

Isle of Wight Council Pension Fund

Summary of Accounts 2005-06

A full version of the accounts are published as part of the Council's Statement of Accounts for the year ended 31st March 2006

Revenue Account	2005-06	2004-05
Income	£m	£m
Employee contributions	3.4	3.2
Employer contributions	10.3	7.3
Transfer values received	3.2	1.9
Income from investments	6.1	4.9
	23.0	17.3
Spending		
Pensions and benefits	10.8	10.2
Transfer values paid	1.6	1.6
Investment and other costs	0.7	0.7
	13.1	12.5
Surplus	9.9	4.8

Transfer values are received or paid when a contributor joins the fund from another pension scheme or leaves it

Net Assets Statement	2005-06	2004-05
Stock market value of investments	236.6	185.8
Cash we hold and amounts owed to us at 31st March	2.3	1.5
	238.9	187.3

Income in 2005-06 was £9.9m more than spending. This money was reinvested to pay for pensions and benefits in the future

Investments

The breakdown of the funds investments at 31st March 2006 was as follows

	%
UK shares	42.9
Overseas shares	32.4
Bonds	11.8
Property	9.3
Cash	3.6
	100.0

Membership Statistics

The Council is responsible for administering the pension fund covering staff employed by the

- Isle of Wight Council
- Cowes Harbour Commissioners
- Yarmouth (IW) Harbour Commissioners
- St Catherines School Ltd
- Trustees of Carisbrooke Castle Museum
- IW Society for the Blind
- Isle of Wight Magistrates' Courts Committee
- Isle of Wight Rural Community Council
- South Wight Housing Association Ltd
- Medina Housing Association Ltd
- The Quarr Group (*formerly Island Group 90 Ltd*)
- Isle of Wight College
- Riverside Centre Ltd
- Osel Enterprises Ltd
- Planet Ice (IOW) Ltd
- Island 2000 Trust Ltd
- First Wessex Housing Group Ltd (*formerly Atlantic Housing Group Ltd*)

The fund includes local authority employees on the Isle of Wight except teachers and fire-fighters for whom separate arrangements are made. At 31 March 2006 there were 4783 paying into the pension fund, 2480 pensioners and dependents receiving a pension and 3044 whose pensions or refunds are held for payment at a later date.

Actuary's statement

The pension regulations require a full actuarial valuation every three years. This is to compare its assets with its liabilities to past and present contributors and to review the employer contribution rates. Accordingly the last valuation was completed at 31 March 2004. At that time the valuation showed that the financial position of the pension fund had deteriorated since the previous one which took place on 31 March 2001 (mainly as a result of lower than expected investment returns) The value of the funds assets was sufficient to cover 71% of the benefits earned to date by the funds members (that is a 71% funding level).

Employers contribution rates have been raised from 1 April 2005 with the aim of gradually restoring the funding level to 100%. As at the end of September 2006 the funding level has risen to approximately 80%. The next full actuarial valuation of the fund will be carried out at 31 March 2007.

Questionnaire

This is the first time the Council have published Summary of Accounts for the Pension Fund. We hope that they are easily understood.

Your feedback is important to us, and we want to know what you think about the Summary Accounts and how you feel they could be improved.

Please complete this short questionnaire and let us know what you think about the content or layout. Alternatively you can email carol.harrison@iow.gov.uk with your comments.

Please return the survey (there is no need for a stamp) to:

**Pensions Summary of Accounts Survey,
Financial Services, Isle of Wight Council
FREEPOST (SCE 13306), County Hall,
Newport, Isle of Wight PO30 1UD.**

Pension summary of accounts – survey

1. On the scale of one to five, where one is not at all useful and five is highly useful – please rate how useful you found the summary:

1 2 3 4 5

2. What aspects of the summary did you find most useful?

3. On a scale of one to five, where one is very poor and five is very good – please rate the presentation of the summary of accounts:

1 2 3 4 5

4. Do you consider this summary meets your needs for information about the Isle of Wight Council Pension Fund or would you prefer to receive an annual report which includes summary accounts as part of the content?

5. If you have any suggestions on how we could improve either the content or the presentation of the summary of accounts, please add them here: