

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 previous update

Last year's summary funding statement showed that on 30 June 2008 the funding ratio of the Scheme was estimated as 102% with a surplus of about £12 million. The main reason for the decline since then has been the impact of market conditions during the credit crunch which reduced the value of the Scheme's assets. In addition the Scheme's liabilities have increased as a result of lower investment return expectations. Overall this has led to a deterioration in the Scheme's funding position.

The Scheme's solvency position at 31 March 2009

The Scheme Actuary estimates 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.

Changes in funding position since the valuation at 31 March 2009

The Scheme Actuary has estimated the approximate financial position of the Scheme as at **30th September 2009**. The ongoing funding ratio is estimated at 93% and corresponds to a shortfall of about £50 million. The main reason for the improvement is that since the valuation date the Scheme's assets have increased in value. This has reduced the shortfall.

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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