DYFED PENSION FUND COMMITTEE

DATE 21/02/2019

DYFED PENSION FUND BUDGET 2019-2020
RECOMMENDATIONS / KEY DECISIONS REQUIRED: The Committee to approve the budget for 2019-2020.
REASONS: To approve the Dyfed Pension Fund budget for 2019-2020.

Report Author:	Designation:	Tel No.
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DATE 21/02/2019

Dyfed Pension Fund Budget 2019-2020

BRIEF SUMMARY OF PURPOSE OF REPORT

The cash related expenditure budget for 2019-20 is £87.8m and the cash related income budget for 2019-20 is £87.8m. This results in a NET budget of £0. This provides the Fund with flexibility to utilise investment income based on cash flow requirements.

Expenditure:

Benefits payable is estimated at £79.5m which includes 2.4% pensions increase based on September 2018 CPI and 2% net effect for new pensioner members.

Management expenses is estimated at £5.6m. Of this total, £3m is budgeted for investment manager fees.

Income:

Contributions is estimated at £72.1m. Employer contributions £52.8m and Employees contributions £19.3m. The contribution rates used are based on the 2016 valuation. 2% was factored in for pay increases in 2019-20.

Investment income is estimated at £14m to maintain a cash neutral budget so that the fund is not holding onto surplus cash that can be invested.

The non-cash related budget is £50m. This is an estimate for the realised gains and losses for individual manager portfolio rebalances and sales and purchases within the property portfolios.

DETAILED REPORT ATTACHED?	YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: C Moore   Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	**NONE**	**YES**	**NONE**	**NONE**	**NONE**	**NONE**

Finance - Overall, the Fund needs to maintain a neutral budget so that there is sufficient income to meet its obligations. An estimated £87.8m income budget is a significant figure to achieve this.

CONSULTATIONS

Details of any consultations undertaken are to be included here

Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report: THESE ARE DETAILED BELOW		
Title of Document	**File Ref No.**	**Locations that the papers are available for public inspection/WEBSITE LINK**