

Make the most of your LGPS surplus

Each 1% reduction to your contribution rate could achieve revenue savings of £4.5M (over a 3 year period for a Council with a typical £150M payroll)

How have funding levels¹ improved recently?

106%
funded

31 March 2022
valuation²

➔

125%
funded

31 March 2023
update³

➔

Over 150%
funded

30 September
2024 update⁴

Average contribution rates at 2022 valuation⁵

19.8%

Primary Rate

+

1.0%

Secondary Rate

Why the significant improvement?

Liabilities

↓

Due to a sustained rise in real gilt yields⁶

Assets

↑

Due to strong investment returns⁷

Will this lead to a reduction in contribution?

Any reduction to contribution rates at the 2025 valuation may be limited as LGPS funds may resist significant reductions to contribution rates.

How KPMG can help?

Using our actuarial expertise to support your negotiations with the Fund could increase your chances of a positive outcome.

1 – Average LGPS funding level on prudent local funding bases; 2, 3 – GAD’s review of LGPS fund valuations as at 31 March 2022 under Section 13 dated 14 August 2024; 4 – KPMG analysis; 5 – GAD’s Funding Analysis Report in conjunction with the review of LGPS fund valuations as at 31 March 2022 under Section 13 dated 14 August 2024; 6 – BOE implied real yield, 20 year spot rate; 7 – Percentage change in FTSE All-world Ex UK Total Return Index since 31 March 2022

Contact us



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