

Scheme position as at 1 January 2021

Assets
£46,431,000

Money needed to pay benefits
£67,653,000

Shortfall
£21,222,000

Funding level
69%

This update states the position of the Scheme on 1 January 2021.

The shortfall has increased since the last update on 1 January 2020. This is mainly due to a deterioration of market conditions as at 1 January 2021, which has led to a lower expectation for future asset returns.

However, there has been some improvement since 1 January 2021, and by 30 June 2021 the funding position of the Scheme had improved by approximately £3 million. More details are provided in the chart on page 1.

Following the 1 January 2020 actuarial valuation, the ITF agreed to pay £2.3m each year for 7 years to top up the assets of the Scheme to improve the funding level.

ITF Retirement Benefits Scheme Summary funding statement at 1 January 2021

This statement gives you an update on the estimated financial position of ITF Retirement Benefits Scheme (the Scheme).

The Scheme is a Defined Benefit scheme. This means that it gives you an income for life after retirement, based on the length of time you were a member of the Scheme and the level of your earnings while an active member.

The Trustees use the assets of the Scheme to pay pensions to Scheme members, including those members who have not yet retired. The assets are held separately from the ITF. Assets can only be returned to the ITF if they are more than is needed to arrange for an insurance company to pay all benefits. No such payment to the ITF has been made since the date of the last statement.

Your Scheme is looked after by

Trustees

Stephen Cotton
Steve Turner
Steve Todd

Finlay McIntosh
Gabriel Mocho Rodriguez
Martin Raicheva-Wedge
Helen Spriggs

Scheme administrator

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Actuarial advisers

First Actuarial LLP

Scheme Auditor

KPMG LLP

Legal advisers

Walkers Solicitors

Investment managers

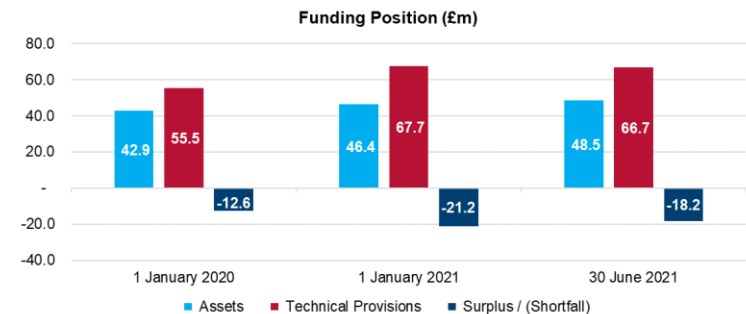
Mobius Life Ltd
Aviva Ltd

Your Scheme's finances

Working out the value of the benefits promised to members – how much money we need to pay all the members' pensions – is not an exact science. It depends on several things, including inflation, investment returns and how long Scheme members live.

A full actuarial valuation of the Scheme is carried out every three years. As part of the valuation, the Scheme Actuary calculates whether the assets are worth more than the amount estimated to be needed to pay out the benefits. If that is not the case, then the Trustees and ITF will agree what action needs to be taken.

The last actuarial valuation of the Scheme was carried out at 1 January 2020. The results of this valuation are shown in the chart below, along with the results from the actuarial update at 1 January 2021, as well as an approximate position as at 30 June 2021:



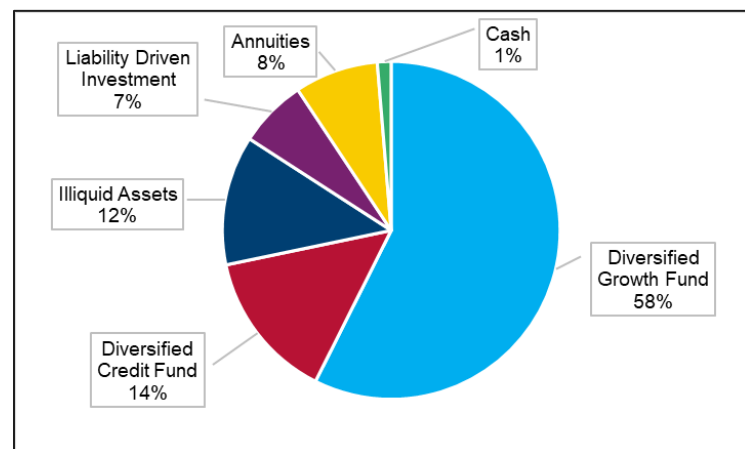
The latest actuarial update shows that the assets of the Scheme are less than the amount needed to pay all benefits to members. This is not unusual for pension schemes.

ITF Retirement Benefits Scheme

Summary funding statement at 1 January 2021

The assets

The Trustees have an investment strategy in place to make the most of the Scheme's assets by holding a mix of investments. The types of assets held on 1 January 2021 were as follows:



Winding up the Scheme: The buy-out position

If an employer wanted to let go of its responsibility for a scheme, or is unable to support a scheme, the scheme would be wound up. In this situation an employer would have to pay a one-off contribution to the scheme to cover the extra cost of getting an insurance company to take on the responsibility of paying all scheme benefits. If this had happened on 1 January 2020 in respect of the ITF Retirement Benefits Scheme, the contribution required from the ITF would have been an estimated £50 million.

The Pensions Regulator looks after work-based pension schemes and has certain powers it can use if it has concerns about a scheme. It has not used any of these powers in relation to this Scheme.

Additional protection

If an employer becomes insolvent, the Pension Protection Fund can pay compensation to members in certain circumstances. Further details are available at <https://www.ppf.co.uk/our-members>.

If you are thinking of leaving the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking action.

Further information

You can ask your Scheme Administrator – contact details are on page one – for copies of any of the following documents:

- Statement of Funding Principles
- Statement of Investment Principles
- Recovery Plan & Schedule of Contributions
- Trustees' annual report and accounts
- Latest actuarial valuation report
- Shorter actuarial reports
- Scheme booklet

If you have yet to start receiving your pension and we have not sent you an estimate of your pension at retirement in the last 12 months, you can ask the Scheme Administrator for one.

Please help us by making sure we have your correct contact details. If your address has changed, if you want to update or submit your expression of wish form, or if you need any further information or help, please write to the Scheme Administrator or give them a call using the contact details on page 1 of this statement.

A new member website has recently launched for the ITF Retirement Benefits Scheme, which can be found at: <https://itfpensions.co.uk/>.