

SUMMARY FUNDING STATEMENT

CLOSED FUND

THE ITB PENSION FUNDS (CLOSED FUND)

Welcome to your Summary Funding Statement which provides an update about the financial position of the ITB Pension Funds (Closed Fund) ("the Scheme").

The Scheme Actuary carries out a full actuarial valuation of the Scheme every three years, with annual updates in the intervening years. The Scheme's last full actuarial valuation was carried out at 31 March 2021 and this Statement provides an update on the financial position at 31 March 2022.

THE POSITION AT 31 MARCH 2021

The most recent full actuarial valuation of the Scheme at 31 March 2021 showed the funding position to be as follows:

ASSETS	£75.5million
LIABILITIES	£34.2million
FUNDING SURPLUS	£41.3million
FUNDING LEVEL	221%

The Scheme's benefits have been insured through a buy-in insurance policy with Pension Insurance Corporation (PIC) and the receipts from this policy are intended to cover most of the benefit payments to members. The figures reported above exclude the PIC buy-in insurance policy, and the liabilities covered by it, to the extent that they offset each other.

As a result of the funding surplus, no contributions have been paid into the Scheme. In March 2022 some of the surplus was used to increase members' benefits.

UPDATE AT 31 MARCH 2022

The table below shows the Scheme Actuary's estimate of the funding position at 31 March 2022:

	31 MARCH 2022
ASSETS	£79.6million
LIABILITIES	£33.3million
FUNDING SURPLUS	£46.3million
FUNDING LEVEL	239%

There was a £5.0million increase in the funding surplus over the year to 31 March 2022 which was mainly due to better than expected investment returns.

WHAT IF THE SCHEME STARTED TO WIND-UP?

Neither the Scheme's Trustees nor the Employers have any plans to wind-up the Scheme but it is a requirement to report the financial position, at the date of the most recent full actuarial valuation, if this were to happen. This information is provided in the table below:

	31 MARCH 2021
ASSETS	£75.5million
WIND-UP EXPENSES	£3.0million
SOLVENCY SURPLUS	£72.5million

The Scheme's assets were more than sufficient to meet the liabilities on wind-up because it is expected that the PIC buy-in insurance policy would secure all members' benefits without further cost being incurred.

PAYMENT TO THE EMPLOYERS

There has not been any payment to the Employers out of Scheme funds during the year to 31 March 2022.

HOW THE SCHEME OPERATES HOW IS MY PENSION PAID FOR?

The Scheme has invested the contribution payments that it used to receive from Participating Employers and their employees who decided to join the Scheme. These investments are held in a common fund which covers all the Scheme's members and is used to pay the pensions due.

Investments include the buy-in insurance policy with PIC, the receipts from which are expected to be sufficient to cover all the benefits payable by the Scheme.

HOW IS THE AMOUNT THE SCHEME NEEDS WORKED OUT?

The Scheme obtains regular actuarial valuations of the future benefits payable to members. These are used to determine whether the Scheme is adequately funded and if any further action is needed.

WHAT IS THE SCHEME INVESTED IN?

At 31 March 2022, the majority of the Scheme's assets were held in the PIC buy-in insurance policy. The targeted mix for the remaining assets was as follows:

GLOBAL EQUITIES	15%
CORPORATE BONDS	15%
INDEX-LINKED GOVERNMENT BONDS	70%

THE PENSIONS REGULATOR

The Pensions Regulator has not modified the Scheme, nor made any directions regarding the contributions or the calculation of the Scheme's funding position.

CLIMATE CHANGE

A Task Force on Climate-related Financial Disclosures (TCFD) report has been published on the Library page of the Scheme's website, www.itb-online.co.uk/library. The report describes the actions taken by the Scheme on climate-related risks, including analyses of how different climate scenarios might impact upon its investments as well as details about the target set by the Scheme to manage climate-related risks and opportunities. A hard copy of the report is available on request.

WHERE CAN I GET MORE INFORMATION?

If you have any questions about this funding statement or, would like any more information about the Scheme, please visit the Scheme website at www.itb-online.co.uk or contact us at:

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If you change address or personal details, please make sure you let us know by using the contact details above.