

The valuation exercise

This guide is to support you in understanding one of the most important events in the British Transport Police Superannuation Fund ('the Fund') calendar – the actuarial valuation.

It explains:

- What a valuation involves
- Why a valuation is carried out
- How a valuation affects you
- Further information about valuations

What a valuation involves

A valuation is essentially a financial health check for the Fund.

It is important that this is done because pension schemes are such long-term arrangements, with payments to be made to members over many years.

A valuation exercise is undertaken at least once every three years on behalf of the Trustee Company, which looks after the assets of the Fund. These assets are made up of members' contributions and returns on investments. The valuation is undertaken by the Fund's actuary, who aim's to calculate the amount of assets the Fund needs to hold now so that it can continue to pay pensions in the future.

To do this, the actuary carries out a thorough assessment of the Fund, taking into account amongst other things the likely:

- life expectancy of members
- returns that may be achieved on the Fund's investments
- level of future inflation

Once this view of the Fund's health has been established, the Trustee Company, Management Committee and the employer can agree to make changes, if necessary, so that pensions can continue to be paid.

Why a valuation is carried out

Valuations are designed to make sure that the Fund has sufficient assets to pay all benefits promised when they fall due. Having regular valuations help to keep the Fund affordable for both members and the employer by identifying and addressing any shortfalls as they arise.

The other main purpose of the valuation is to work out the rate of future contributions which need to be paid to the Fund by members and the employer.

How a valuation affects you

The valuation process requires the employer, the Management Committee and the Trustee to agree any changes in contributions. If contribution rates are proposed to increase, the employer must carry out a statutory consultation with affected members.

You will receive communications about the Fund's valuation and how it affects you once the results are finalised.

Further information about valuations

If you have any queries about the valuation process or results, please speak to your employer.

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[We recommend that you get independent financial advice before making any important decisions about your pensions arrangements.](#)