

Building and Civil Engineering Benefit Schemes Summary Funding Statement



At the date of the latest funding valuation, 31 March 2009, the Scheme Actuary found:

The Scheme had assets (including AVCs) of **£644 million**
The amount the Scheme needs to cover its
technical provisions (i.e. liabilities) was **£729 million**
This gave a shortfall of **£85 million**
This is the same as a funding ratio of **88%**

Changes in the funding position since the actuarial valuation

Under the Pensions Act 2004 there is a statutory requirement for trustees to obtain an annual update of the actuarial valuation. The Scheme's Actuary has therefore estimated the approximate financial position of the Scheme as at **31 March 2010**. This showed that the ongoing funding ratio was then estimated to be **93%** and corresponds to a shortfall of about £50 million. This is the same as the 30 September 2009 position that we reported in last year's Summary Funding Statement. The main reason for the improvement since the valuation date has been the increase in the value of the Scheme's assets, after they fell sharply at the start of the credit crunch.

The Scheme Actuary has also provided a more recent estimate of the financial position of the Scheme as at **30 June 2010**. The ongoing funding ratio is estimated to have declined slightly to **92%**, corresponding to a shortfall of about £60 million. The main reason for the slight reduction is that since 31 March 2010 the Scheme's assets have fallen in value.

The Scheme's solvency position at 31 March 2009

At the most recent valuation, the Scheme Actuary estimated that if the Scheme had started winding up, the amount needed to ensure benefits were paid in full (the full solvency position) at 31 March 2009 was £738 million, in which case the Scheme's assets would have fallen short of the amount required by £94 million.

We need to work out this figure to get a complete picture of the Scheme's financial health, but this does **not** mean that the Scheme 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.

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