



London Borough of Enfield Pension Fund

Transfer of members from the London Borough of Enfield Pension Fund to the London Borough of Barnet Pension Fund

Actuary's letter in respect of the bulk transfer of members from Southgate College to Barnet College.

Introduction and Context

On 31 October 2011, Southgate College, an employer in the *Enfield Pension Fund*, merged with Barnet College, an employer in the *Barnet Pension Fund*. The Secretary of State for Levelling Up, Housing & Communities has directed that the assets and liabilities of Southgate College (including those for former members) are transferred to the *Barnet Pension Fund*.

This letter sets out the terms on which the asset transfer in respect of the *Transferring Members*, whose liabilities transferred from the *Enfield Pension Fund* to the *Barnet Pension Fund* on the *Effective Date*, will be calculated.

The proposed terms reflect our understanding that it has been agreed that the transfer will be Southgate College's notional share of assets held in the *Enfield Pension Fund* at the *Merger Date* (the *Transfer Amount*) updated in line with investment returns in the *Enfield Pension Fund* between the *Merger Date* and the *Payment Date*, adjusted appropriately to reflect benefit payments made and intra-Fund membership movements prior to the *Benefits Payments Transfer Date*.

Terms in italics are defined in the Definition of terms.

Direction Order

Assets and Liabilities in the *Enfield Pension Fund* in respect of the *Transferring Members* became the responsibility of the *Barnet Pension Fund* with effect from the *Effective Date*.

Prepared for: Hymans Robertson LLP

Prepared by: Joel Duckham FIA

Date: 29 November 2022

London Borough of Enfield Pension Fund

Process

The addressee is requested to confirm acceptance of the basis by signing and returning a copy of this letter.

Basis

The *Enfield Pension Fund* will transfer the *Accumulated Transfer Payment* to the *Barnet Pension Fund* on the *Payment Date*.

The accumulated value of any money purchase AVCs made by or in respect of the *Transferring Members*, if applicable, has or will be paid in addition to the *Accumulated Transfer Payment*.

These terms do not apply to any *Unfunded Benefits* (if applicable) and until alternative arrangements are made and agreed by both parties, any such payments that are paid by London Borough of Enfield on behalf of the *Previous Employer* should continue to be reimbursed by the *Previous Employer*.

Signed on behalf of Aon Solutions UK Limited
(Enfield Pension Fund Actuary)

DocuSigned by:
Joel Duckham
ACA732C3260D46B...
Joel Duckham FIA

Date: 29 November 2022

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Signed on behalf of Hymans Robertson LLP
(Barnet Pension Fund Actuary)

DocuSigned by:
Steven Scott
AA6CAE8F2DE64D8...
Steven Scott FFA

Dec 7, 2022
Date:

Definition of terms



Definitions of items in italics.

Term	Meaning
<i>Accumulated Transfer Payment</i>	(The <i>Transfer Amount</i> multiplied by the <i>Market Adjustment Factor</i>) LESS (for each <i>Time Period</i>) (the <i>Benefit Payments in the relevant Time Period</i> multiplied by the <i>Market Adjustment Factor for the relevant Time Period</i>)
<i>Barnet Pension Fund</i>	The Local Government Pension Fund administered by the London Borough of Barnet, in its capacity as Administering Authority, in accordance with the <i>Regulations</i> .
<i>Barnet Pension Fund Actuary</i>	Steven Scott FFA of Hymans Robertson LLP, or another actuary or firm of actuaries appointed by the <i>Barnet Pension Fund</i> for the purpose of this transfer.
<i>Benefit Payments in the relevant Time Period</i>	The total benefits paid by the <i>Enfield Pension Fund</i> to beneficiaries of the <i>Previous Employer</i> over a <i>Time Period</i> (inclusive of amounts that have been notionally transferred from the Southgate asset share of the <i>Enfield Pension Fund</i> to other employers within the <i>Enfield Pension Fund</i> over that <i>Time Period</i> , e.g. as a result of an aggregation option).
<i>Benefits Payments Transfer Date</i>	A date as agreed between the <i>Enfield Pension Fund</i> and <i>Barnet Pension Fund</i> from which the <i>Barnet Pension Fund</i> becomes responsible for making all benefit payments to the <i>Transferring Members</i> . This will be a date falling either on or after the <i>Effective Date</i> .
<i>Enfield Pension Fund</i>	The Local Government Pension Fund administered by the London Borough of Enfield, in its capacity as Administering Authority, in accordance with the <i>Regulations</i> .
<i>Enfield Pension Fund Actuary</i>	Joel Duckham FIA of Aon Solutions UK Limited, or another actuary or firm of actuaries appointed by the <i>Enfield Pension Fund</i> for the purpose of this transfer.
<i>Effective Date</i>	The effective date of the Direction Order made on behalf of the Secretary of State in relation to this transfer.

Term	Meaning
<p><i>Market Adjustment Factor</i></p>	<p>The total investment return achieved by the assets of the <i>Enfield Pension Fund</i> between the <i>Merger Date</i> and the day before the <i>Payment Date</i>. The total return will comprise the cumulative return in relation to the following:</p> <ul style="list-style-type: none"> ▪ the return on the <i>Notional Portfolio</i> from the start of the first working day following the <i>Merger Date</i> to the close of business the working day before the next <i>Net Investment Return</i> is available (<i>A%</i>). ▪ the actual <i>Net Investment Return</i>, where known for the complete calendar quarters between the <i>Merger Date</i> and the close of business on the working day before the <i>Payment Date</i> (<i>B%</i>). ▪ the return on the <i>Notional Portfolio</i> from the end of the last quarter for which the actual gross return is available to the close of business the working day before the <i>Payment Date</i> (<i>C%</i>). <p>The <i>Market Adjustment Factor</i> would be $(1+A\%) \times (1+B\%) \times (1+C\%)$</p>
<p><i>Market Adjustment Factor for the relevant Time Period</i></p>	<p>The square root of (1 plus the total % investment return achieved by the assets of the <i>Enfield Pension Fund</i> between the start of business on the first working day of the relevant <i>Time Period</i> and the close of business of the last working day of the relevant <i>Time Period</i>), multiplied by</p> <p>(1 plus the total % investment return achieved by the assets of the <i>Enfield Pension Fund</i> between the start of business on the first working day following the end of the relevant <i>Time Period</i> and the close of business on the last working day before the <i>Payment Date</i>)</p> <p>If the <i>Net Investment Return</i> is not available for any period covered by the above formula, the return on the <i>Notional Portfolio</i> shall be used between the start of the first working day from which the <i>Net Investment Return</i> is not available and the end of the last working day before which the <i>Net Investment Return</i> is next available (or the end of the last working day before the <i>Payment Date</i> if sooner).</p>
<p><i>Merger Date</i></p>	<p>31 October 2011</p>
<p><i>Net Investment Return</i></p>	<p>The quarterly gross investment return achieved by the assets of the <i>Enfield Pension Fund</i> reduced by 0.05% (equivalent to 0.2% per annum). Returns to be</p>



Term	Meaning
	allowed for are shown in the Asset Returns table below.
<i>Notional Portfolio</i>	<p>The <i>Notional Portfolio</i> will be assumed to be invested in the following indices:</p> <ul style="list-style-type: none"> ▪ 30% in the FTSE Actuaries All Share Total Return Index ▪ 15% in the FTSE Actuaries Over 5 years Index-Linked Gilt Total Return Index ▪ 15% in the FTSE Actuaries Over 15 Year Gilt Total Return Index ▪ 40% in the FTSE All World ex UK Total Return Index <p>The index values used will be as published in the Financial Times (or as available on Datastream for indices that are not published in the Financial Times) on the business day following the dates defined above and below. In the event that the indices are not published on such dates the indices to be used will be those published on the most recent preceding date.</p> <p>If any index is discontinued the <i>Enfield Pension Fund Actuary</i> and the <i>Barnet Pension Fund Actuary</i> will agree an alternative index.</p>
<i>Payment Date</i>	An agreed date when the <i>Accumulated Transfer Payment</i> is settled between the <i>Enfield Pension Fund</i> and the <i>Barnet Pension Fund</i>
<i>Previous Employer</i>	Southgate College, an employer in the <i>Enfield Pension Fund</i>
<i>Regulations</i>	<p>The Local Government Pension Scheme Regulations 2013 (as subsequently amended).</p> <p>The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as subsequently amended).</p>
<i>Time Period</i>	<p>The following periods are <i>Time Periods</i>:</p> <ul style="list-style-type: none"> ▪ Between the <i>Merger Date</i> and 31 March 2012 ▪ Whole Scheme years between 31 March 2012 and the 31 March before the <i>Payment Date</i> ▪ Between the last 31 March prior to the <i>Payment Date</i> and the <i>Payment Date</i>
<i>Transfer Amount</i>	£9,252,000, being the market value of assets in the <i>Enfield Pension Fund</i> notionally attributable to the <i>Previous Employer</i> at the <i>Merger Date</i> .



Term	Meaning
<i>Transferring Member</i>	A former employee of the <i>Previous Employer</i> , in relation to whom liability has been transferred to the <i>Barnet Pension Fund</i> on the <i>Effective Date</i> .
<i>Unfunded Benefits</i>	<p>Discretionary benefits that are paid on behalf of the <i>Previous Employer</i> in relation to benefits awarded outside the provisions of the <i>Enfield Pension Fund</i> and paid for on a pay as you go basis. Examples of such benefits are those awarded under:</p> <ul style="list-style-type: none"> ▪ The Local Government (Discretionary Payments) Regulations 1996 ▪ The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 ▪ The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 ▪ The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 <p>which have not been converted to funded benefits under the <i>Regulations</i>.</p>



Asset Returns

The table below shows the known gross asset returns achieved by the assets of the *Enfield Pension Fund* for complete quarters from the *Transfer Date*.

Period ending	Gross Investment Return	Expense Allowance	Net Investment Return
31 March 2012	4.70%	0.00%	4.70%
30 June 2012	(1.30)%	0.00%	(1.30)%
30 September 2012	2.00%	0.00%	2.00%
31 December 2012	2.20%	0.00%	2.20%
31 March 2013	8.60%	0.00%	8.60%
30 June 2013	(0.30)%	0.05%	(0.35)%
30 September 2013	0.50%	0.05%	0.45%
31 December 2013	3.10%	0.05%	3.05%
31 March 2014	1.30%	0.05%	1.25%
30 June 2014	1.30%	0.05%	1.25%
30 September 2014	3.30%	0.05%	3.25%
31 December 2014	3.80%	0.05%	3.75%
31 March 2015	4.60%	0.05%	4.55%
30 June 2015	(2.20)%	0.05%	(2.25)%
30 September 2015	(0.70)%	0.05%	(0.75)%
31 December 2015	4.00%	0.05%	3.95%
31 March 2016	1.60%	0.05%	1.55%
31 March 2017*	17.60%	0.20%	17.40%
30 June 2017	1.12%	0.05%	1.07%
30 September 2017	0.70%	0.05%	0.65%
31 December 2017	2.89%	0.05%	2.84%
31 March 2018	(2.48)%	0.05%	(2.53)%
30 June 2018	3.56%	0.05%	3.51%
30 September 2018	3.41%	0.05%	3.36%
31 December 2018	(4.16)%	0.05%	(4.21)%
31 March 2019	4.66%	0.05%	4.61%
30 June 2019	3.46%	0.05%	3.41%
30 September 2019	3.04%	0.05%	2.99%
31 December 2019	(0.06)%	0.05%	(0.11)%



Period ending	Gross Investment Return	Expense Allowance	Net Investment Return
31 March 2020	(9.40)%	0.05%	(9.45)%
30 June 2020	10.09%	0.05%	10.04%
30 September 2020	2.16%	0.05%	2.11%
31 December 2020	5.20%	0.05%	5.15%
31 March 2021	2.29%	0.05%	2.24%
30 June 2021	4.44%	0.05%	4.39%
30 September 2021	2.69%	0.05%	2.64%
31 December 2021	3.38%	0.05%	3.33%
31 March 2022	(1.60)%	0.05%	(1.65)%
30 June 2022	(5.06)%	0.05%	(5.11)%
30 September 2022	(0.91)%	0.05%	(0.96)%



* For the year to 31 March 2017 we received an annual figure as opposed to four quarterly figures.

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