



The Greater Gwent (Torfaen) Pension Fund

administered by Torfaen County Borough Council



Local
Government Pension
Scheme

Your ref/Eich cyf:
Our ref/Ein cyf:
Date/Dyddiad: 28th November 2025

Please contact/Cysyllter â: Mrs J Griffiths
Direct line/Llinell union: 01495 766280
Email/Ebost: joanne.griffiths@torfaen.gov.uk

Dear Scheme Employer,

GREATER GWENT (TORFAEN) PENSION FUND **TRIENNIAL ACTUARIAL VALUATION AS AT 31ST MARCH 2025**

I am pleased to report that the 2025 Triennial Actuarial Valuation of the Greater Gwent (Torfaen) Pension Fund is now substantially completed.

The purpose of the valuation is to assess the overall funding level of the Pension Fund:

- i. to ensure that there are sufficient assets in the Pension Fund to cover the pension benefits accrued in respect of all active, deferred, pensioner and dependent members of the Greater Gwent (Torfaen) Pension Fund, and;
- ii. to set individual scheme employer contribution rates for the three-year period covering the period 2026-2029

Overall Results

Valuation results prepared by the fund actuary, Hymans Robertson, have indicated an improved funding position compared with the 2022 exercise. The Fund's funding level, calculated using current assets expressed as a proportion of all current and future liabilities, indicates a 37% increase since 2022, rising to 134% funded from 97% in 2022.

This significant improvement is driven by strong investment returns and favorable membership experience over the inter-valuation period, with an improved outlook for long-term actuarial assumptions contributing most significantly to the positive change reported. Further details of this improvement can be found within the presentation materials shared at the Employer Forum event that took place on the 7th of November 2025. A copy of these materials is enclosed with this letter.

The funding level relating to each individual scheme employer reflects the specific membership profile and experience over the preceding three-year period and does not necessarily reflect the position of the Fund as a whole. It is however important to recognise that funding levels (either at whole of Fund level or per employer) are not the driver of future contribution rates.

You are welcome to correspond in Welsh or English

The Greater Gwent (Torfaen) Pension Fund,
Torfaen County Borough Council, Civic Centre, Pontypool,
Torfaen, Gwent NP4 6YB
Tel: 01495 766266 Fax: 01495 742670

Mae croeso i chi ysgrifennu yn Gymraeg neu Saesneg

Cronfa Bensiwn Gwent Fwyaf (Torfaen),
Cyngor Bwrdeistref Sirol Torfaen, Canolfan
Ddinesig, Pontypŵl, Torfaen, Gwent NP4 6YB
Ffon: 01495 766266 Ffacs: 01495 742670

www.gwentpensionfund.co.uk

Pooled Town & Community Council Rate

The Fund has historically treated each Town & Community (T&C) Council as a separate employer participating in the scheme. In practice this means that separate employer contribution rates have been set every three years based on individual Council's assets and liabilities and employee membership.

A typical T&C Council is subject to rate fluctuation, often due to a small active membership profile relative to other scheme employers which is particularly sensitive to change and market events as a result. This sensitivity is often more profound than for other participating employers in the Fund.

The impact of this membership sensitivity can create volatility in employer contribution rates. During the 2022 triennial valuation process, contribution rates ranged between 0%-29.22% of pay across the then T&C Council cohort.

Establishing a pooled approach across a group of employers minimises this volatility. In a contribution rate pool, contributions are set to target full funding for the pool, rather than for individual employers. Employers in a pool maintain their individual funding positions, tracked by the fund actuary. That means some employers may be better funded or more poorly funded than the pool average, but the impact of significant membership events, positive or negative, during the inter-valuation period, is shared amongst all employers in the pool.

Following a review of the 2025 triennial valuation position, I have proposed a move towards a common 'pooled' employer contribution rate for all T&C Councils, applicable from 1st April 2026.

Your Results

I have enclosed a copy of your individual scheme employer results for your review and consideration. These should be read in conjunction with the fund actuary update as discussed at the Employer Forum, with specific reference to the contribution principles which are that:

1. The starting point will be the 2025 valuation primary rate (i.e. cost of future benefits) or current total rate payable by the scheme employer if lower;
2. The Fund will then apply a 3% reduction over the three years;
3. Consideration will be given for larger contribution reductions in appropriate circumstances (i.e., where the employer is in significant surplus and/or the employer is exiting the Fund within the valuation period)
4. The phasing of contribution rates over the inter-valuation period.

The schedule includes details of the assumptions used to calculate a pooled contribution rate, which will be detailed in the draft Funding Strategy Statement (FSS). A copy of the FSS will be shared ahead of a consultation process commencing in December. Further information on this exercise will be provided in due course.

If you'd like to discuss the content of this letter, then please do not hesitate to contact me and I look forward to hearing from you.

Yours sincerely

Joanne Griffiths
Pensions Manager
Greater Gwent (Torfaen) Pension Fund