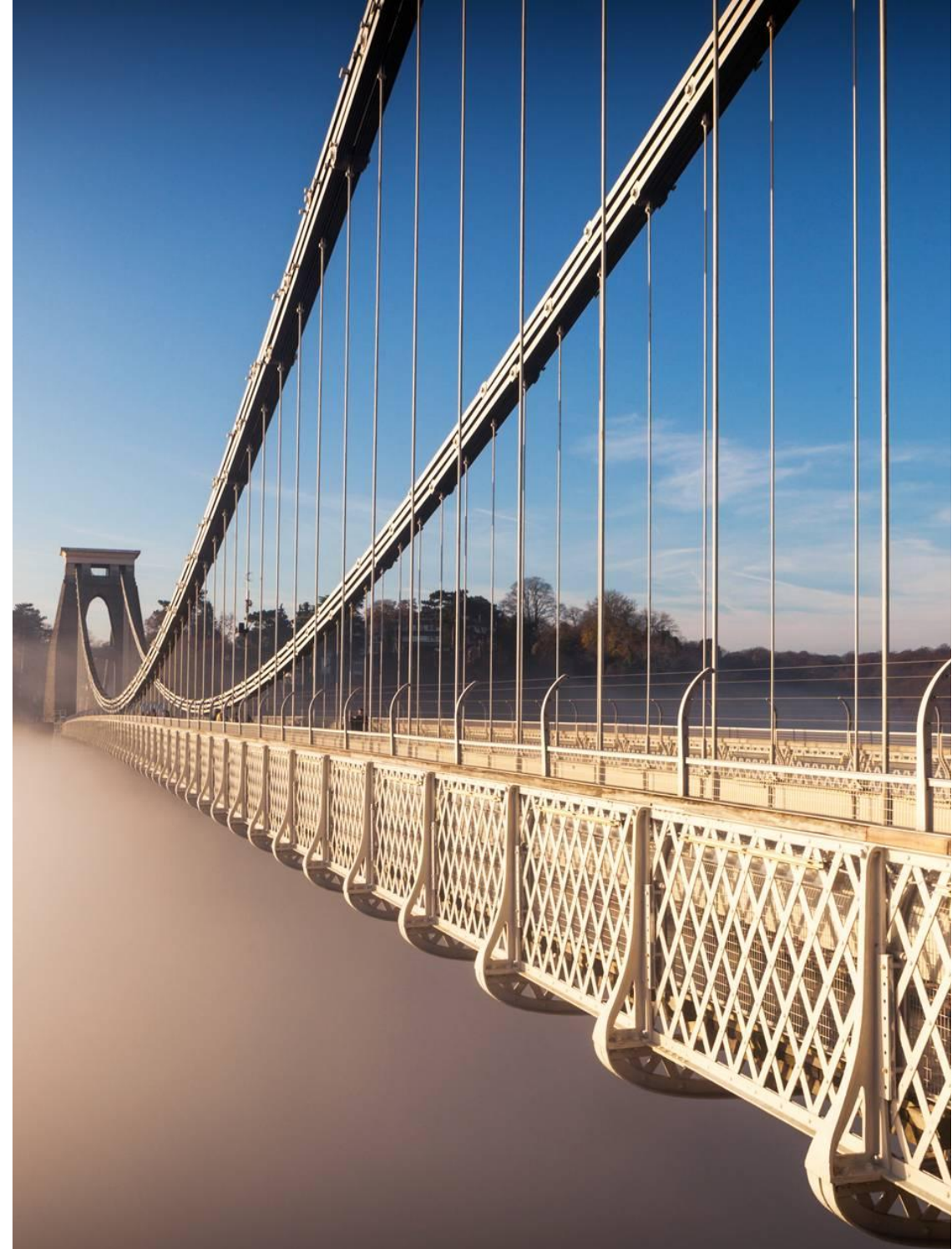
Report on the actuarial valuation

of the Cardiff and Vale of Glamorgan Pension Fund as at 31 March 2025

Prepared for: Cardiff Council as Administering Authority of the Cardiff and Vale of Glamorgan Pension Fund

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31 March 2026



Introduction

This actuarial valuation report is required by Regulation 62 of the Local Government Pension Scheme Regulations 2013. It summarises the results of the funding valuation of the Fund as at 31 March 2025, including the Rates and Adjustments Certificate which sets out the contributions payable by employers from 1 April 2026 to 31 March 2029.

Purpose of the valuation

The overriding purpose of the valuation is to value the liabilities of the Fund and compare these to the assets of the Fund as required by the Regulations and to set out the contributions payable by each employer in the Fund.

The report concentrates on the Fund's financial position at the valuation date. As time moves on, the Fund's finances will fluctuate. If you are reading this report sometime after it was produced, bear in mind that the Fund's financial position could have changed significantly.

Benefits valued

The benefits valued are set out in the Regulations. We have commented in the Further Information section on how we have allowed for legal and other uncertainty regarding the benefits. Assets and liabilities in respect of defined contribution additional voluntary contributions (or AVCs) have been excluded.

Funding Strategy Statement

The principles which have been applied are set out in the Funding Strategy Statement (FSS) of the Fund. The FSS has been reviewed and amended as part of the 2025 valuation process.

Next steps

As required by Regulation 66 this report must be published and made available to the Secretary of State, and to current and prospective employers who contribute or may become liable to make payments to the Fund.

Glossary

Actuarial valuations come with a lot of associated terminology.

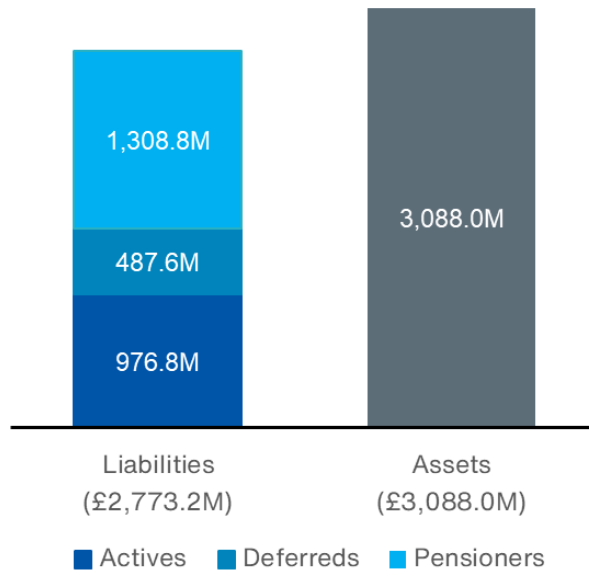
Throughout this document we use certain terms with specific meanings in the context of actuarial valuations.

To help you understand them, we have provided a [glossary](#) at the end of this document.

At a glance ...

Overall Funding Position

There was a surplus of £314.8M relative to the liabilities. The funding level was 111%, an increase of 13% compared to 31 March 2022.



Primary contribution rate (% of Pay)

14.7%

▼3.6%
Vs 31 March 2022

Comment

The primary rate is the employer share of the cost of benefits being earned in the future, expressed as a percentage of pensionable pay.

The figure quoted is a weighted average of all employers' primary rates.

Secondary contribution rate (% of Pay)

(1.0%)

▼1.9%
Vs 31 March 2022

Comment

The secondary rate is the adjustment to the primary rate needed to reduce the funding level of the Fund as a whole to 110% over a recovery period of 14 years. We have shown an equivalent % of pensionable pay for illustration.

Total contribution rate (% of Pay)

13.7%

▼5.5%
Vs 31 March 2022

Comment

This is the sum of the primary and secondary rates quoted above.

Each employer's total contribution rate will differ depending on their circumstances, including membership profile, funding level and recovery period.

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Funding objectives

The Administering Authority's main funding objective is to hold assets at least equal in value to the past service liabilities.

To calculate the past service liabilities and the cost to the employers of future benefit accrual, the benefits paid out by the Fund are estimated for each year into the future. The estimated benefit payments are then 'discounted back' to the valuation date using an agreed rate of interest known as the discount rate.

Cashflows

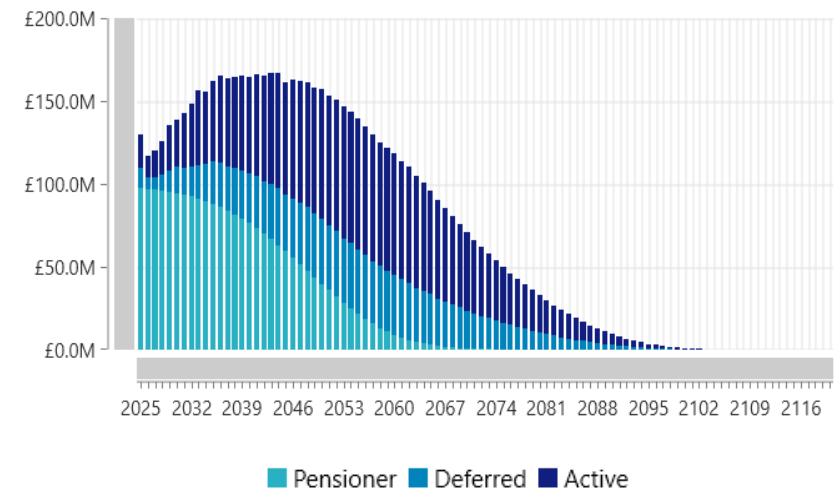
The benefit payments from the Fund are expected to be made for a very long period. The chart shows the projected cashflows for the Fund (based on past service benefits and the assumptions used for the valuation). Most cashflows are linked to future levels of salary growth and/or inflation.

Discount rate

The Funding Strategy Statement describes the approach used to set the funding target and hence the discount rates. The Administering Authority adopts different discount rates depending on employers' circumstances including the likelihood of exit and what would happen to the liabilities on exit. The use of different discount rates is summarised on the next page.

Prudence

Prudence in the valuation is achieved using discount rates which have a materially better than evens chance of being achieved by the Fund's assets. Information on the level of prudence (or risk) in the funding strategy is contained in the Fund's Funding Strategy Statement.



Discount rates for different employer types

The Administering Authority adopts different discount rates for different types of employer. The funding targets for the various types of employer, that each use different discount rates, are as follows:

- the scheduled and subsumption body funding target, which assumes indefinite future investment in assets similar to the Fund's holdings at the valuation date (allowing for any known or planned changes to the long-term investment strategy as appropriate).
- the ongoing orphan funding target: for admission bodies whose liabilities would be orphaned on exit, the discount rate has regard to the possibility that participation may cease and that the exit valuation would assume a low risk investment portfolio made up of long dated UK Government bonds (of appropriate nature and term) at cessation.
- the low risk funding target: for "orphaned" liabilities that relate to employers which have already exited the Fund.

An explanation of scheduled bodies, orphaned liabilities and subsumption bodies is given in the Glossary.

Employer covenant

A key factor in setting the appropriate funding strategy for different types of employers is the Fund's assessment of the employer covenant. The Guidance for Preparing and Maintaining a Funding Strategy Statement states that employer covenant should be taken into consideration in decisions around funding strategy and setting employer contributions.

The covenant strength of employers has been taken into account when setting the funding target and other elements of the funding strategy for the different types of employers that participate in the Fund.

Comparison with other LGPS funds

The funding position and resulting contributions are based on assumptions about uncertain future factors such as investment returns, inflation and life expectancy. Each LGPS fund uses different assumptions and funding parameters which reflect their own views, circumstances and strategic objectives. These differences (amongst other factors) will lead to differences in funding positions and contributions across LGPS funds. To support comparison, LGPS funds are required to report a funding position on a consistent set of assumptions (called the "SAB funding level"), and this is set out in the Dashboard section later in this report (see 'Funding level on SAB basis' in that section). The assumptions used in the calculation of the SAB funding level (called the SAB standardised basis) are set by the LGPS Scheme Advisory Board on the basis of advice from GAD and are to allow consistent comparison between LGPS funds only. They are not intended to be appropriate for funding purposes or setting employer contributions for individual funds. As such, this result has no impact on the Fund's funding strategy or employer contribution rates.

Method, data and assumptions

After consulting with the Administering Authority, we have agreed the method, data and assumptions to use for calculating the past service liabilities and employer contribution rates.

Method

The past service liabilities have been calculated using the projected unit method. This method, with a one-year control period, has also been used to calculate the cost of future benefits building up for most employers. The attained age method has been used for some employers who do not admit new employees to the Fund.

The method used for each employer, including funding target and recovery period, has been advised separately.

Data

The actuarial valuation was based on a snapshot of member data as at the valuation date, extracted from the administration system after the valuation date. Due to ongoing processing of membership records, and some data estimation carried out for valuation purposes, the data may be different to data summarised in the Fund's report and accounts.

See the Further Information section for a summary of the membership data used.

Assumptions

We use assumptions to calculate the past service liabilities, cost of future benefit accrual and contributions for the recovery plan. All assumptions are intended to be best estimate (i.e. equally likely to overstate or understate the amount required to provide the promised benefits) with the exception of the discount rate, which is deliberately prudent. Most of the demographic assumptions have been set based on an analysis of the Fund's experience over a recent period.

See the Further Information section for a summary of the assumptions used.

Past service results

A comparison of the Fund's assets with the past service liabilities calculated using the agreed assumptions for each employer at the valuation date is set out below.

Funding position

	£M
Value of past service benefits for:	
Active members	976.8
Deferred members	487.6
Pensioner members	1,308.8
Total liabilities	2,773.2
	£M
Value of assets:	3,088.0

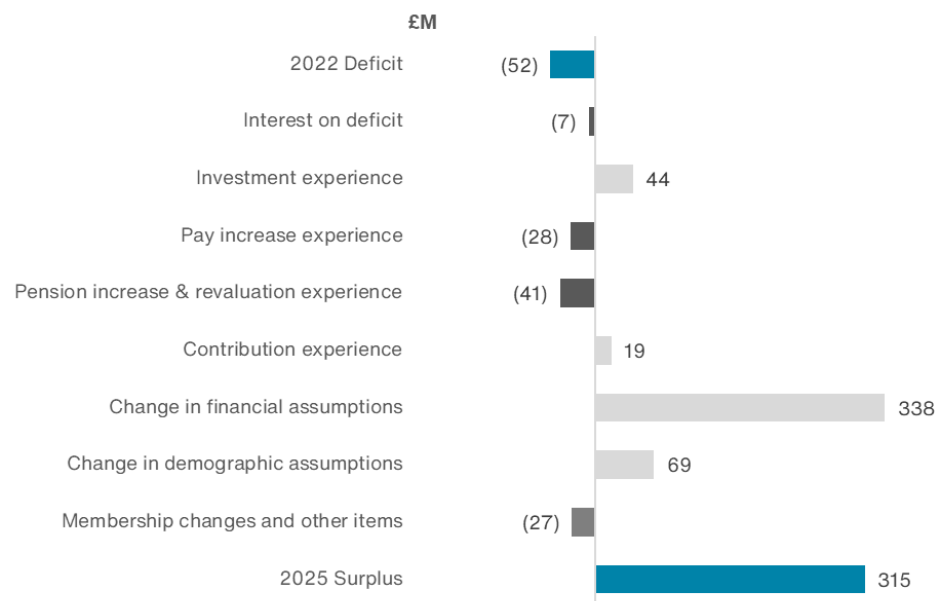
Surplus / (deficit)

£314.8M

Funding level

111%

The chart below shows the key reasons for the £M change in funding position since the 2022 valuation



Bars to the right show sources of gain relative to the 2022 position and bars to the left show sources of loss.

Analysis of change

At the 2022 valuation the funding position was a deficit of £51.8M, corresponding to a funding ratio of 98%.

The main reasons for the improvement in funding position are:

- Changes in the financial assumptions (principally an increase in the average discount rate relative to inflation).
- A reduction in the allowance for longevity improvements (and other demographic assumption changes).

Future service results

The aggregate primary rate (employer cost of future service benefits accruing to members) calculated using the agreed assumptions at the valuation date is set out below.

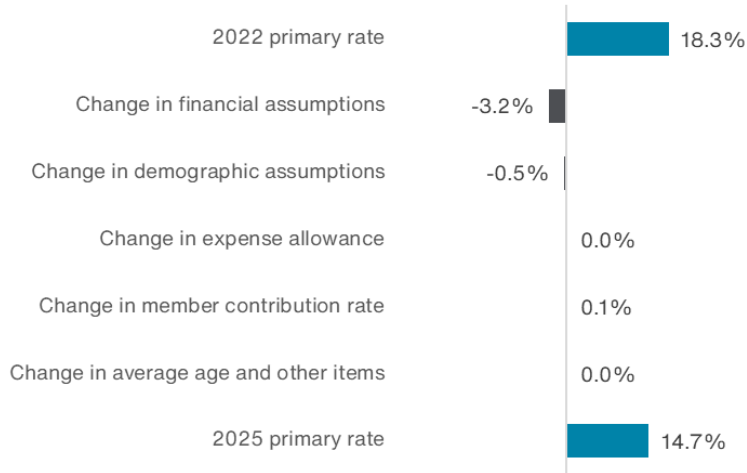
Employer cost

	% Pay
Value of benefits building up:	20.5%
Plus administration expenses	0.6%
less member contributions	(6.4%)
2025 cost to employers	14.7%

Primary rate

14.7% pay

The chart below shows the key reasons for the % change in Primary Rate since the 2022 valuation



Bars to the right show sources of increase relative to the 2022 rate and bars to the left show sources of decrease.

Analysis of change

At the 2022 valuation the primary rate was 18.3% of Pay.

The main reasons for the decrease in the cost of future benefits are:

- Changes to financial assumptions (principally an increase in the average discount rate relative to inflation).
- A reduction in the allowance for longevity improvements (and other demographic assumption changes).

Employer contributions

Employers' contributions from 1 April 2026 will be based on their individually assessed primary rate. An adjustment may also be made (known as the secondary rate) to achieve the target funding level over an appropriate period (known as the recovery period).

Key factors affecting employer contribution rates

Contributions are set for employers, or groups of employers, that take into account a number of factors including:

- Regulation 62 – which requires the Fund Actuary to have regard to:
 - The existing and prospective liabilities
 - The desirability of maintaining as nearly constant a primary contribution rate as possible
 - The Administering Authority's Funding Strategy Statement, and
 - The requirement to secure the solvency of the Fund and the long-term cost efficiency of the Scheme, so far as relating to the Fund.
- The results of the valuation.
- Any one-off contributions paid.
- Discussions between the Fund Actuary, the Administering Authority and employers, including the Administering Authority's view of the affordability of contributions, where relevant.
- The employer's (or group's) membership profile and funding level and, where relevant, assumptions and recovery periods specific to the employer's circumstances.



Addressing a shortfall (or surplus)

We have agreed with the Administering Authority the policies for certifying secondary contributions for employers in deficit (or surplus) at the valuation date:

- Employers in deficit are required to pay secondary contributions to eliminate the deficit over a recovery period not exceeding 14 years.
- For employers which are in surplus and have a funding level above a 110% threshold, the employer may use the surplus in excess of that threshold (also called a 'surplus buffer') to support the payment of contributions to the Fund at a rate below the primary (future service) contribution rate. The maximum period for surplus recovery is 14 years.
- For employers who are in surplus and have a funding level below the 110% threshold, the employer will pay contributions equal to the primary (future service) contribution rate.
- Different recovery periods apply to individual employers or groups of employers depending on their circumstances.
- Secondary contributions allow for interest on the employer's surplus or shortfall between 31 March 2025 and 1 April 2026 as well as the difference between expected contributions payable and the expected cost of benefit accrual over 2025/26.
- For some employers, contribution increases/reductions may be phased in over a number of years (or 'steps') as permitted by the Funding Strategy Statement in order to deliver greater stability of contributions.

Where employer contributions are lower than the employer's primary contribution rate, this is due to employers having a surplus on the relevant funding target. Member benefits are guaranteed under the LGPS Regulations and so the payment of each member's full benefit entitlement does not depend on the funding position of the Fund. Therefore in our view there is no material risk to member benefits of employers paying contributions below the primary contribution rate. Employers bear the risk of future assets being insufficient to pay benefits due, and therefore having to pay higher contributions in future relative to the primary contribution rate.

Further information is set out in the Funding Strategy Statement.

Information

Across the Fund as a whole, the secondary contributions required to remove the surplus in excess of a funding ratio of 110% over a recovery period of 14 years from 1 April 2026 are:

(1.0%) of Pensionable Pay

This assumes the membership remains broadly stable and pay increases and other assumptions are as assumed.

In practice, individual employer secondary rates will vary depending on their circumstances and the agreed strategy.

Aggregate employer rates

Contributions payable by each employer are set out in the Rates and Adjustments Certificate. The aggregate Employer contributions for the 3 years from 1 April 2026 are as follows:

Year from 1 April	% of pensionable pay	Plus total contribution amount (£M)
2026	14.0%	0.000
2027	14.0%	0.000
2028	14.0%	0.000

Further information is set out in the notes to the Rates and Adjustment Certificate.

Notes

The % of Pensionable Pay contributions are an average (weighted by Pensionable Pay) of the amounts certified for individual employers.

The % of Pensionable Pay contributions shown in the table above are lower than the aggregate future service (primary) contribution rate as at 31 March 2025 of 14.7% due to the impact of certain employers who are in surplus in excess of 110% paying contributions below the future service rate.

For each employer or group, the contribution rate as a % of pay is expected to continue until the end of the relevant recovery period. Thereafter, aggregate contributions are anticipated to be in line with the future service contribution rate of that employer or group. In practice, employer contributions are subject to review at future valuations.

Final comments

Projections

We estimate that, by the 31 March 2028 valuation, the certified contributions will increase the Fund's overall funding level to about 112% (largely due to the contributions certified over 2025/26), assuming the experience of the Fund between the two valuation dates is in line with the assumptions underlying the funding targets and that these assumptions remain unchanged. We then expect the funding level to fall to 110% by the end of the recovery period, if all experience is in line with our assumptions. In practice, the funding position and employer contribution rates will be recalculated at future valuations.

Developments since 31 March 2025

Market movements

Major equity markets have generally delivered higher than expected investment returns over the period since the valuation date, albeit with some volatility, but certain other asset classes have performed less well over the period. The value of the liabilities is estimated to have increased due to decreases in the net discount rates used for employers on the various funding targets. In addition, the April 2026 pension increase of 3.8% will be higher than our long-term assumption which will further increase the liabilities.

Bearing in mind the long-term nature of the Fund, ongoing volatility in markets and the objectives of the Administering Authority in setting its funding strategy, our opinion is that the certified contributions remain appropriate.

Employers joining or exiting since the valuation date

Contributions for employers joining the Fund since 31 March 2025 will be advised separately.

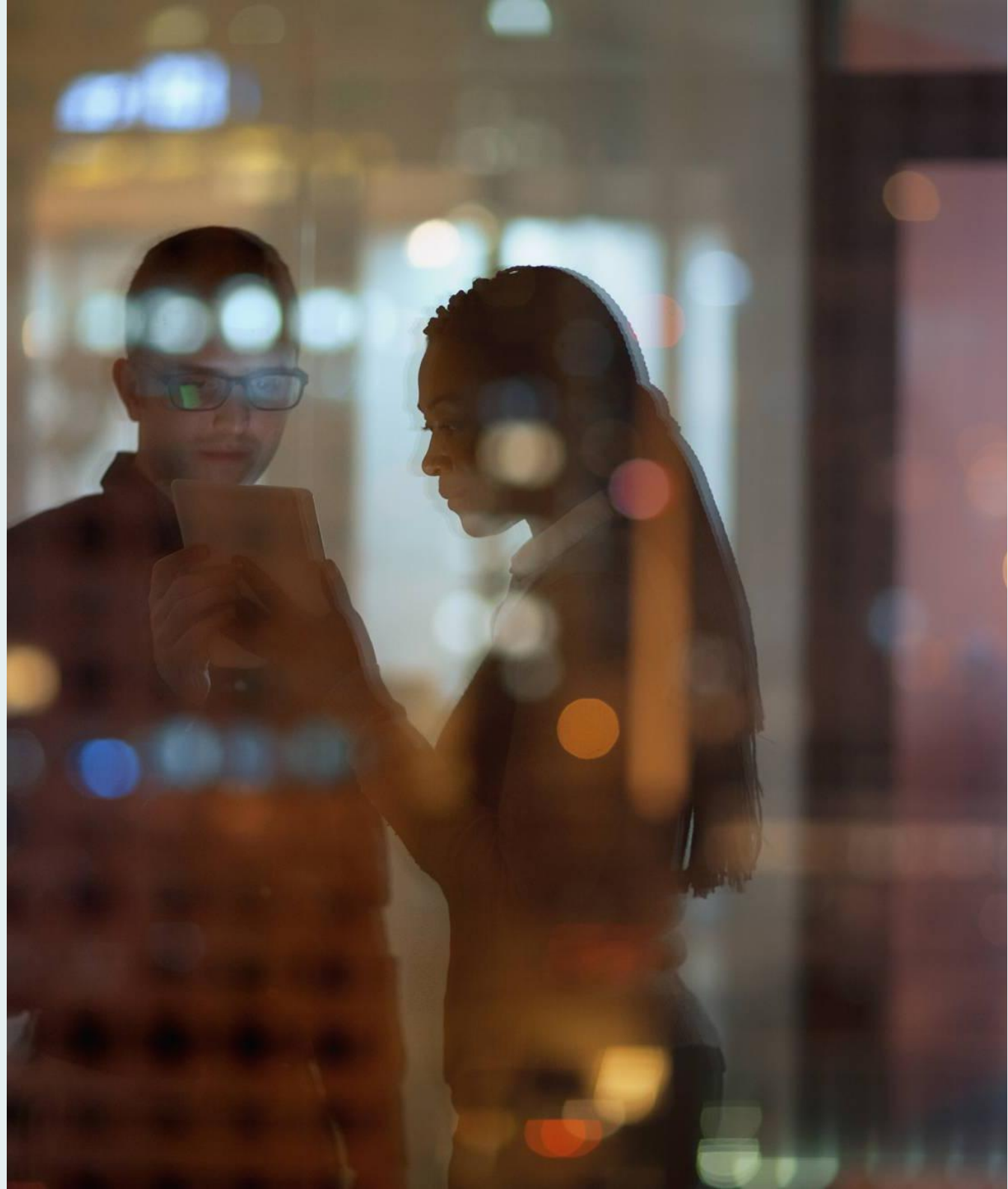
A revised Rates and Adjustments Certificate will have been prepared as necessary for employers exiting the Fund since 31 March 2025 where this has been requested by the Administering Authority. Where a revised Rates and Adjustments Certificate has not yet been produced for such employers, the employer has been included in the Rates and Adjustments Certificate appended to this report but with zero contributions in anticipation of the revised certificates being issued.

Monitoring the Fund

In the light of the volatility inherent in situations where investments do not match liabilities, the Administering Authority monitors the financial position on a regular basis. It will also consider monitoring the position of individual employers, particularly those subject to the Ongoing orphan funding target and those which may exit the Fund before 1 April 2029. Where appropriate and permitted by the Regulations, contributions for those employers may be amended before the next valuation due as at 31 March 2028. In line with the Fund's FSS and policies, contributions may similarly be amended before the next valuation for other individual employers.



Further information



Membership data

The results in this report are based on the membership data summarised below.

We have conducted high level checks on the membership data provided and we are satisfied with its adequacy for the purpose of this actuarial valuation. Average ages are unweighted, and pensions include the April 2025 (April 2022 for 2022 data) revaluation/pension increase.

Active members

	Number	Average age	Total pensionable salaries (2014 Scheme definition) (£000 pa)	Total pre 2014 pension (£000 pa)	Total pre 2014 accrued lump sum (£000)	Total post 2014 pension (£000 pa)
Total 2025	18,061	45.4	444,880	23,339	32,932	58,324
Total 2022 (for comparison)	17,100	45.4	356,811	27,559	40,656	39,181

Pensionable pay is over the year to the valuation date, and includes annualised pay for new entrants during the year. Actual part-time pay is included for part-timers.

Deferred members

	Number	Average age	Total pension (£000 pa)	Total pre 2014 accrued lump sum (£000)
Total 2025	25,492	46.5	39,021	37,849
Total 2022 (for comparison)	21,123	46.2	28,288	37,990

Included above, there were 10,606 members who are yet to decide whether to take a refund of contributions or a transfer value (2022: 7,583)

Pensioner and Dependant members

	Number	Average age	Total pension (£000 pa)
Total 2025	14,031	72.7	95,987
Total 2022 (for comparison)	12,453	72.4	74,768

In addition, there were 90 members in receipt of children's pensions (2022: 72)

Allowing for benefit uncertainty

McCloud

For the 2025 valuation, the Administering Authority has provided us with sufficient McCloud data for individual members to enable us to value the additional liabilities for members on an individual basis, based on their current benefits and the funding assumptions (both financial and demographic). This change in approach has had a minimal impact on the liabilities.

Cost management valuations

The 2016 and 2020 cost management processes are now complete, with no changes proposed to the benefits. We have not made any allowance for possible future changes (for example as a result of the 2024 cost management process).

Comments

We have assumed the McCloud data provided is accurate and complete for the purposes of the valuation. We have not made any allowance or estimation where McCloud data may be missing for certain members.

Other than set out opposite, we have made no further allowance within our calculations for the risk of additional costs falling on the Fund (and ultimately employers).

Guaranteed Minimum Pensions (GMPs): indexation and equalisation

Following legislative change in 2021, the LGPS is now required to pay full CPI increases on GMPs for members whose State Pension Age is after April 2016. Separately to this, the High Court ruled in two Lloyds Banking Group cases (2018 and 2020) that schemes are required to equalise male and female benefits for the effect of unequal GMPs, and these requirements extend to members who have died and transferred out. In relation to public service schemes we understand the Government believes payment of full indexation of GMPs as set out above will equalise payment terms for the vast majority of members, but some uncertainty remains for a small minority of members (e.g. historic deaths and transfers). We are also awaiting a Government response in relation to equalisation requirements for historic deaths and transfers. In the meantime, we have used the same approach as 2022 for the 2025 valuation, and so we do not expect any additional impact on the liabilities.

Goodwin

An Employment Tribunal ruling relating to the Teachers' Pension Scheme concluded that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. A ministerial statement on 20 July 2020 announced that changes would be required to other public service pension schemes with similar arrangements. In the LGPS this will create an additional liability for post-2005 widowers where the original member had pre-1988 service. Regulations have been laid to effect the changes to equalise survivor benefits in the LGPS and these will come into force on 1 April 2026.

The approach taken has led to an increase in the liabilities (see opposite).

Approach taken

We have valued pension increases in line with the indexation requirements. However, we have not estimated a potential cost of equalising payment terms for members whose benefits remain unequal after full indexation, nor for historic deaths or transfers.

Approach taken

We have allowed for this in the form of an uplift to the liabilities, as follows:

Actives/deferreds 0.01%
Pensioners 0.13%
Dependants 3.45%

Uplifts based on sample membership data as at 31 March 2024.

State Pension Age

The Government's second periodic review of the State Pension Age (SPA) was concluded in March 2023. The review confirmed the legislated increase in SPA from 66 to 67 between 2026 and 2028 and made no changes at this stage to the planned increase to 68 between 2044 and 2046. Future SPA reviews (such as the third periodic review, launched in July 2025) could lead to changes in the age at which LGPS benefits earned after 1 April 2014, which are linked to SPA, are payable without actuarial reduction, with a corresponding impact on past service liabilities and future cost management valuations.

Approach taken

No allowance has been made in the 2025 valuation for potential changes to the State Pension Age.

Data uncertainties

The Administering Authority supplied us with a Universal Data Extract file containing the membership data that is necessary to complete a valuation. We undertook a series of validation tests to check that the membership data was complete, within certain tolerances, and broadly consistent with the previous exercise. A report on these validation tests was shared with the Administering Authority.

Approach taken

Where any data was found to be incomplete or outside of tolerances and was left uncorrected, we agreed a series of data estimations with the Administering Authority.

The data summaries show the data after these estimations.

Discretionary benefits

Discretionary benefits such as enhanced early retirement benefits on redundancy are paid for by employers as they occur through special contributions, and therefore generally no allowance should be needed in funding valuations.

Approach taken

We have made no allowance for discretionary benefits. This is consistent with the approach in the previous valuation.

Notable developments since the previous valuation

This section comments on notable developments since the 2022 valuation that have affected the 2025 valuation.

Key regulatory / benefit changes

There are a number of areas of benefit uncertainty, including some recent developments, and these are listed in the previous section.

Notable items of experience

	2022 assumption	2022-2025 experience	2025 assumption
Investment returns	4.2% p.a. ⁽¹⁾	3.9% p.a.	4.75% p.a. ⁽¹⁾
CPI pension increases	2.3% p.a. ⁽²⁾	6.1% p.a. ⁽³⁾	2.1% p.a.
Pay growth	3.3% p.a. ⁽⁴⁾	5.5% p.a.	3.1% p.a. ⁽⁴⁾

(1) The assumed investment return is the average discount rate, weighted by liability.

(2) Plus a 10% uplift was applied to the past service liabilities on the scheduled and subsumption body funding target to make allowance for short-term inflation above the long-term assumption.

(3) Average figure, actual increases were 10.1% (2023), 6.7% (2024) and 1.7% (2025).

(4) Before allowance for promotional pay.

Further information

The table compares the key financial assumptions made at the previous valuation with what actually happened and the corresponding assumptions for the 2025 valuation.

Contributions paid

Employer contributions from 1 April 2023 were agreed as follows:

Year from 1 April	% of Pensionable Pay	Plus aggregate contribution amounts (£M)
2023	19.5%	0.932
2024	19.5%	0.962
2025	19.5%	0.994

- Employers in deficit were required to pay secondary contributions to eliminate the deficit over a default recovery period of 14 years, with a maximum of 16 years being adopted for certain employers.
- For certain employers which were in surplus and had a funding level above a 110% threshold, the employer may have used the surplus in excess of that threshold to support the payment of contributions to the Fund at a rate below the primary (future service) contribution rate.
- Some employers may also have stepped in changes to contributions, in line with the limits set out in the Funding Strategy Statement.
- In addition, employers paid contributions to meet additional strains arising on early retirement or due to increases in benefits.
- Members also paid contributions as required by the Regulations.



Risks and other uncertainties

The Fund's funding level is likely to exhibit volatility. Key risks which could affect the Fund's future cashflows and funding position, include the following. The Funding Strategy Statement sets out key actions to mitigate these risks.



Funding risk

The risk that the value placed on the past service liabilities is set too low and contributions paid into the Fund prove insufficient to meet the payments as they fall due.



Longevity risk

The risk that Fund members live for longer than expected and pensions are therefore paid for longer, resulting in a higher cost for the Fund.



Liquidity risk

The risk that benefit cashflows out of the Fund are higher than expected, possibly leading to the sale of assets at inopportune times.



Investment risk

The risk that investment returns are lower than assumed in the valuation, and also that the assets are volatile and move out of line with the liabilities, so the funding position is volatile.



Inflation risk

The risk that inflation is higher than expected, resulting in higher pension increases/revaluation (and payments to pensioners) than allowed for in the valuation.



Member options risk

The risk that members exercise options resulting in unanticipated extra costs. For example, members could exchange less of their pension for a cash lump sum than allowed for in the valuation



Regulatory risk

The risk that changes to legislation/regulations, taxation, or pension/employment law result in an increased cost of administration, investment or funding for benefits.



Employer risk

The risk that an employer is no longer able to meet its liabilities in the Fund, e.g. due to insolvency.



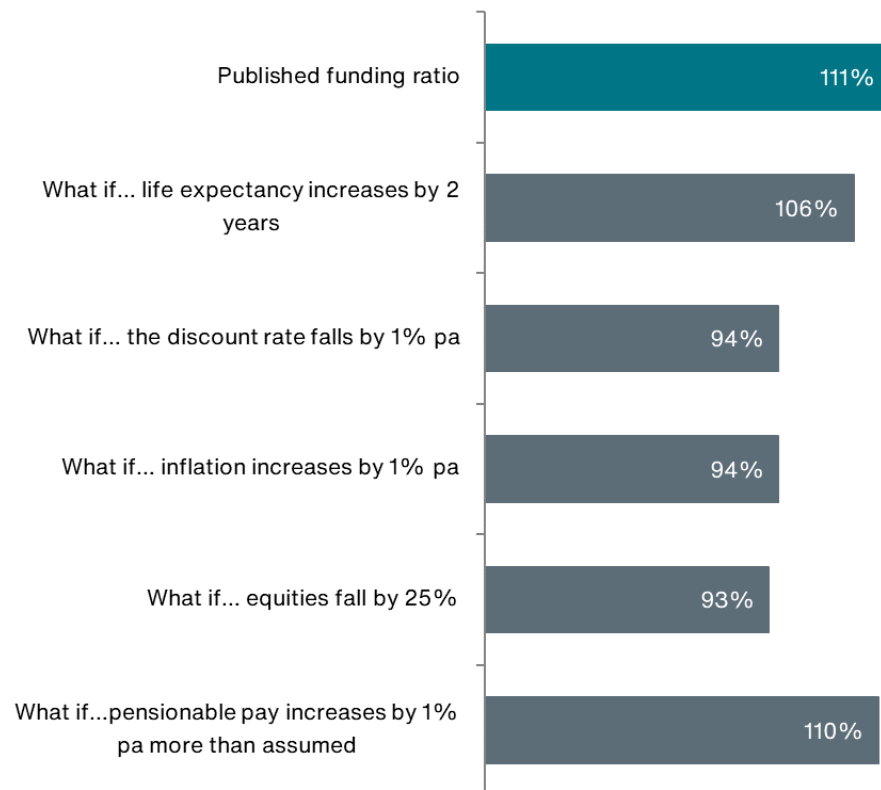
Climate change and other risks

For example, those relating to climate change and other environmental issues as well as long-term uncertainty around geopolitical, societal and technological shifts.

Sensitivity of the funding level

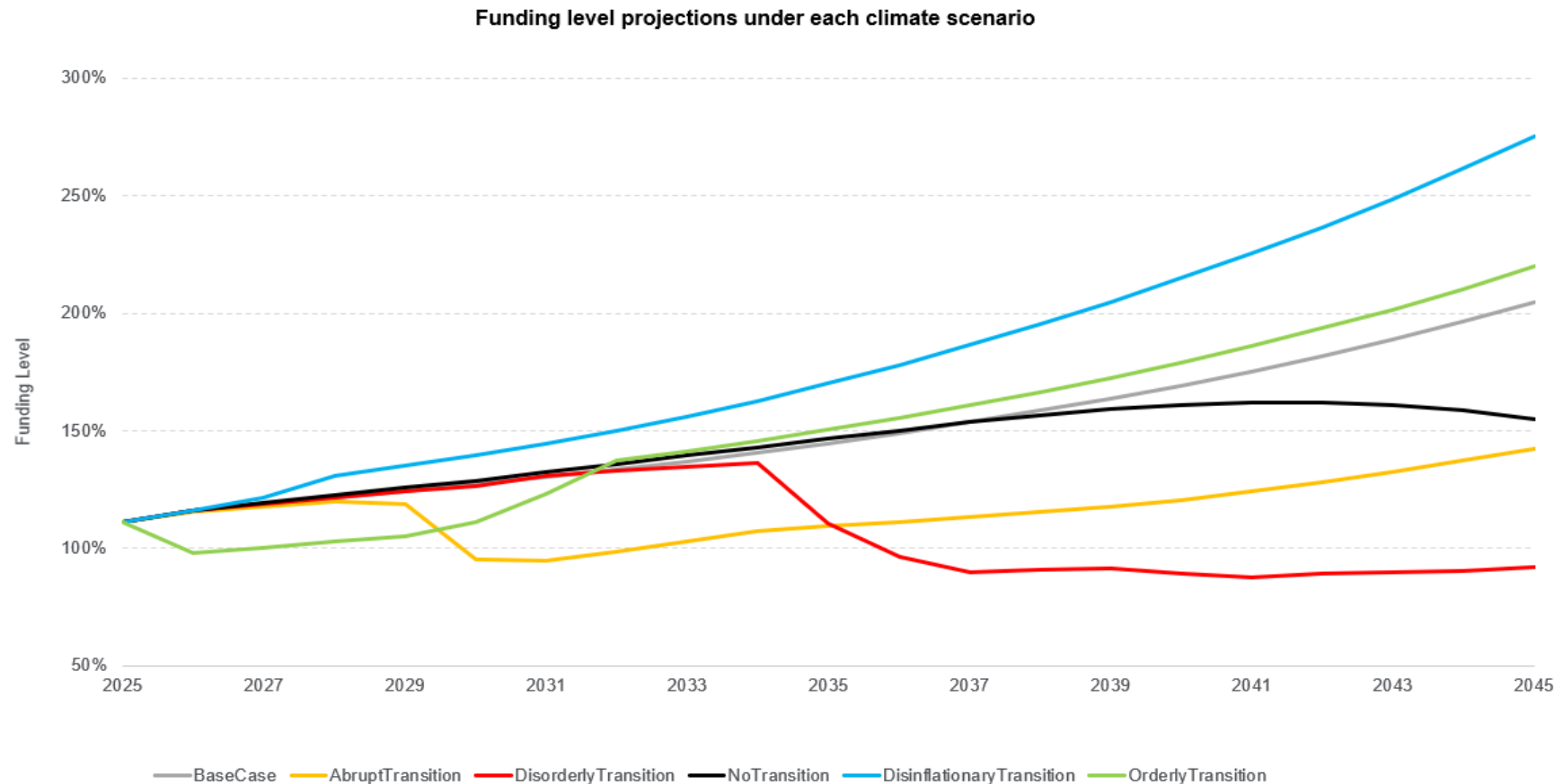
The chart shows the approximate impact of a number of one-off step changes on the Fund's funding level (all other elements of the valuation basis being unchanged).

These are not intended to be worst case scenarios and could occur in combination rather than in isolation. Conversely, in practice, some of these changes may be partially offset by other changes, for example a reduction in the expected investment return or inflation might lead to a compensating change in asset values, or a change in asset values might lead to a compensating change in expected investment returns.



Climate risk

Possible development of valuation results under different climate scenarios:



We have reviewed the resilience of the Fund to a number of climate change scenarios and assuming there were no contribution changes, as illustrated by the chart of funding level projections above.

Our projections include allowance for the potential impact on investment returns, financial assumptions used to value the liabilities, and longevity, for each of the scenarios illustrated. The scenarios consider both transition risk and physical risk, and are described on the next page. As the valuation assumptions (and in particular the discount rate based on expected asset returns) are set to be prudent, and our climate change scenarios are projected using

best estimate asset returns and other economic variables, this means that the base case shows an increasing funding level over the projection period. In considering the Fund's resilience to potential future climate scenarios, the key metric is the difference between the funding levels in the scenarios relative to the base case, and not the absolute funding level values.

The Fund's investment portfolio exhibits reasonable resilience under most of the scenarios. This is largely due to the diversification of assets.

The worst-case scenario for the Fund is the disorderly transition. Although initially the funding level improves in line with the base case, after 10 years the funding level deteriorates sharply and does not recover by the end of the 20-year modelling period. This leaves the Fund significantly worse off in terms of surplus relative to the base case.

Another key risk is volatility of the funding level. Under the abrupt and orderly transitions, the Fund experiences large falls in the funding level of (c13% under orderly and c24% under abrupt transition) before recovering. Under the 'disorderly transition' scenario, the funding level deteriorates markedly and does not recover. Deterioration of the funding level will place a strain on the participating employers as they may have to make up a bigger shortfall through deficit contributions. It may also require the Administering Authority to review the investment strategy / reconsider the probability of funding success and re-risk in order to stay on track to achieve the funding target, or extend the timeframe for achieving this.

We have provided a separate report to the Administering Authority setting out more information on the results of our analysis and commentary on actions that could be taken to manage the associated risks. In particular, details of the potential impact on future investment returns and life expectancies are covered in more detail in this separate report. Below is a summary of the scenarios that have been modelled.

Base case

Government approach to regulation and carbon pricing is fragmented, with Net Zero targets reached in 2050 in a slow but orderly fashion, expected temperature rise by 2100 1.5% - 2.4%. Carbon Prices in 2030/2050 estimated to be \$80 / \$140 respectively.

Orderly transition (Paris aligned scenario)

Immediate and coordinated action to tackle climate change is taken using carbon taxes and environmental regulation, expected temperature rise by 2100 1.3°C - 2.0°C. Net Zero targets reached in 2050 and Carbon Prices in 2030/2050 estimated to be \$100 / \$215 respectively. Short lived disruption, higher longevity than the base case in the long term.





Disorderly transition

Limited action is taken and insufficient consideration is given to sustainable long-term policies to manage global warming effectively, expected temperature rise by 2100 up to 3°C. Introduction of environmental regulation is late and aggressive. Net Zero targets reached after 2050 and Carbon Prices in 2030/2050 estimated to be \$65 / \$340 respectively. Overall mortality improvements at 0.5% p.a. lower than the base case over the long term.



Abrupt transition

Action on climate change is delayed for 5 years, at which point governments are forced to aggressively address greenhouse gas emissions due to increasing extreme weather events, expected temperature rise by 2100 1.5°C - 2°C. Net Zero targets reached in 2050. Carbon Prices in 2030/2050 estimated to be \$135 / \$280 respectively. Short to medium term mortality improvements are in line with the base scenario but longer-term improvements are slightly lower.



No transition

No further action is taken to reduce greenhouse gas emissions leading to significant global warming. Expected temperature rise by 2100 greater than 4°C. Net Zero targets reached after 2050. Carbon Prices in 2030/2050 estimated to be \$40 / \$50 respectively. No long-term future improvements in mortality.



Disinflationary transition

New green technology disrupts carbon intensive economic activity and ultimately lowers energy and transport costs. Expected temperature rise by 2100 less than 1.5°C. Net Zero targets reached in 2045. Carbon Prices in 2030/2050 estimated to be \$80 / \$50 respectively. Mortality improvements continue at the levels seen over 2000-2022, improved longevity compared to the base case.

Purpose of the modelling

The purpose of the climate scenario modelling is to consider the long-term exposure of the Fund to climate-related risks. In particular, the model considers different climate change scenarios to assess the resilience of the Fund to those scenarios. The results should not be used in isolation to make decisions on funding and investment strategy.

Modelling approach

The scenario modelling assumes a deterministic projection of assets and liabilities assuming a discount rate in line with the RPI inflation curve + 2.66%, using standard actuarial techniques to discount and project the Fund's expected future cashflows. The modelling parameters vary deterministically for each scenario. The liability projections are approximate, but they are appropriate for this analysis.

Limitations

The scenario modelling focusses on the possible impact of climate change on the Fund's assets and liabilities, including investment and mortality risk.

It does not consider the impact climate change could have on covenant risk in relation to any participating employers.

The scenarios assume contributions will be paid over the projection period in line with the agreed employer contributions calculated at this valuation. In practice, contributions will be reviewed and recalculated every three years.

There is inherent uncertainty in predicting the pace of climate change, and undue emphasis should not be placed on model outputs that are inevitably uncertain.

Timing of analysis

The scenario modelling reflects market conditions at the valuation date and current market views. The model may produce different results for the same strategy under different market conditions. Our model may also evolve over time which means different results could be produced if modelling were to be carried out in the future.

Gender Pensions Gap

As required under the LGPS Regulations 2013, we have reported on the gender pensions gap within the Fund.

The gender pensions gap (GPG) refers to the disparity in accrued pension between males and females. The gender pensions gap (GPG) is calculated as:

$$GPG = \frac{\text{Mean pension value for males} - \text{Mean pension value for females}}{\text{Mean pension value for males}}$$

The GPG is expressed as a percentage. For example, a GPG of 10% indicates that, on average within the population analysed, for every £1 of pension accrued by males, females will have accrued £0.90.

Fund Statistics

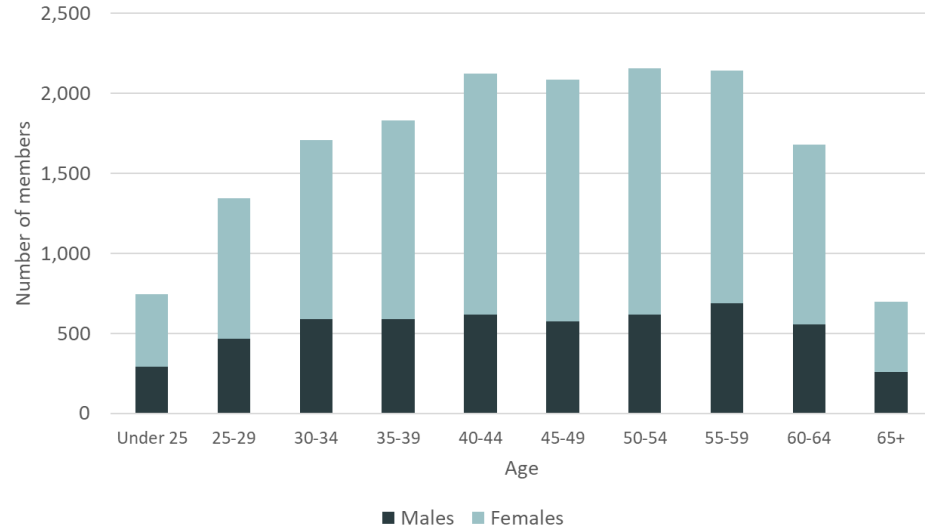
The Fund's GPG is **32%** for active members, and **47%** for pensioner members.

Note that the "headcount" in the tables below will not match the number of members in the earlier data summaries due to the need to combine records where members have multiple records.

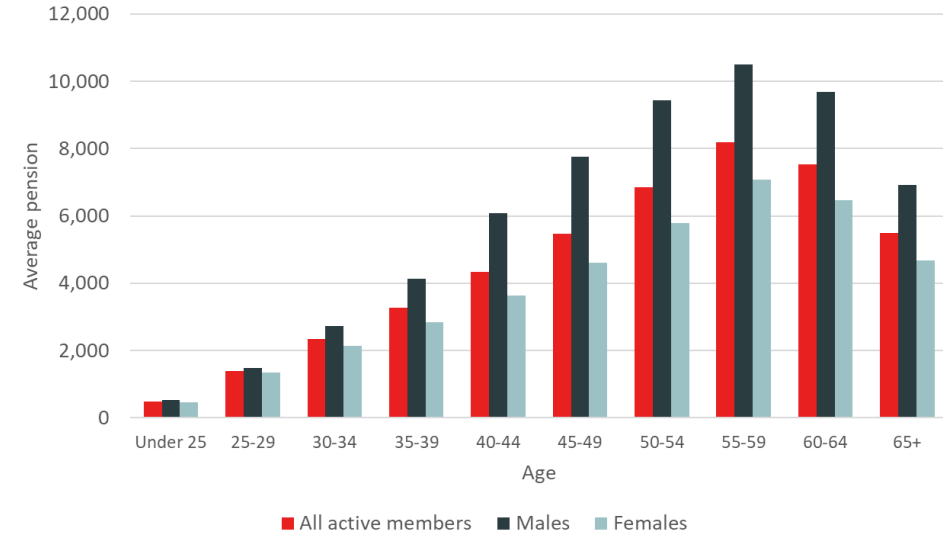
Active members

	Headcount	Proportion of members (by number)	Average age	Average FTE pay (£)	Average 2014 scheme definition pay (£)	Average total pension (£)	Average CARE pension (£)	Average final salary pension (£)	Average age joined fund	Average number of jobs held	Average member contribution rate (%)
Females	11,263	68%	45.4	31,115	24,472	4,287	3,108	1,179	36.8	1.1	5.9
Males	5,256	32%	44.9	33,835	32,203	6,350	4,437	1,913	35.4	1.1	6.3
GPG statistic					8%	24%	32%	30%	38%		

Number of members by age



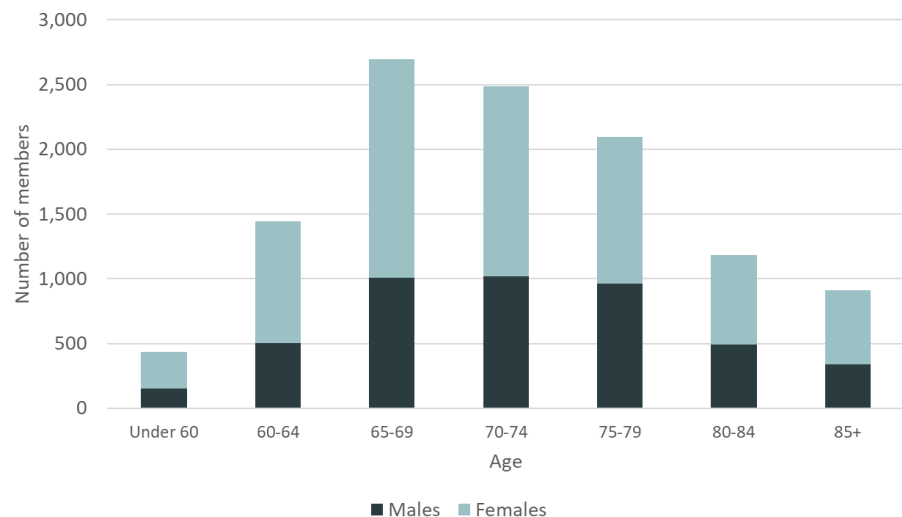
Average pension (£) by age



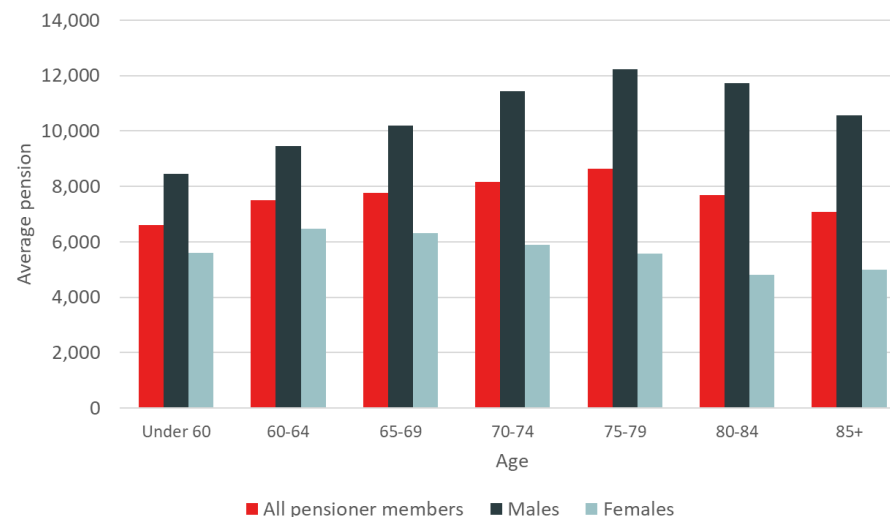
Pensioner members

	Headcount	Proportion of members (by number)	Average age	Average total pension (£)	Average CARE pension (£)	Average final salary pension (£)	Average partner pension (£)	Average number of pension accounts	Average age at retirement
Females	6,777	60%	72.0	5,823	849	4,973	2,909	1.1	60.1
Males	4,474	40%	72.7	10,972	993	9,979	5,745	1.1	59.2
GPG statistic				47%					

Number of members by age



Average pension (£) by age



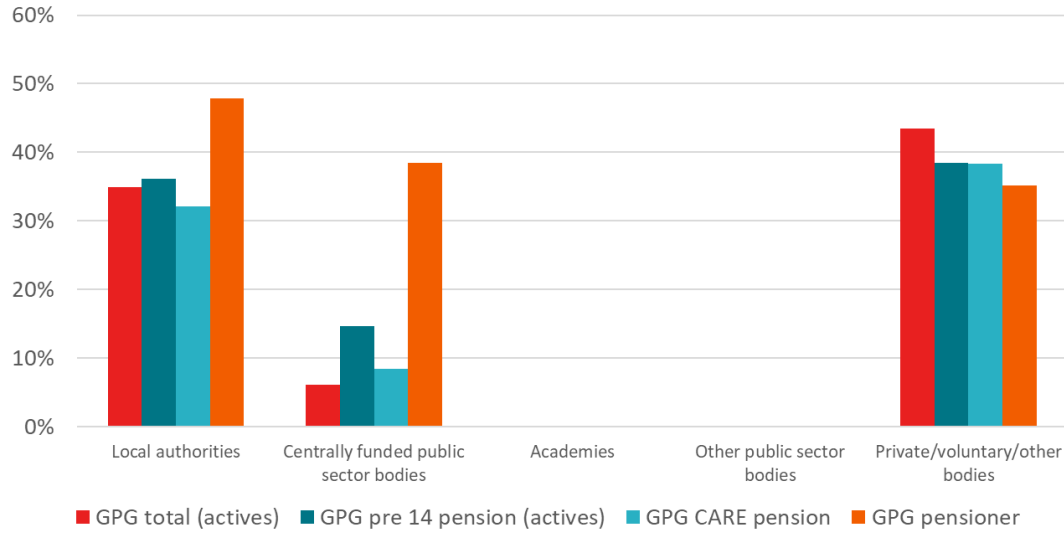
Employer category statistics

Active members

Employer category		Headcount	Proportion of members (by number)	Average age	Average FTE pay (£)	Average 2014 scheme definition pay (£)	Average total pension (£)	Average CARE pension (£)	Average final salary pension (£)	Average age joined fund	Average number of jobs held	Average member contribution rate (%)
Local authorities and connected bodies	Female	9,825	69%	45.6	33,416	23,934	4,164	3,008	4,043	36.9	1.1	5.9
	Male	4,429	31%	45.3	34,979	32,019	6,400	4,431	6,326	35.6	1.1	6.3
	GPG statistic						35%	32%	36%			
Centrally funded public sector bodies excluding academies	Female	1,006	61%	43.4	34,725	29,289	5,054	3,768	4,976	35.3	1.0	6.2
	Male	656	39%	41.5	37,265	32,672	5,388	4,117	5,832	34.6	1.0	6.3
	GPG statistic						6%	8%	15%			
Private/voluntary/other bodies	Female	514	73%	47.4	31,685	21,288	4,433	3,201	4,193	38.3	1.0	5.9
	Male	190	27%	45.6	36,383	31,321	7,847	5,191	6,817	34.0	1.0	6.3
	GPG statistic						44%	38%	38%			

Note: Academies and Other public sector bodies have been excluded from the table above as neither of these employer categories has more than 100 members in the Fund.

Gender Pensions Gap by employer type



Pensioner members

Employer category		Headcount	Proportion of members (by number)	Average total pension (£)	Average CARE pension (£)	Average final salary pension (£)	Average number of pension accounts	Average age at retirement
Local authorities and connected bodies	Female	5,866	61%	5,633	822	4,811	1.1	60.1
	Male	3,691	39%	10,811	1,000	9,810	1.1	59.1
	GPG statistic			48%				
Centrally funded public sector bodies excluding academies	Female	559	61%	5,567	1,052	4,515	1.0	61.2
	Male	350	39%	9,051	1,303	7,747	1.0	61.5
	GPG statistic			38%				
Private/voluntary/other bodies	Female	296	43%	6,903	1,154	5,750	1.0	60.4
	Male	399	57%	10,646	736	9,910	1.0	58.0
	GPG statistic			35%				

Note: Academies and Other public sector bodies have been excluded from the table above as neither of these employer categories has more than 100 members in the Fund.

Method and data

For the purpose of this analysis, we have relied upon the membership data provided by the Fund for the purpose of the 2025 actuarial valuation, and in particular the gender information included in that data. Records for members with multiple roles have been combined to give a total pension per person. We carried out our analysis on the same data used in the valuation liability calculations i.e. after any approximations and estimations were made where data was missing.

The reporting approach, including derivation of statistics, is consistent with the guidance '2025 Fund Valuations: Guidance for Gender Pension Gap reporting' dated 2 February 2026, noting that:

- Where we have combined multiple membership records, for the fund level statistics all membership records for each individual within the Fund have been combined, and for employer type level statistics all membership records for each individual within each employer code have been combined.
- All average pension figures, for both active and pensioner members, include the April 2025 pension increase/pension revaluation.
- The average pension values exclude the McCloud underpin value.
- The average pension values do not include late retirement increases for members over normal retirement age.
- For schools where the local authority is the scheme employer under Schedule 2 Part 4 of the 2013 Regulations, the schools have been grouped with the relevant local authority for the purposes of the employer type analysis.
- Any admission bodies with a subsumption guarantee or pass-through arrangement have been grouped with their Scheme employer for the purposes of the employer type analysis.

Asset data and investment strategy

Information on the assets used in this valuation is summarised here.

The Administering Authority's investment strategy is set out in its Investment Strategy Statement. In summary the current strategy is to invest 50% of the Fund's assets in equities, 20% in fixed income assets, including bonds, global credit and multi asset credit, and 30% in other assets, including property, private equity, private credit and infrastructure.

The audited accounts for the Fund for the year ended 31 March 2025 show the assets were £3,088.0M, excluding the value of any defined contribution AVC investments.

The table shows how the assets were broadly invested at the valuation date.

Asset class	Percentage invested at 31 March 2025
UK Equities	5.1%
Overseas Equities	56.9%
Private equity	4.2%
Overseas Government Bonds	7.8%
Overseas Corporate Bonds	5.2%
Property	5.8%
Multi Asset Credit	5.4%
Infrastructure	6.5%
Private credit	2.4%
Cash (including net current assets)	0.7%

Assumptions

The tables below summarise the key assumptions used for the valuation.

Financial assumptions

Assumption	2022 valuation	2025 valuation
Scheduled and subsumption body funding target		
Discount rate (p.a.)	4.50%	4.75%
Long-term CPI inflation (pension increases / revaluation) (p.a.)	2.30% ⁽¹⁾	2.10%
Post 88 GMP pension increases (p.a.) where full CPI does not apply	2.00%	1.80%
Low risk (exit) basis		
Discount rate (p.a.)	1.70%	5.00%
CPI inflation (pension increases / revaluation) (p.a.)	3.40%	2.95%
Post 88 GMP pension increases (p.a.) where full CPI does not apply	2.60%	2.25%
Ongoing orphan funding target		
In service discount rate (p.a.)	4.50%	4.75%
Left service discount rate (p.a.)	1.30%	4.30%
CPI inflation / Post 88 GMP increases as for the scheduled and subsumption bodies		
Pay increases (in addition to promotional increases)	3.30%	3.10%
Administration expenses (% of pay)	0.6%	0.6%

(1) Plus a 10% uplift was applied to the past service liabilities on the scheduled and subsumption body funding target to make allowance for short-term inflation above the long-term assumption in 2022

Mortality assumptions

	Members currently in this category	Future contingent dependants of members currently in this category
Pre retirement mortality	65% of S4NMA / 35% of S4NFA	n/a
Post retirement mortality		
Active males retiring in normal / ill health:	120% of S4NMA / 120% of S4IMA	130% of S4NFA
Active females retiring in normal / ill health:	115% of S4NFA / 120% of S4IFA	130% of S4NMA
Deferred males:	120% of S4NMA	130% of S4NFA
Deferred females:	120% of S4NFA	130% of S4NMA
Pensioner males (normal health):	105% of S4NMA	120% of S4NFA
Pensioner females (normal health):	105% of S4NFA	120% of S4NMA
Pensioner males (ill health):	110% of S4IMA	120% of S4NFA
Pensioner females (ill health):	115% of S4IFA	120% of S4NMA
Dependant males:	105% of S4NMA	n/a
Dependant females:	115% of S4NFA	n/a
Projection model	CMI 2024 with long-term improvement rate of 1.25% p.a. / A parameter of 0.5% / H parameter of 1.0 and full weight (100%) on all years of experience	

Sample life expectancies (years from age 65)	2022 assumptions		2025 assumptions	
	Male	Female	Male	Female
Active member age 45 at 31 March 2025	23.4	25.9	22.4	25.1
Pensioner member age 65 at 31 March 2025	22.7	24.9	22.1	24.4

Retirement age assumptions

Group 1 and 2 members (fully and taper protected)	Valuation date
Group 3 members (Rule of 85 age = 60)	64
Group 3 members (Rule of 85 age > 60)	65
Group 4 members (Joiners pre 1 April 2014)	65
Group 4 members (Joiners post 31 March 2014)	State Pension Age

Information

Any part of a member's pension with a Normal Pension Age after the assumed retirement age will be reduced (subject to any protections that may apply).

Other demographic assumptions

Ill health Tier 1/2/3 proportions	90% / 5% / 5%
Commutation	Each member is assumed to surrender pension on retirement, such that the total cash received is 90% of the permitted maximum
Family details (males)	85% of non-pensioners are assumed to have a partner at retirement or earlier death. 85% of pensioners are assumed to have a partner at age 65. Surviving widow assumed to be three years younger
Family details (females)	75% of non-pensioners are assumed to have a partner at retirement or earlier death. 75% of pensioners are assumed to have a partner at age 65. Surviving widower assumed to be one year older
Take up of 50:50 scheme	All members are assumed to remain in the scheme they are in at the date of the valuation
Discretionary benefits	No allowance

Sample rates of promotional pay, withdrawals from service and ill health retirement

Current age	Percentage promotional pay increase over year	Percentage leaving the Fund each year as a result of withdrawal from service	Percentage leaving the Fund each year as a result of ill-health retirement
	Male and Female	Male and Female	Male and Female
20	4.6%	5.9%	0.00%
25	3.6%	5.2%	0.02%
30	1.2%	4.6%	0.04%
35	1.3%	4.0%	0.06%
40	0.0%	3.3%	0.09%
45	0.0%	2.7%	0.14%
50	0.0%	2.0%	0.20%
55	0.0%	1.4%	0.41%
60	0.0%	0.8%	0.62%
65	0.0%	0.1%	0.00%

SAB standardised basis

Certain figures in the Dashboard are calculated on an alternative basis; the SAB standardised basis. This is based on the following assumptions as at 31 March 2025:

- Discount rate of 4.45% pa
- Pay increases of 3.5% pa
- Pension increases of 2.0% pa
- Mortality improvements core CMI_2023 with long term improvement rate of 1.5% pa
- Commutation of 65% of the maximum allowable amount
- 1% of all members take up the 50:50 option
- Base mortality tables, retirement age, rates of ill health retirement, withdrawal and death before retirement, and family statistics as used in the funding assumptions above

Funding strategy and assumptions decision making

The outputs of the triennial valuation are based on the assumptions and funding strategy set out above and in the rest of this report. These assumptions and funding strategy are set based on Fund decisions throughout the valuation process. A high-level summary of the key funding strategy decisions is set out below.

Funding strategy

The Fund Actuary provided advice to the Fund regarding the financial assumptions and demographic assumptions, including appropriate analysis. This was considered by the Fund in their decision making process.

The assumptions, including the proposed level of prudence, were agreed by the key officers of the Fund, including the Section 151 officer (who has delegated powers for operational matters relating to the Fund).

The funding strategy, including management of surpluses (where present) and prudence levels, which feed into the setting of employer contribution rates, is set out in the Funding Strategy Statement (FSS). The final version of the FSS was agreed at the 16 March 2026 Pensions Committee meeting.

Stakeholder engagement

In addition, the Fund has engaged with employers and the Local Pension Board throughout the valuation exercise. A summary of the engagement is detailed below.

Funding Strategy Statement consultation: an updated draft version of the FSS was issued to employers on 11 December 2025 with the opportunity to feed back comments or ask questions to the Fund. The formal consultation period ran from 11 December 2025 to 20 January 2026.

Employer meeting: the Annual Employer Forum on 10 December 2025 discussed the key themes of the 2025 valuation.

Employer results: employer results schedules setting out the 2025 valuation funding position and contribution rates were issued to relevant employers once their results had been calculated. Employers were then offered the opportunity to engage with the Fund to discuss their results.

Membership experience

The demographic assumptions have been informed by an analysis of membership experience of the Fund, as well as recent research and other relevant factors.

The table below shows a comparison of expected membership movements measured by pension amount based on the assumptions adopted for the 2025 valuation with observed membership movements for death after retirement (in normal and ill health), withdrawal rates and rates of ill health retirement.

Type of exit	Men (£000 of pension)	Women (£000 of pension)
Death after retirement in normal health		
Actual	2,678	1,958
Expected	2,499	1,892
Death after retirement in ill health		
Actual	1,045	600
Expected	938	532
Withdrawals (excluding refunds)		
Actual	2,134	3,792
Expected	2,586	3,812
Ill health retirements		
Actual	309	467
Expected	326	451

Experience analysis undertaken

For death after retirement the experience analysis was undertaken for the period 1 April 2012 to 31 March 2024. For withdrawal rates and ill health retirement rates our analysis was undertaken for the period 1 April 2018 to 31 March 2024.

The figures in the table are based on our full experience analysis prorated to a 3 year period for ease of comparison.

Dashboard

Following recommendations by the Government Actuary's Department under Section 13 of the Public Service Pensions Act 2013, a standard "dashboard" is included in this report to aid comparison between valuation reports for different LGPS funds.

Funding position – local funding basis	2025 valuation	2022 valuation
Funding level (assets/liabilities)	111%	98%
Funding level (change since last valuation)	13%	2%
Asset value used at the valuation	£3,088.0m	£2,698.9m
Value of liabilities (including McCloud liability)	£2,773.2m	£2,750.7m
Surplus (deficit)	£314.8m	(£51.8m)
Discount rate – past service	4.30% - 5.00% pa	1.30% - 4.50%
Discount rate – future service	4.30% - 4.75% pa	1.30% - 4.50%
Assumed pension increases (CPI)	2.10% - 2.95% pa	2.30% - 3.40%
Method of derivation of discount rate, plus any changes since previous valuation	The Funding Strategy Statement describes the approach used to set the funding target and hence the discount rates. The Administering Authority adopts different discount rates depending on employers' circumstances including the likelihood of exit and what would happen to the liabilities on exit.	

Assumed life expectancies at age 65	2025 valuation	2022 valuation
Average life expectancy for current pensioners - men age 65	22.1 years	22.5 years
Average life expectancy for current pensioners - women age 65	24.4 years	24.6 years
Average life expectancy for future pensioners - men age 45	22.4 years	23.1 years
Average life expectancy for future pensioners - women age 45	25.1 years	25.7 years

Past service funding position – LGPS EW SAB basis (for comparison purposes only)	2025 valuation	2022 valuation
Market value of assets	£3,088.0m	£2,698.9m
Value of liabilities	£2,932.7m	£2,480.3m
Funding level on SAB basis (assets/liabilities)	105%	109%
Funding level on SAB basis (change since last valuation)	-4%	5%

Contributions rates payable	2025 valuation	2022 valuation
Primary contribution rate	14.7% of pay	18.3% of pay
Secondary contribution rate (cash amounts in each year):		
• Secondary contribution rate - 1st year of rates and adjustment certificate	£-3.335m	£5.280m
• Secondary contribution rate - 2nd year of rates and adjustment certificate	£-3.438m	£5.454m
• Secondary contribution rate - 3rd year of rates and adjustment certificate	£-3.545m	£5.634m
Giving total expected contributions:		
• Total expected contributions - 1st year of rates and adjustment certificate (£ figure based on assumed payroll)	£64.837m	£73.695m
• Total expected contributions - 2nd year of rates and adjustment certificate (£ figure based on assumed payroll)	£66.846m	£76.127m
• Total expected contributions - 3rd year of rates and adjustment certificate (£ figure based on assumed payroll)	£68.919m	£78.639m
Assumed payroll (cash amount each year):		
• Total assumed payroll - 1st year of rates and adjustment certificate (£m)	£463.5m	£373.4m
• Total assumed payroll - 2nd year of rates and adjustment certificate (£m)	£477.9m	£385.7m
• Total assumed payroll - 3rd year of rates and adjustment certificate (£m)	£492.7m	£398.4m
3-year average total employer contribution rate	14.0% of pay	19.7% of pay
Average employee contribution rate (% of pay)	6.4% of pay	6.4% of pay
Employee contribution rate (£ figure based on assumed payroll of £m)	£29.4m in first year of rates and adjustment certificate	£23.8m in first year of rates and adjustment certificate

Deficit recovery & surplus management plan for local authorities	2025 valuation	2022 valuation
Latest deficit recovery period end date, where this methodology is used by the fund's actuarial advisor	n/a	16.0 years *
Earliest surplus spreading period end date, where this methodology is used by the fund's actuarial advisor	31 March 2040	31 March 2037 *
The time horizon end date, where this methodology is used by the fund's actuarial advisor	n/a	n/a
The funding plan's likelihood of success, where this methodology is used by the fund's actuarial advisor	n/a	n/a
Surplus Methodology (Explicit contribution stabilisation mechanism; surplus spreading period; surplus buffer and surplus spreading period; Volatility asset reserve and surplus spreading period; other; or N/A)	Surplus buffer and surplus spreading period	Surplus buffer and surplus spreading period
Surplus methodology & parameters explanation (including changes since previous valuation)	Contributions are reduced below the primary contribution rate for employers with surplus above the surplus "buffer" of 110%, spread over the surplus spreading period of 14 years.	Contributions are reduced below the primary contribution rate for employers with surplus above the surplus "buffer" of 110%, spread over the surplus spreading period of 14 years.

* In respect of all employers in the Fund, as reported in the dashboard at the 2022 valuation.

Additional information	2025 valuation	2022 valuation
Percentage of liabilities relating to employers with deficit recovery periods of longer than 20 years	0%	0%
Percentage of total liabilities that are in respect of Tier 3 employers	11%	15%
Included climate change analysis/comments	Yes	Yes
Gender pension gap statistic - Fund active mean CARE pension GPG	30%	n/a
Gender pension gap statistic - Fund active mean combined Final Salary and CARE pension GPG	32%	n/a
Gender pension gap statistic - Fund pensioner mean pension GPG	47%	n/a

Rates and Adjustments Certificate

In accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013 ('the 2013 Regulations'), we certify that contributions should be paid by employers at the following rates for the period 1 April 2026 to 31 March 2029.

Primary contribution rates for individual employers as shown below. The primary rate for the whole Fund, calculated as a weighted average of the employers' individual rates, is 14.7% of Pensionable Pay.

Individual adjustments (i.e. secondary contribution rates) which, when added to or subtracted from the primary rate, produce the following minimum employer contribution rates.

Employer	Employer code(s)	Primary contribution rate % Pensionable Pay	Secondary contributions (% Pensionable Pay and £s) Year commencing 1 April			Total contributions (% Pensionable Pay and £s) Year commencing 1 April		
			2026	2027	2028	2026	2027	2028
Employers where the Scheduled and subsumption body funding target applies								
Cardiff Council	60	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
A&R Cleaning Ltd (Glan Morfa School)	112	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
A&R Cleaning Ltd (Lansdowne School)	81	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
A&R Cleaning Ltd (St Patrick School)	109	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
A&R Cleaning Ltd (Whitchurch School)	97	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
APP Cleaning Ltd (Grangetown School)	84	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
APP Cleaning Ltd (St Teilo's School)	77	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
Aramark Corpus Christie High School	116	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
Aramark Whitchurch High School	113	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
Cardiff City Transport	10	14.7%	0.0%	0.0%	0.0%	14.7%	14.7%	14.7%
New Theatre Cardiff Limited	102	21.5%	0.0%	0.0%	0.0%	21.5%	21.5%	21.5%
Vale of Glamorgan Council	61	15.1%	(0.1%)	(0.1%)	(0.1%)	15.0%	15.0%	15.0%
AQS Ysgol Bro Morgannwg	108	15.1%	(0.1%)	(0.1%)	(0.1%)	15.0%	15.0%	15.0%
Mrs Bucket-Stanwell	114	15.1%	(0.1%)	(0.1%)	(0.1%)	15.0%	15.0%	15.0%
Cardiff And Vale College	71	13.4%	(1.7%)	(1.7%)	(1.7%)	11.7%	11.7%	11.7%
Cardiff Metropolitan University (UWIC)	72	13.4%	(1.7%)	(1.7%)	(1.7%)	11.7%	11.7%	11.7%
St David's 6th Form College	41	13.4%	(1.7%)	(1.7%)	(1.7%)	11.7%	11.7%	11.7%

Employer	Employer code(s)	Primary contribution rate % Pensionable Pay	Secondary contributions (% Pensionable Pay and £s) Year commencing 1 April			Total contributions (% Pensionable Pay and £s) Year commencing 1 April		
			2026	2027	2028	2026	2027	2028
Barry Town Council	9	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
Cowbridge Town Council	6	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
Lisvane Community Council	74	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
Llantwit Major Council	7	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
Old St Mellons Community Council	115	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
Penarth Town Council	8	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
Pentyrch Community Council	56	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
Peterston Super Ely Community Council	103	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
Radyr & Morganstown Community Council	65	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
St Fagans Community	101	15.7%	(0.6%)	(0.6%)	(0.6%)	15.1%	15.1%	15.1%
Sport Wales	23	13.9%	(13.9%)	(13.9%)	(13.9%)	0.0%	0.0%	0.0%
Legacy Leisure Plas Menai	107	20.6%	(20.6%)	(20.6%)	(20.6%)	0.0%	0.0%	0.0%
Big Fresh Catering	100	16.0%	(0.9%)	(0.9%)	(0.9%)	15.1%	15.1%	15.1%
Design Commission for Wales	63	18.8%	(18.8%)	(18.8%)	(18.8%)	0.0%	0.0%	0.0%
Greenwich Leisure Limited (GLL)	80	15.6%	(14.1%)	(14.1%)	(14.1%)	1.5%	1.5%	1.5%
Employers where the Ongoing orphan funding target applies								
Adult Learning Wales	52	16.5%	(14.8%)	(14.8%)	(14.8%)	1.7%	1.7%	1.7%
Cardiff Business Technology Centre	47	15.8%	(15.8%)	(15.8%)	(15.8%)	0.0%	0.0%	0.0%
Cardiff University	25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Careers Wales Cardiff and Vale Ltd	49	17.6%	(17.6%)	(17.6%)	(17.6%)	0.0%	0.0%	0.0%
Colegau Cymru - Colleges Wales	57	16.3%	(16.3%)	(16.3%)	(16.3%)	0.0%	0.0%	0.0%
Mirus Wales	36	15.4%	(15.4%)	(15.4%)	(15.4%)	0.0%	0.0%	0.0%
One Voice Wales	67	19.7%	(19.1%)	(19.1%)	(19.1%)	0.6%	0.6%	0.6%
Play Wales	62	19.0%	(19.0%)	(19.0%)	(19.0%)	0.0%	0.0%	0.0%
Total		14.7%	(0.7%)	(0.7%)	(0.7%)	14.0%	14.0%	14.0%

Notes

The contributions shown above represent the minimum contributions to be paid by each employer. Employers may choose to pay additional contributions from time to time subject to the Administering Authority's agreement.

Where payments due from an employer are expressed as monetary amounts, the amounts payable by that employer may be adjusted to take account of any amounts payable, in respect of a surplus or shortfall to which those monetary payments relate, by new employers created after the valuation date which have been credited with proportions of the assets and liabilities of the relevant employer.

Additional contributions may be required in respect of any additional liabilities that arise under the provisions of Regulations 30, 31, 35 and 38 of the 2013 Regulations and employers will be notified of such contributions separately by the Administering Authority.

Additional contributions may be payable by any employers which have ceased to participate in the Fund since 31 March 2025 and these will be certified separately. This includes the following employers:

- Cardiff University

Contribution rates for Employers commencing participation in the Fund after 31 March 2025 will be advised separately.

Regulation 62(8) requires a statement to be made of the assumptions on which the certificate is given as regards the number of members, and the associated amount of liabilities arising, who will become entitled to payment of pensions under the LGPS regulations during the period covered by the certificate. These assumptions can be found in the Assumptions section of the Further Information of our report on the 2025 valuation dated 31 March 2026. They include assumptions relating to the members who are expected to become entitled to payment of pensions via normal retirement and ill health retirement. In practice members will also become entitled to payment of pensions via early retirement for reasons of redundancy or efficiency reasons as well as on voluntary early retirement, for which no assumption has been made.

Signature	<i>Scott Campbell</i>	<i>Joel Duckham</i>
Name	Scott Campbell FIA C.Act	Joel Duckham FIA C.Act
Date	31 March 2026	31 March 2026

Glossary

This glossary explains some common terms used in this document.

Active member

A person who is employed by an employer participating in the Fund, and is paying (or is treated as paying) contributions to the Fund (includes certain members temporarily absent, e.g. due to family leave or sickness).

Admission Body

An employer admitted to the Fund under an admission agreement.

Assumptions

We need to make assumptions about the future to calculate how much money we need now to pay for the benefits that have been earned. The key *financial assumptions* include the discount rate and pension increases (inflation) assumptions. The key *demographic assumptions* include how long we expect members to live, which we calculate using mortality rates. We adopt the same demographic assumptions for all employers, which are set based on the experience of the Fund's membership and other factors.

Attained Age Method

This is one of the methods used by actuaries to calculate a future service contribution rate. This method usually applies to employers who employ active members of the Fund but who do not allow new employees to join (i.e. where the employer is closed to new entrants). The future service contribution rate for a closed employer will allow for the future ageing of the members. This usually results in a higher contribution rate than for a younger workforce because there is a shorter period to invest the contributions (and earn investment returns) before benefits need to be paid. See also projected unit method.

Consumer Prices Index (CPI)

This is the price inflation index that increases to pensions, deferred pensions and pension accounts are currently based on. It is published every month by the Office for National Statistics. Our assumption for future salary increases is also set by reference to future CPI inflation.

Cost management valuations

The process of checking the cost of public service pension schemes against a base cost, which can result in scheme changes being agreed and legislated for if the current assessed cost of the scheme is higher or lower than this base cost. The Government Actuary's Department has been appointed to carry out these valuations.

Deferred member

A former employee who has left active membership but has not yet received any benefits from the Fund and is entitled to receive a pension from his/her normal pension age.

Deficit (or shortfall)

If the assets are lower than the liabilities, then a deficit exists. Employers will need to pay additional contributions to remove the deficit over an appropriate recovery period. If the value of assets is greater than the liabilities, then the difference is called a surplus.

Deficit (or shortfall) contributions

Additional contributions payable by employers to remove the shortfall by the end of the recovery period.

Dependant member

A dependant of a previous employee who was a member of the Fund but who has died, where benefits are payable to specified dependant(s) under the LGPS regulations.

Discount rate

This is the assumption for the future rate of return on the Fund's assets, based on an assumed investment strategy. It is used to place a present value (in today's terms) on a future payment. The discount rate for the Fund valuation is set prudently, meaning we expect there to be a better than evens chance that the Fund will achieve a rate of return equal to the discount rate

Fund Actuary

The actuary to the Fund, who provides actuarial advice to the Administering Authority including carrying out the actuarial valuation contained in this report.

Funding level (or funding ratio)

This is the ratio of the value of assets to the past service liabilities. A funding level above 100% means the Fund is in surplus and a funding level below 100% means the Fund is in deficit.

Funding objective

To hold sufficient and appropriate assets to cover the past service liabilities.

Funding strategy

The funding strategy refers to the overall framework for setting employer contributions covering (among other things) the choice of funding target, recovery period, and grouping/pooling arrangements. See Funding Strategy Statement.

Funding Strategy Statement

The LGPS Regulations require the Administering Authority to prepare (and from time to time review and, if necessary, revise) a written statement setting out its funding strategy. This is referred to as a funding strategy statement. The Fund Actuary must have regard to this statement in preparing this actuarial valuation.

Funding target

See Past service liabilities.

Future service (contribution) rate

See primary contribution rate.

Group (or Pool)

Employers may be grouped (or pooled) with other employers. All of the employers in a group/pool will share some (or all) of the group/pool's pension costs between them. It is common for employers to pay a common primary rate based on the membership of the group/pool. Rules will apply to the attribution of secondary contributions between employers, which will normally be set out in the Funding Strategy Statement.

Guaranteed Minimum Pensions (GMPs)

Most Funds that were contracted out of the State Earnings Related Pension Scheme (SERPS) before April 1997 (including the LGPS) have to provide a pension for service before that date at least equal to the Guaranteed Minimum Pension (GMP). This is approximately equal to the SERPS pension that the member would have earned had the Fund not been contracted out. GMPs ceased to accrue on 6 April 1997 when the legislation changed.

Liabilities

See past service liabilities.

Long-term cost efficiency

It is a requirement of the Regulations that the actuarial valuation must have regard to the objective of long-term cost efficiency. This term is not defined in the Regulations but MHCLG's guidance on preparing the Funding Strategy Statement says:

"The notes to the Public Service Pensions Act 2013 state that Long-term cost-efficiency implies that the [contribution] rate must not be set at a level that gives rise to additional costs. For example, deferring costs to the future would be likely to result in those costs being greater overall than if they were provided for at the time.

The rate of employer contributions shall be deemed to have been set at an appropriate level to ensure long-term cost efficiency if the rate of employer contributions is sufficient to make provision for the cost of current benefit accrual, with an appropriate adjustment to that rate for any surplus or deficit in the fund."

Low risk funding target

Funding target used for already orphaned liabilities in the Fund. The discount rate is based on the yield on long-dated fixed interest gilts at a duration appropriate for the Fund's liabilities.

McCloud

This relates to two court cases involving the Judges' and Firefighters' Pension Schemes respectively which found that transitional protections granted to members within 10 years of pension age as part of the reforms to those schemes in 2015 constituted illegal age discrimination. Government subsequently agreed that a remedy to this discrimination would be required in these and the other major UK public service pension schemes such as the LGPS.

Ongoing orphan employer

This is an employer whose participation in the Fund may cease at some future point in time, after which it is expected that the liabilities will become Orphaned liabilities.

Ongoing orphan funding target

For active employers whose liabilities are expected to be orphaned on exit, the Administering Authority will have regard to the potential for participation to cease (or for the body to have no contributing members), the potential timing of such exit, and any likely change in notional or actual investment strategy as regards the assets held in respect of the body's liabilities at the date of exit (i.e. whether the liabilities will become 'orphaned' or a guarantor exists to subsume the notional assets and liabilities). This is known as the ongoing orphan funding target.

Orphan / orphaned liabilities

Liabilities in the Fund for which no currently contributing employer has responsibility.

Past service liabilities

This is the present value of the benefits to which members are entitled based on benefits accrued to the valuation date, assessed using the assumptions agreed for each employer between a Fund's Administering Authority and the Fund Actuary. It generally allows for projected future increases to pay or revaluation as appropriate through to retirement or date of leaving service.

Pensioner member

An individual who has retired and is now receiving a pension from the Fund.

Present value

Actuarial valuations involve projections of pay, pensions and other benefits into the future. To express the value of the projected benefits in terms of a cash amount at the valuation date, the projected amounts are discounted back to the valuation date by a discount rate. This value is known as the present value. For example, if the discount rate was 4% a year and if we had to pay a cash sum of £1,040 in one year's time the present value would be £1,000.

Primary (contribution) rate

The Regulations require the Fund Actuary to certify a primary contribution rate for every employer.

The primary rate for each employer is that employer's future service contribution rate, which is the contribution rate required to meet the cost of the future accrual of benefits, expressed as a percentage of pensionable pay, ignoring any past service surplus or shortfall but allowing for any employer-specific circumstances, such as the membership profile of that employer, the funding strategy adopted for that employer (including any risk-sharing arrangements operated by the administering authority), the actuarial method chosen and/or the employer's covenant.

The primary rate for the whole fund is the weighted average (by payroll) of the individual employers' primary rates.

Projected unit method

One of the common methods used by actuaries to calculate past service and future service liabilities, allowing for future expected salary increases. When used to calculate future service liabilities, this method calculates the present value of the benefits expected to accrue to members over a control period (often one year) following the valuation date. The present value is usually expressed as a percentage of the members' pensionable pay. Provided that the distribution of members remains stable with new members joining to take the place of older leavers, the contribution rate calculated can be expected to remain stable, if all the other assumptions are borne out and there

are no changes to the assumptions. If there are no new members however, the average age will increase and the contribution rate can be expected to rise.

Prudent

Prudent assumptions are such that the actual outcome is considered to be more likely to overstate than understate the amount of money actually required to meet the cost of the benefits.

Rates and Adjustments Certificate

A certificate required at each actuarial valuation by the Regulations, setting out the contributions payable by employers for the 3 years from the 1 April that falls in the calendar year following the valuation date.

Recovery period / Spreading period

The period over which any surplus or deficit is to be eliminated. Different recovery periods may apply to individual employers.

Recovery plan

Where a valuation shows a funding shortfall against the past service liabilities for any employer, a recovery plan sets out how the Administering Authority intends the employer to meet the funding objective.

Regulations

The statutory regulations setting out the contributions payable to, and the benefits payable from, the Local Government Pension Scheme and how the Funds are to be administered. They currently include the following sets of regulations:

- 1997 Regulations - Local Government Pension Scheme Regulations 1997
- Administration Regulations - Local Government Pension Scheme (Administration) Regulations 2008
- Benefits Regulations - Local Government Pension Scheme (Benefits, Membership, and Contributions) Regulations 2007
- Transitional Regulations - Local Government Pension Scheme (Transitional provisions) 1997
- 2013 Regulations - Local Government Pension Scheme Regulations 2013
- 2014 Transitional Regulations - Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)

Scheduled body

Bodies which participate in the Fund under Schedule 2 Part 1 of the 2013 Regulations.

Scheduled and subsumption body funding target

For Scheduled Bodies whose participation in the Fund is considered by the Administering Authority to be indefinite and Admission Bodies with a subsumption commitment from such Scheduled Bodies, the funding target is set assuming indefinite investment in a broad range of assets of higher risk than risk free assets. This is known as the scheduled and subsumption body funding target.

Secondary rate of the employers' contribution

The secondary rate is an adjustment to the primary rate to arrive at the rate each employer is required to pay. It may be expressed as a percentage adjustment to the primary rate, and/or a cash adjustment in each of the three years beginning with 1 April in the year following that in which the valuation date falls. The secondary rate is specified in the rates and adjustments certificate. For any employer, the rate they are actually required to pay is the sum of the primary and secondary rates.

The Fund Actuary is required to also disclose the secondary rates for the whole scheme in each of the three years beginning with 1 April in the year following that in which the valuation date falls.

Shortfall (or deficit)

See deficit.

Solvency

It is a requirement of the Regulations that the actuarial valuation must have regard to the objective to secure the solvency of the Fund. This term is not defined in the Regulations but MHCLG guidance on preparing the Funding Strategy Statement says:

“The notes to the Public Service Pensions Act 2013 state that solvency means that the rate of employer contributions should be set at “such level as to ensure that the scheme’s liabilities can be met as they arise”. It is not regarded that this means that the pension fund should be 100% funded at all times. Rather, and for the purposes of Section 13 of the Public Service Pensions Act 2013, the rate of employer contributions shall be deemed to have been set at an appropriate level to ensure solvency if:

- the rate of employer contributions is set to target a funding level for the whole fund (assets divided by liabilities) of 100% over an appropriate time period and using appropriate actuarial assumptions; and either

- employers collectively have the financial capacity to increase employer contributions, and/or the fund is able to realise contingent assets should future circumstances require, in order to continue to target a funding level of 100%; or
- there is an appropriate plan in place should there be, or if there is expected in future to be, no or a limited number of fund employers, or a material reduction in the capacity of fund employers to increase contributions as might be needed.

If the conditions above are met, then it is expected that the fund will be able to pay scheme benefits as they fall due.”

State Pension Age (SPA)

Age at which State pensions are payable. Currently age 66, for current retirees.

Current legislation transitions State Pension Age for both men and women to age 67 by 2028 and to age 68 by 2046. The timetable for transitioning State Pension Age to age 68 is currently under review.

Strains

These represent the cost of additional benefits granted to members under a discretion of the employer or the Administering Authority. They include the cost of providing enhanced benefits on retirement or redundancy.

Subsumption (and subsumption body)

An employer which is not a secure long term Scheduled Body and where the Administering Authority has obtained an undertaking from a related employer that, if and when the employer exits the Fund, they will be a source of future funding should any funding shortfalls emerge on the original employer's liabilities after exit.

In this document the process of taking on the responsibility for future funding at the point of exit is known as ‘subsumption’ of an employer’s liabilities. The employer whose liabilities will be (or are being) subsumed is referred to as a subsumption body.

Surplus

If the assets are higher than the liabilities, then a surplus exists. Depending on its funding strategy, the Administering Authority may allow the employer to pay contributions below the future service rate to remove part or all of the surplus over an appropriate recovery period. If the value of assets is lower than the liabilities, then the difference is called a deficit.

Surplus buffer

Where an employer is in surplus, the Fund limits the amount of this surplus that is used to reduce the employer contributions below the future service rate. At the 2025 valuation the surplus above a 110% funding level will be used to reduce the contributions, and this is called the “surplus buffer”.

Transfer value

Members generally have a legal right to transfer their benefits to another pension arrangement before they retire. In taking a transfer, members give up their benefits in a fund, and a sum of money (called the transfer value) is paid into another approved pension fund. This is used to provide pension benefits on the terms offered in that fund.

Undecided member

A previous employee of the employer who has yet to decide whether to take a transfer of benefits to another pension arrangement, or a refund of their contributions.

Legal framework

This report was commissioned by and is produced solely for the use of the Administering Authority.

It is produced in compliance with:

- Regulation 62 of the Local Government Pension Scheme Regulations 2013.
- The terms of the agreement between the Administering Authority and Aon Solutions UK Limited, on the understanding that it is solely for the benefit of the addressee.

This report, and the work relating to it, complies with Technical Actuarial Standard 100: General Actuarial Standards ('TAS 100') and Technical Actuarial Standard 300: Pensions ('TAS 300').

Unless prior written consent has been given by Aon Solutions UK Limited, this report should not be disclosed to or discussed with anyone else unless they have a statutory right to see it.

We permit the Administering Authority to release copies of this report to the following parties only:

- Any employer which contributes to the Fund.
- The Ministry of Housing, Communities and Local Government.
- The Local Government Pension Scheme Advisory Board – England and Wales

We also permit the Ministry of Housing, Communities and Local Government to pass our report to the Government Actuary's Department in connection with their statutory duties. None of the above bodies has our permission to pass our report on to any other parties.

Notwithstanding such consent, Aon Solutions UK Limited does not assume responsibility to anyone other than the addressee of this report.

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