

PORT OF LONDON AUTHORITY (UPPER DIVISION STAFF)
WIDOWS', WIDOWERS' AND ORPHANS' PENSION FUND

Report and Accounts for the period ended 31 March 2021

The report and accounts for the Fund for the period ended 31 March 2021 have been prepared in accordance with the requirements of the Occupational Pension Schemes Disclosure Regulations and a summary of the contents is given below. If required, copies of the full report and accounts can be obtained on request to the Secretary.

Persons with an interest in the Fund as at 31 March 2021 were as follows:-

| | |
|---------------------------------------|------------|
| Subscribers in service | 1 |
| Subscribers on pension | 201 |
| Early leavers with preserved benefits | 201 |
| Widows in receipt of pensions | <u>207</u> |
| | <u>610</u> |

At that date, pensions from the Fund totalled £1,221,278 per annum.

The most recent full actuarial valuation of the Fund was carried out as at 31 March 2019.

In accordance with the Statutory Funding Objective, as at 31 March 2019, the assets covered 102% of the Fund's liabilities and the surplus was £589,000 (assets of £27,181,000 being more than liabilities of £26,592,000).

The next full valuation must be carried out with an effective date no later than 31 March 2022, although interim reports of the position as at 31 March 2021 will also be required.

An increase in pensions of 3% was applied with effect from 1 December 2020 in respect of widows whose husbands had retired or died before 1 July 2019.

The increase will also be applied to widows' pensions and child allowances coming into payment in the future on the death of former members who left before 1 July 2020.

During the 12 months to 31 March 2021 net assets increased by £751,000 to £26.813m. The bulk annuity has previously been treated as an expense and the Committee chose not to assign a value to it, as permitted by the previous SORP. Under the current SORP the Committee have included within the accounts an approximate valuation of the annuity policy. The liability to pay pensions remains with the Fund.

COVID-19
Operations

As government restrictions lifted the in-house pensions & payroll administration team have been working a blend of office and remote working.

Work has been processed as normal during these periods, however, some case work is taking a few days longer than usual but well within regulatory timeframes.

The Pension Regulator issued guidance to administrators during this period. Critical processes are as follows:

- Paying benefits
- Retirement processing
- Death casework

Cashflow

Priority remains to ensure pensioner payrolls can be funded without the need to disinvest from any distressed assets. The situation is being monitored closely by the Trustees and advisers.

Disinvestments will be made from the most appropriate asset class as advised by the investment consultant

Covenant

The COVID 19 situation has adversely affected the global economy. The potential impacts, both financial and operational, have been evaluated for the Authority and the financial forecasts have been reviewed to assess the impact on the going concern assessment. The Authority confirmed that they remain a going concern

Data Protection Act 2018

The Committee and the Employer have both a legal obligation and a legitimate interest to process data relating to members for the purpose of administering and operating the Fund and paying benefits under it. This may include passing on data about members to the Fund's actuary, auditor, administrator and such other third parties as may be necessary for the administration and operation of the Fund.

The Committee and the Employer are both regarded as 'Data Controllers' (for the purposes of the Data Protection Act 2018) in relation to data processing referred to above and can be contacted at the address shown below:

Fund Secretary
Port of London Authority
London River House
Royal Pier Road, Gravesend, Kent DA12 2BG