



# Summary Funding Statement as at 31 March 2024

## The ITB Pension Funds (Open Fund DB Section)



Welcome to this year's Summary Funding Statement which provides an update about the funding position of the ITB Pension Funds (Open Fund DB Section) ("the Scheme"). The Scheme remains financially strong with an improved funding level of 133% as of 31 March 2024. Through the acquisition of buy-in insurance policies the Scheme has fully secured the future benefits payable to Scheme members.

### FUNDING POSITION UPDATE

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 2022 and this Statement provides an update on the funding position at 31 March 2024.

#### Position at 31 March 2022

The most recent full actuarial valuation of the Scheme at 31 March 2022 showed that excluding the buy-in insurance policies but including the Open Fund's Defined Contribution section, the funding position was as follows:

	31 March 2022
Assets	£543.9million
Liabilities	£519.1million
Funding surplus	£24.8million
Funding level	105%

As at 31 March 2022, receipts from buy-in insurance policies with Pension Insurance Corporation (PIC) and Just Retirement (Just) covered most of the benefit payments to pensioners and dependants. The figures reported above exclude the buy-in insurance policies, and the liabilities covered by them, to the extent that they offset each other.

#### Update at 31 March 2024

The table below shows the Scheme Actuary's estimates of the funding position at 31 March 2023 and at 31 March 2024:

	31 March 2023	31 March 2024
Assets	£377.8million	£71.5million
Liabilities	£352.3million	£53.7million
Funding surplus	£25.5million	£17.8 million
Funding level	107%	133%

In July 2023, the Scheme purchased an additional buy-in policy with Just covering the remaining uninsured liabilities, primarily for deferred members. This resulted in a significant reduction to both assets and liabilities.

Over the year, the Scheme's funding surplus decreased from £25.5m to £17.8m mainly because the insurance premium paid to Just exceeded the Actuary's valuation of the liabilities that were insured. However, as this transaction has transferred further risk to the insurers, and the funding level has increased from 107% to 133%, security of members' benefits has overall been improved.

### What If the Scheme started to wind-up?

If the Scheme's Employers had decided to wind-up the Scheme at the date of the most recent full actuarial valuation, the financial position would have been as shown in the table below:

	31 March 2022
Assets	£543.9million
Solvency liabilities	£571.2million
Solvency funding level	95%

*Note: Solvency liabilities are the estimated amount to ensure that all members' benefits could have been paid in full if the Scheme had started winding-up. The value of the liabilities covered by the buy-in policies is excluded from the solvency liabilities.*

## PAYMENTS TO THE PARTICIPATING EMPLOYERS

There has not been any payment to the Participating Employers out of Scheme funds during the year to 31 March 2024.

## HOW THE SCHEME OPERATES

### How is my pension paid for?

The Scheme has invested contribution payments that were received from current and former Participating Employers and those of their employees who joined 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 buy-in insurance policies with PIC and Just, the receipts from which are expected to be sufficient to cover all future 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.

### The importance of the Participating Employers' support

The Scheme aims to have sufficient funds to pay pensions both now and in the future. Additional contributions from Participating Employers are

not expected to be necessary to achieve this goal. However, their support remains important in case unforeseen events lead to a funding shortfall.

### What Is the Scheme invested in?

At 31 March 2024, buy-in insurance policies represented 96% of the Scheme's assets. The targeted mix for the remaining assets is to hold sufficient cash to meet the Scheme's cashflow requirements and invest the balance as follows:

	Allocation
Corporate bonds	30%
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

In line with climate reporting requirements, a Climate Change report for 2024 has been published which you can find under the 'Library' section of our website, [www.itb-online.co.uk](http://www.itb-online.co.uk). The report describes the actions taken by the Scheme on climate-related risks, analyses how different climate scenarios might impact upon its investments and sets out the target being used 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](http://www.itb-online.co.uk) or contact us at:

**Address:** ITB Pension Funds  
23 King Street  
Watford  
Hertfordshire WD18 0BJ

**Email:** [pensions@itbpen.com](mailto:pensions@itbpen.com)

**Phone:** 01923 226264

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

**IMPORTANT:** If you are thinking of transferring out of the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action.