



BARNETT
WADDINGHAM

Part of **HOWDEN**

Nottinghamshire County Council Pension Fund

(132) Mansfield and District Joint Crematorium

IAS19 as at 31 March 2026

v1

1 May 2026



Introduction

We have been instructed by Nottinghamshire County Council, the administering authority to the Nottinghamshire County Council Pension Fund (the Fund), to undertake pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme (the LGPS). These benefits are provided to employees of Mansfield and District Joint Crematorium (the Employer) as at 31 March 2026. We have taken account of current LGPS Regulations, as amended, as at the date of this report.

This report should be read in conjunction with the 31 March 2026 accounting briefing note. The figures contained in this report are in respect of the Employer's pension obligations under the LGPS as at 31 March 2026. IAS19 also requires the disclosure of any other employer provided pension benefits which are not paid from the Fund itself. We have only valued such additional liabilities, which would not be covered in the formal LGPS valuation, to the extent that they have been notified to us and are as disclosed in the data section of this report.

[Please use this link to access the 31 March 2026 accounting briefing note if you have not obtained a copy.](#)

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations and summarised on the LGPS website.

This report is addressed to the Fund, and is provided in our capacity as Fund Actuary to the Fund. The report may be shared with the Employer, provided that it is shared in its entirety, but it does not constitute advice to them. The Employer may also share the information contained in this report with their auditor, but BW neither assumes nor owes any duty or responsibility to any third party who relies on that information. Any liability to any third party is expressly disclaimed to the fullest extent permitted by law.

Barnett Waddingham does not provide, and shall not be responsible for, accounting or audit advice. From time to time, we may comment or otherwise give an opinion on any information, documentation, and/or guidance provided to us by or on behalf of the Fund. The Fund shall not rely on any such comment or opinion to make (or refrain from making) any decision or take (or refrain from taking) any action.

This report reflects our understanding of the relevant accounting and audit standards in force at the date of this report. It complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) as issued by the Financial Reporting Council (FRC).

Please note that we have incorporated an asset ceiling into the Employer's balance sheet. Further details of the approach taken are given later in this report.

We would be pleased to answer any questions arising from this report.



Lucy Byrne FIA
Senior Consulting Actuary

Data used

We have used the following items of data which we received from the administering authority and the Employer via the use of MS Forms:

Results of the latest valuation as at	31 March 2025
Results of the previous IAS19 report (v2) as at	31 March 2025
Actual Fund returns to	n/a
Fund asset statement as at	31 December 2025
Fund income and expenditure items to	31 December 2025
Employer income and expenditure items to	31 March 2026
Details of any new unreduced early retirement payments to	31 March 2026
Details of any settlements to/from the Employer for the period to	31 March 2026

The data has been checked for reasonableness, including consistency with previous valuation data where relevant, and the data is within tolerances for the purposes of this report.

Although some estimation of the data to the accounting date may be required, we do not believe it is likely to be significant to the results in this report.

We have not been notified of any significant changes or events since we received the data.

Employer membership statistics

The table below summarises the membership data at 31 March 2025 from the latest valuation for members receiving funded benefits, and as at 31 March 2025 for any members receiving unfunded benefits.

Member data summary	Number	Salaries/Pensions £000s	Average age (salary/pension weighted)
Actives	13	328	45
Deferred pensioners	15	25	48
Pensioners	10	63	61
Unfunded pensioners	2	not disclosed	not disclosed

Employer payroll

The total pensionable payroll and projected payroll for the Employer is set out below and is based on information provided to us by the administering authority. This has been used to calculate the service cost and projected service cost respectively.

Estimated payroll for the year to 31 March 2026	£313,000
Projected payroll for the year to 31 March 2027	£373,000

Scheduled contributions

The table below summarises the minimum employer contributions due from the Employer to the Fund over this inter-valuation period. The Employer may pay further amounts at any time. Future contributions may be adjusted on a basis approved by us.

	Primary rate	Secondary rate for period beginning:			Minimum employer contributions due for the period beginning:		
		1 Apr 2026	1 Apr 2027	1 Apr 2028	1 Apr 2026	1 Apr 2027	1 Apr 2028
Total percent of payroll	20.1%	0.0%	0.0%	0.0%	20.1%	20.1%	20.1%
plus monetary amount (£000s)		13	13	14	13	13	14

Funding approach

The Employer currently participates in the Small Scheduled Bodies pool with other employers in order to share experience of risks they are exposed to in the Fund. At the 2025 valuation, the deficit for the whole pool was calculated and allocated to each employer in proportion to their value of liabilities. The next reallocation will be carried out at the 2028 valuation, should the Employer remain in the pool. Each employer within the pool pays a contribution rate based on the cost of benefits of the combined membership of the pool.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2026 is 10.9%. The net asset statement has been provided to a date earlier than the accounting date and the return for the period to the reporting date has been estimated to be (0.9%) based on market statistics.

The Employer's share of the assets of the Fund is approximately 0.02%.

The estimated asset allocation for the Employer at 31 March 2026 and 31 March 2025 is as follows (noting that due to rounding they may not total 100%):

Asset breakdown	31 Mar 2026		31 Mar 2025	
	£000s	%	£000s	%
Public Equities	1,041	55%	918	55%
Gilts	159	8%	83	5%
Other bonds	100	5%	109	7%
Property	156	8%	168	10%
Cash/temporary investments	123	6%	82	5%
Inflation Plus	125	7%	116	7%
Infrastructure	128	7%	124	7%
Private Equities	61	3%	55	3%
Total	1,893	100%	1,655	100%

The table below sets out the percentages of the Fund's assets held in each asset class at 31 December 2025 (split by those that have a quoted market price in an active market, and those that do not).

Asset breakdown		31 December 2025	
		% Quoted	% Unquoted
Fixed Interest Government Securities	UK	3%	-
	Overseas	-	-
Index Linked Government Securities	UK	5%	-
	Overseas	-	-
Corporate Bonds	UK	1%	-
	Overseas	4%	-
Equities	UK	16%	0%
	Overseas	39%	-
Property		-	8%
Private Equity		-	3%
Infrastructure		-	7%
Unit Trust Infl Linked		-	7%
Credit		-	4%
Cash/Temporary Investments		-	2%
Net Current Assets	Debtors	-	-
	Creditors	-	-
Total		69%	31%

We do not have any further detail on the current asset allocation of the Fund; we suggest that if further information is required the administering authority is contacted in the first instance.

Financial Assumptions

Details of the actuarial methods and derivation of the assumptions used can be found in the 31 March 2026 briefing note issued alongside this report unless noted otherwise below. The key assumptions used are set out below.

Financial assumptions	31 Mar 2026	31 Mar 2025	31 Mar 2024
	p.a.	p.a.	p.a.
Discount rate	6.20%	5.85%	4.95%
Pension increases (CPI)	2.90%	2.90%	2.85%
RPI inflation	3.25%	3.15%	3.15%
Salary increases	3.90%	3.90%	3.85%

Projected unit method is used in our calculations.

In addition, we have allowed for actual ONS CPI inflation observed between February 2025 and February 2026. This is reflected in the Experience loss/(gain) on defined benefit obligation figure in the results.

Employer duration

The estimated Macaulay duration of the Employer's liabilities as at the accounting date using the assumptions set out above is 17 years.

Demographic Assumptions

Post retirement mortality	31 Mar 2026	31 Mar 2025
Base table	S4PA	S3PA
Multiplier (M/F)	110% / 100%	115% / 110%
Future improvements model	CMI_2025	CMI_2023
Long-term rate of improvement	1.50%	1.25%
Smoothing parameter	7.0	7.0
Initial addition parameter	0.0% p.a.	0.00 p.a.
2020 weight parameter	n/a	0%
2021 weight parameter	n/a	0%
2022 weight parameter	n/a	15%
2023 weight parameter	n/a	15%
Half life parameter	1.0	n/a

The assumed life expectancies, based on the assumptions set out above, are set out in the table below:

Life expectancy from age 65 (years)		31 Mar 2026	31 Mar 2025
Retiring today	Males	21.2	20.4
	Females	24.2	23.3
Retiring in 20 years	Males	22.8	21.7
	Females	25.9	24.7

We have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2025, except for an update of the CMI projection model. Details of the post retirement mortality assumption are set out above; further details of the demographic assumptions adopted can be found in the briefing note corresponding to this report, and the Fund's actuarial valuation report.

Past service costs

Past service costs arise if member benefits are introduced, withdrawn or changed. For example, an award of additional discretionary benefits such as added years by a member would be considered a past service cost. We are not aware of any additional benefits which were granted over the year ending 31 March 2026.

Curtailments

Over the year, we understand that no former employees became entitled to unreduced early retirement benefits.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year, which has been confirmed by the Fund.

Results

Balance sheet	As at	As at	As at
Net pension asset in the statement of financial position	31 Mar 2026	31 Mar 2025	31 Mar 2024
	£000s	£000s	£000s
Present value of the defined benefit obligation	1,652	1,570	1,732
Fair value of Fund assets (bid value)	1,895	1,655	1,631
Deficit / (Surplus)	(243)	(85)	101
Impact of asset ceiling	420	219	-
Unrecognised past service cost	-	-	-
Present value of unfunded obligation	5	6	6
Net defined benefit liability / (asset)	182	140	107

The amounts recognised in the profit and loss statement

	Year to	Year to
	31 Mar 2026	31 Mar 2025
	£000s	£000s
Service cost	37	48
Net interest on the defined benefit liability / (asset)	5	4
Administration expenses	1	1
Total loss / (profit)	43	53

For the purposes of our calculations, we distribute Fund administration expenses amongst the employers in the Fund in proportion to their individual asset shares.

Remeasurement of the net assets / (defined benefit liability) in other comprehensive income	Year to	Year to
	31 Mar 2026	31 Mar 2025
	£000s	£000s
Return on Fund assets in excess of interest	83	(86)
Other actuarial gains / (losses) on assets	31	-
Change in financial assumptions	98	248
Change in demographic assumptions	(53)	3
Experience gain / (loss) on defined benefit obligation	(47)	1
Changes in impact of asset ceiling	(188)	(219)
Remeasurement of the net assets / (defined benefit liability)	(76)	(53)

Investment expenses are included in return on Fund assets in excess of interest.

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
---	---------------------------------	---------------------------------

Opening defined benefit obligation	1,576	1,738
Current service cost	37	48
Interest cost	90	85
Change in financial assumptions	(98)	(248)
Change in demographic assumptions	53	(3)
Experience loss/(gain) on defined benefit obligation	47	(1)
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(68)	(62)
Past service costs, including curtailments	-	-
Contributions by Scheme participants and other employers	20	19
Unfunded pension payments	-	-
Closing defined benefit obligation	1,657	1,576

The experience loss/(gain) on the defined benefit obligation includes £2,000 in respect of the allowance for actual CPI inflation over the accounting period.

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
---	---------------------------------	---------------------------------

Opening fair value of Fund assets	1,655	1,631
Interest on assets	98	81
Return on assets less interest	83	(86)
Other actuarial gains/(losses)	31	-
Administration expenses	(1)	(1)
Contributions by employer including unfunded	77	73
Contributions by Scheme participants and other employers	20	19
Estimated benefits paid including unfunded net of transfers in	(68)	(62)
Settlement prices received / (paid)	-	-
Closing fair value of Fund assets	1,895	1,655

Investment expenses are included in actual return on assets in excess of interest.

Reconciliation of change in impact of asset ceiling

	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
Opening impact of asset ceiling	219	-
Interest on impact of asset ceiling	13	-
Actuarial losses / (gains)	188	219
Closing impact of asset ceiling	420	219

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. Our calculation of the asset ceiling has followed our interpretation of IFRIC14.

Our calculations assume that:

- The Employer does not have a right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- We have relied upon information provided by the Fund that the employer is both open to new joiners and has no formal participation end date. Therefore we have assumed the employer will participate indefinitely.
- The requirement for the employer to make contributions to the Fund is considered to be a minimum funding requirement (MFR). For the period beyond the existing Rates and Adjustments certificate, our best estimate is that the existing rates remain in force. This is based on the fund actuary's methodology which is designed to provide a stable contribution rate, and also the lack of any other readily available figure.

In broad terms our analysis shows that:

- The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £243k, the initial impact of the asset ceiling is £243k.
- The Employer is currently paying deficit contributions towards a funding deficit. We have assessed this minimum funding requirement and calculate that it constitutes an onerous funding commitment. There is an additional liability of £177k to be recognised.
- The unadjusted funded surplus is £243k. There is an initial impact from an asset ceiling of £243k, plus an additional liability of £177k. The final funded net asset to be recognised is -£177k.

Sensitivity analysis	£000s	£000s	£000s	£000s	£000s
Adjustment to discount rate	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	1,530	1,630	1,657	1,685	1,802
Projected service cost	32	39	40	42	49
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	1,657	1,657	1,657	1,657	1,657
Projected service cost	40	40	40	40	40
Adjustment to pension increases and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	1,807	1,686	1,657	1,631	1,528
Projected service cost	50	42	40	38	32
Adjustment to life expectancy assumptions		+ 1 Year	None		- 1 Year
Present value of total obligation		1,701	1,657		1,615
Projected service cost		42	39		39

Projected pension expense

Year to
31 Mar 2027
£000s

Service cost	40
Net interest on the defined liability / (asset)	8
Administration expenses	1
Total loss / (profit)	49
Employer contributions	88

These projections are based on the assumptions as at 31 March 2026. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2026.