

Building and Civil Engineering Benefits Scheme

Summary Funding Statement 2021

Funding your benefits

Welcome to your 2021 Summary Funding Statement. This Statement is a way of letting you know our Scheme's financial position and to update you on the results of the 2021 valuation.

At the latest funding valuation, 31 March 2021, the Scheme Actuary found that:

The Scheme had assets of	£647.9m
The amount the Scheme needs to cover its technical provisions (ie liabilities) was	£588.3m
This gave a surplus of	£59.6m
This is the same as a funding ratio of	110%

The latest funding valuation represents a 12% increase in the funding level and an improvement of around £73m to eliminate the shortfall and return the scheme to a surplus since the previous Summary Funding Statement as at 31 March 2020.

The main reason for these improvements was a combination of higher than expected investment performance and a decision by the Trustee to keep the LSRB benefit rate at £8.50 (per week of service), thereby stopping the Scheme's liabilities from growing. Although the Trustee reviews the LSRB benefit rate annually, there have been no increases for several years and the Trustee is no longer formally targeting benefit rate increases in order to safeguard existing member benefits.

What if the Scheme started to wind up

The Scheme will continue to pay benefits in full as long as it continues.

If at the most recent valuation, the Scheme had started winding up, the Scheme Actuary estimated that the amount needed to ensure benefits were paid in full (the full solvency position) as of 31 March 2021, was £690.1m, in which case the Scheme's assets would have fallen short of the amount required by £42.2m. This is equivalent to a solvency funding level of 94%. We are required to estimate this figure to get a complete picture of the Scheme's financial health, but this does not mean the Company is thinking of ending the Scheme or that it is likely to be wound up.

Payment to the employers

There have been no payments to the employers out of Scheme funds over the last 12 months.

The Pensions Regulator

The Pensions Regulator has not needed to exercise any of its powers under s231(2) of the Pensions Act 2004, in relation to the Scheme.

Issued by:

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