Georgina Morgan-Denn

Subject: FW: ExternalWPF - Employer Consultation - Cessation Policy
Attachments: Employer Cessation Policy (June 2023) - Employer Consultation (003).pdf

Dear Employer,

Wiltshire Pension Fund have recently reviewed the Cessation Policy, which was previously consulted on with employers in December 2020 to January 2021. We've reviewed this to bring in line with current pension regulations and best practice plus have made some other minor/grammatical amendments.

I would welcome any feedback you have on the revised Cessation Policy (attached) before it goes to the Pension Committee for approval.

For ease, I've detailed the key changes below:

- **1. Introduction** – the effective date has been changed to include the last review date
- **4. Policy reviews** – change in contact details for the responsible Fund officer
- **6**. **Calculation Basis for cessation events** – added the likelihood of success corridor of 90% to 95% to sub section 6.2(a), as per approval at the November 2022 Pension Committee
- **7. Payment of any crystalised deficit** – change in interest rate for the late payment of deficit payment, from base rate plus 5% per annum to 1% above base rate in accordance with Regulation 71(4). A sentence has also been added regarding payments for employers with no guarantee and who are outside of the corridor
- **8.4 Disputes** – new section introducing an appeal and adjudication provision
- **9. Deferred Debt Agreement (DDA): Non-crystallisation of cessation debt calculation** –
  - original section 9(7) removed, which referred to the alternative employer investment strategy and following points/sections moved up accordingly
  - Addition of section 9 (13) to clarify that is the Fund with legal advice, who is responsible for drafting the DDA
- **11. Related policies** – reference made to the Funding Strategy Statement (FSS)

Once approved by the Pension Committee, the "approved" date will be updated accordingly.

Regards,

Matt

Employer Funding and Risk Lead
Wiltshire Pension Fund (*administered by Wiltshire Council*)