

ACTUARIAL VALUATION 2019:

ACADEMY POOLING

As part of the 2019 Actuarial Valuation, in accordance with the governance structure of Multi-Academy Trusts (MATs) and following feedback received from various MATs, the West Midlands Pension Fund have introduced mandatory pooling of the primary employer contribution rate (also known as a future service rate) across academies that form part of a MAT.

This will mean that one single primary contribution rate (expressed as a percentage of pensionable payroll) will be payable by each academy within the relevant MAT pool. The secondary rate (also known as past-service deficit), if applicable, has been calculated on an individual academy basis and has not been 'pooled' within the Trust. However, it is the preference of the Fund for all individual academy secondary rates to be aggregated for one payment where possible.



The main aims of the pooling arrangement are to:

- Achieve consistency in primary contributions rates between individual academies that form part of a Trust;
- Smooth out volatility in setting primary employer contribution rates between Triennial Valuations to ensure that contributions remain stable (including any new academies joining the Trust).
- Provide greater certainty in terms of budget setting for MATs.
- Narrow the range of primary contribution rates for academies across MATs.

With effect from 1 April 2020, it is the intention that all academy contribution payments (related to both primary and secondary rates related to each individual academy within the Trust) are to be aggregated before final payment is made to the Fund.

Note: As the Fund has previously engaged with contacts at each individual academy, contacts are not always held at Trust level therefore, please forward this email to the appropriate person within the organisation and confirm the relevant Trust contact to the Fund as soon as possible, if not already.