Complete Agenda

Democratic Service
Swyddfa'r Cygnor
CAERNARFON
Gwynedd
LL55 1SH

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

Meeting

PENSION BOARD

Date and Time

10.00 am, FRIDAY, 17TH JULY, 2026

Location

Virtual Meeting

Contact Point

Lowri Haf Evans

01286 679878

lowrihafevans@gwynedd.llyw.cymru

(DISTRIBUTED 09/07/26)

PENSION BOARD

MEMBERSHIP

EMPLOYER REPRESENTATIVES

Sioned Parry (Conwy County Borough Council)

Edward Michael (Isle of Anglesey County Council)

Roland Thomas (Cyngor Gwynedd)

MEMBER REPRESENTATIVES

Hywel Eifion Jones (retired – formerly Isle of Anglesey County Council)

Osian Richards (Cyngor Gwynedd)

Anthony Deakin (retired – formerly Cartrefi Conwy)

A G E N D A

1. ELECT CHAIR

To elect Chair for 2026/2027

2. ELECT VICE CHAIR

To elect Vice-chair for 2026/2027

3. APOLOGIES

To receive any apologies for absence

4. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest

5. URGENT ITEMS

To note any items which are urgent business in the opinion of the Chairman so that they may be considered

6. MINUTES 5 - 10

The Chairman shall propose that the minutes of the meeting of this committee held on 20th April 2026 be signed as a true record.

7. GWYNEDD PENSION FUND'S DRAFT STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026. 11 - 55

To receive and note the Pension Fund Statement of Accounts (subject to audit) for 2025/26.

8. LGPS POOLING SYMPOSIUM 56 - 61

To consider and receive the information

9. PENSION BOARD CHAIR'S DRAFT REPORT FOR THE FUND'S ANNUAL REPORT 62 - 67

To consider the content of the draft report in order to discuss its content and propose amendments at the meeting.

10. PENSION ADMINISTRATION 68 - 75

To consider the report and note the information

11. PENSION FUND ADMINISTRATION POLICIES 76 - 81

To consider the report and offer feedback on the new administration policy

12. ADMINISTRATION DISCRETIONS POLICY 82 - 132

1. Review and scrutinise the Administration Discretions Policy attached at Appendix 1.
2. Consider whether the policy provides sufficient clarity, consistency and governance controls in relation to the exercise of discretionary powers under the LGPS Regulations.
3. Note the proposed changes to the Fund's approach to pension abatement.
4. Provide observations and recommendations to the Pensions Committee for consideration prior to adoption of the policy.

PENSION BOARD 20-04-26

Present:

Anthony Deakin, Eifion Jones and Osian Richards (Member Representatives)

Sioned Parry, Ned Michael and Roland Thomas (Employer Representatives)

Officers: Dewi Morgan (Head of Finance), Ffion Madog Evans (Assistant Head of Finance - Accounting and Pensions), Delyth Jones Thomas (Investment Manager), Meirion Jones (Pensions Manager) and Lowri Haf Evans (Democracy Services Officer)

Others invited: Cllr Elin Hywel (Chair of the Pensions Committee).

1. APOLOGIES

None to note

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. MINUTES

The Chair signed the minutes of the previous meeting of this committee held on 9 February 2026 as a true record.

5. MINUTES OF PENSIONS COMMITTEE

Submitted for information - the minutes of the Pensions Committee held on 26 February 2026 and 16 March 2026.

6. WALES PENSION PARTNERSHIP UPDATE

The Investment Manager highlighted that the report was for information, setting out developments within the Wales Pension Partnership (WPP). Whilst feedback from Pension Board Chairpersons' Engagement meetings, which are held every six months, was shared with the Board, due to the number of recent developments it was considered that it would be appropriate and important for Members to receive a regular update.

Members were reminded that, as a result of the 'Fit for the Future' Westminster Legislation, WPP had had to proceed with the formation of a new investment company now known as 'WPP Investment Management Company' (WPP IMCo). It was reported that there had been a delay in the approval of the Legislation and as a result the company had not been launched – it now appeared that the launch would take place after the election.

Reference was made to the investment company's new arrangements, summarising that it would be responsible for the implementation of all aspects and advice on the Investment Strategy of the eight Constituent Authorities. In the context of the Governance of the Partnership, attention was drawn to the governance structure of the Partnership once the investment company would be operational as well as how the Pensions Committee, the individual Constituent Authorities, and the Pension Board would contribute to the structure. Reference was made to a) the shareholder structure (namely the officers and the Elected Members) with the Board of Shareholders being created to protect the rights of the Constituent Authorities – the Board would consist of either a Section 151 Officer or a Senior LGPS Officer from each of the Constituent Authorities; and b) the structure of the new company with the WPP IMCo Board accountable to the Board of Shareholders.

The WPP IMCo Initial Business Plan was submitted, which had already been approved by the Joint Governance Committee and the Pensions Committee of the Gwynedd Pension Fund. It was noted that the Plan detailed how the company was going to achieve eight strategic objectives and set out a plan to achieve specific goals such as governance and oversight, financial summary, approach to investment management, operations and staffing, risk management and compliance and responsible investment.

The members thanked the officer for the report.

Observations arising from the ensuing discussion:
- Staffing costs seemed enormously high
- It was welcomed that the Board of Shareholders had the power to challenge the performance of WPP IMCo
- There was a need to ensure that the Pensions Committee and the Pension Board scrutinised effectively and pre-emptively identified problems – the role within the structure needed to be strengthened to become active and operational.

In response to a question as to whether the key functions had been filled, it was noted that a number had now been appointed and the Senior Investment Officer had started in the new role and was already building weekly contacts with the officers of the Constituent Authorities. In response to a supplementary question about whether the costs of the structure would offer value for money, it was noted that the situation was a unique one – that an entirely new company was being created and therefore time would tell what the outcomes would be. It was reiterated that the Pension Fund officers had not had input into the new structure.

In response to a question, given that there was a delay in the establishment of the company, and therefore who would pay staff salaries, it was noted that in such circumstances there was an arrangement in place for the Host Council to pay over the short-term and to invoice the Constituent Authorities for a reimbursement. It was reiterated that the expenditure also had to be approved by the Financial Conduct Authority (FCA) to move forward to establish an agreed procedure.

In the context of the Board of Shareholders and when nominations would be submitted, it was noted that names had been forwarded to the FCA which would be responsible for the formal interview process and for approving the nominations.

In response to a question regarding the responsibilities of the Committee and the Pension Board to the Members of the Gwynedd Pension Fund and the need to monitor the WPP IMCo business plan and the significant increase in costs, it was noted that the Board's role remained the same, prioritising support for the officers to administer the Gwynedd Pension Fund. While accepting that the costs were high, the pay scales were equivalent to salaries within the sector and therefore WPP IMCo officers would be expected to do a good job and get the best for the Fund's members. It was reiterated that governance arrangements were in place and that every attempt was made to report transparently and openly on the situation.

It was noted that the new arrangement had been forced by the UK Government through a legal procedure and therefore there was no choice but to spend. It was suggested that the expenditure already existed within fees and that the new procedure would be more transparent.

The report was accepted and the information noted.

7. CASH FLOW MODELLING PROJECTIONS REPORT

The Investment Manager submitted a report in response to the need to project the expected cash flow of the Fund over a long-term period, so that it was possible to understand the sensitivity of the Fund's net cash flow position in a number of inflation scenarios. It was reported, although the triennial valuation had shown that the Fund was in a healthy position in terms of assets, the Fund's cash flow needed to be monitored, and for consideration to be given to converting some assets to cash or into assets that would pay a regular income (in order to pay the pensioners), and whether enough money would come into the Fund from day to day to do so.

Attention was drawn to the types of income and regular expenditure which happens within the Fund, as well as the cash flow situation of recent years, which highlighted that the situation had been positive over the past three years. It was explained that it was normal for a Pension Fund to enter a negative cash flow situation when benefit payments exceeded the income coming in, and therefore the importance of the need to monitor the situation and use the Investment Strategy to sell or change the type of assets that were most appropriate was outlined, rather than rushing to sell assets.

Reference was made to a report provided by Hymans Robertson which assessed the situation, highlighting that they had also carried out a scenario analysis on the Fund to ascertain what would be the impact of different levels of inflation. It appeared that if there was a baseline scenario, then there would be potential for the Fund to face a negative cash flow situation in 2027 and earlier than that if there was high inflation. It was reiterated that, in the short term, the Fund had liquid reserves which could be called upon at short notice; monitoring and operating the cash flow would also be a consideration for WPP IMCo Investment Management Company and there would be a need to work with the company over the next period to ensure sufficient liquidity was available.

The members thanked the officer for the report.

In response to a question regarding the sale of assets and whether eliminating the non-performing assets would lead to the decision, it was noted that assets would not be sold in a hurry, but consideration would be given to the liquid assets which were a useful resource and available within days without a significant loss in value. It was noted that liquid assets were valuable for emergencies, e.g. should cash flow fluctuate in comparison to the projections.

In response to a question about salary inflation, it was noted that 2.8% had been set as a constant rate for pension calculations, to balance high inflation scenarios (which increased liabilities) with lower growth scenarios.

The report was accepted and the information noted.

8. PENSION FUND INVESTMENT PERFORMANCE UP TO 31 DECEMBER 2025

A report was submitted by the Investment Manager, reporting on the performance of the Fund over the quarter in question. It was noted that the Fund had returned 2.5% over the quarter, performing equal to the benchmark with total assets increasing by £120 million to bring the value of the fund to over £3.56 billion for the first time; equity assets performed well, especially in Europe and Asia.

It was reiterated that the Fund, over the year, had returned 10.4%, which was just behind the benchmark, but there was no doubt that the benchmark set was challenging, but that the performance of the Gwynedd Pension Fund had historically been higher than the British funds' average.

The performance of equity investment managers was highlighted, explaining that the underperformance of the Sustainable Active Equity Fund was evident because stocks within the equity markets had been able to take advantage of artificial intelligence, namely the Magnificent 7, e.g. Apple, Microsoft and Tesla, which had performed well. The effect of this was underperformance within other stocks, e.g. long-term stocks within the portfolio that looked at energy transition. It was reiterated that Russell Investments intended to look at the Fund's split and introduce a new investment manager to the portfolio to try to restore performance.

It was explained that while fixed income managers had been through a difficult time with the impact of Russia's invasion of Ukraine, and the impact of inflation and interest rates, conditions had stabilised, and the performance was now closer to the benchmark. Similarly, it was reported that property managers had seen the impact of Covid on the use of offices and high street units, but the property market had also stabilised.

In the context of the WPP's private markets and Partners funds, it was noted that it was difficult to assess their performance because the investment was a longer term one and no concerns had been raised by Hymans Robertson.

It was reported that the Pensions Committee had approved a new strategic assets allocation in consultation with Hymans Robertson in November, and that work was underway to move towards the new allocation and to work with WPP IMCo to implement the changes.

The members thanked the officer for the report.

The report was accepted and the information noted.

9. TRAINING UPDATE 2025/26 AND TRAINING PLAN 2026/27

A report was submitted by the Pensions Manager updating Members on the 2025/26 training plan and asking them to approve the proposed training plan for 2026/27. The 2025/26 plan was deemed to have been successful, and Members were thanked for attending a variety of training sessions which offered a broad range of topics, as well as relevant external seminars, conferences and webinars which were praised as useful and timely.

It was highlighted that the National Knowledge Assessment, which was usually coordinated by Hymans Robertson to benchmark Members' knowledge levels, had not been carried out during 2025 due to the need to review the framework in light of Fit for the Future governance reforms, strengthening expectations under the General

Code, and developments in the pooling of investments, responsible investment and governance standards. Once the amended Assessment had been published, this would enable the Fund to benchmark levels of knowledge nationally, identify emerging training needs and inform future iterations of the Training Plan and Governance and Training Strategy.

In presenting the 2026/27 Training Plan, and in the context of core training, it was noted that the Plan reflected the intention for the Wales Pension Partnership to continue as the main training provider for members of the Committee and Pension Board. However, due to the continuous changes within the pooling arrangements, no training sessions had been arranged. It was reiterated, once the amended structure and governance arrangements had been completed, that it was anticipated that a programme of sessions would be arranged. The expectation was that these sessions would encompass the key areas.

Reference was made to conferences noted for 2026/27, reiterating the expectation for the Members attending to complete a structured feedback form to be included on the agenda of the next Pensions Committee meeting. Board Members were encouraged to take advantage of additional learning opportunities such as on-line learning modules and self-guided learning.

The members thanked the officer for the report.

Observations arising from the ensuing discussion:

- The WPP's training sessions were commended, and it would be good to reinstate them as soon as possible. Request that the Investment Manager made enquiries and sent a message to the Host Council (Carmarthenshire County Council) to reinforce the need for the sessions to continue.
- That the Conferences had been beneficial and informative.
- A request to share the feedback template.

In response to a question about situations of non-compliance that we should be aware of, the Pensions Manager stated that there was no situation at the moment of which she was aware.

The information was accepted,

- **Noting the training carried out during 2025/26**
- **Noting the absence of the 2025 National Knowledge Assessment and the proposed revision of the framework**
- **Approving the 2026/27 Training Plan**

10. PENSION FUND VALUATION REPORT

The valuation report was presented by the Pensions Manager, for information. It was reported that the officers had been collaborating with the actuary, Hymans Robertson over the past year on the triennial valuation of the Gwynedd Pension Fund. It was explained that the purpose of the valuation was to ensure that the Fund had a robust funding strategy to meet the long-term benefits obligations when setting employer contribution rates for the period between 1 April 2026 and 31 March 2029.

Reference was made to the Fund's healthy financial position and to the employer contribution rates, which would drop to 16.2% of the salary (compared with 21.8% in 2022). Attention was also drawn to the new requirement for the 2025 Valuation, which was to report on the Gender Pension Gap. It was noted that there would be a review of the changes in the regulations in an attempt to close the gap which was greatly impacted at present by the gender pay gap, which reflected different work patterns, such as part-time work. The hope was that the results of the review will be released soon.

The assumptions used in this valuation were reviewed in January 2025 and were formally approved by the Pensions Committee in March 2025. It was reiterated that, following a period of consultation with employers, the final Funding Strategy Statement had been approved by the Pensions Committee on 16 March 2026, and that the next formal valuation had been arranged for 31 March 2028.

The members thanked the officer for the report.

Osian Richards noted that the Public Service Pensions Act 2013 introduced a framework for new public service pension schemes, mainly changing it from Final Salary to the Career Average Revalued Earnings (CARE) scheme from April 2014. As part of the changes, the Act introduced a Cost Management Bill to maintain a fair balance of risk between members and taxpayers to ensure the long-term sustainability of the schemes. The measure was a statutory mechanism (Section 12, Public Service Pensions Act 2013) that comes into effect if the cost of providing benefits increases or decreases by more than the specified average of 3%, relative to the target cost. It was also noted that the LGPS had a specific cost management process for the scheme which in Wales used an employer cost cap of 14.6% and a target of 19.5% for future service.

In response to a question about the measure and whether there was an intention to revise the percentage, it was noted that it was a national issue and there had been no change since the last review. It was reiterated that within the period there had also been a change in government and therefore another reason why a national survey had not been implemented.

In response to a question about the secondary contribution rate and why there was a wide range in the percentages (from -3% to -31.6%), it was noted that the range varied by employer, due to the diversity of functions and the age range of their staff. It was reiterated that the percentage derived from a formula by the actuary.

The report was accepted and the information noted.

11. AMENDED WORK PLAN

A revised work plan for 2026/27 had been introduced. It was noted that the plan included matters proposed by Members along with standing items to be placed on the agenda of each meeting from now on. It was highlighted that matters emerging during the year could be added to the plan in accordance with the need, together with any matters/ideas arising by members following training sessions and/or relevant events. It was noted that the Pension Fund was facing a challenging year due to the advent of WPP IMCo, but it was hoped that the work plan would respond to those challenges.

Officers were thanked for the report and the good work being done was acknowledged.

The work programme was accepted.

The meeting started at 1:00 and ended at 14:10.

MEETING	**PENSION BOARD**
DATE	**17th JULY 2026**
TITLE	**GWYNEDD PENSION FUND'S DRAFT STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026**
PURPOSE	**To receive and note –** • **Draft Statement of Accounts**
RECOMMENDATION	**Receive the information**
AUTHOR	**DELYTH JONES- THOMAS, INVESTMENT MANAGER**

1. INTRODUCTION

This report introduces the statutory Statement of Accounts for the 2025/26 financial year, which provides details of the Pension Fund's financial activities during the year which ended on 31 March 2026.

The document in Appendix A is the draft Statements of Accounts in the statutory format.

2. AUDIT BY AUDIT WALES

The draft accounts here are currently subject to audit by Audit Wales. It is possible that some changes will be necessary before a final version is submitted in the Autumn.

3. RECOMMENDATION

The Pension Board is asked to receive and note the Pension Fund Statement of Accounts (subject to audit) for 2025/26.

Gwynedd Pension Fund

STATEMENT OF ACCOUNTS 2025/26

DRAFT

NARRATIVE REPORT

Introduction

Gwynedd Pension Fund's accounts and notes for the year 2025/26 are presented here on pages 5 to 44.

The accounts consist of the Gwynedd Pension Fund Account and Net Assets Statement.

These accounts are supported by this Narrative Report, the Accounting Policies and various notes to the accounts.

The Pension Fund accounts, and accompanying notes, summarise the financial transactions and net assets related to the provision of pensions and other benefits payable to former employees of all the Fund's employers, including Anglesey, Conwy and Gwynedd Councils, Eryri National Park Authority, Police and Crime Commissioner for North Wales, Cartrefi Conwy, Adra, various town and community councils, and other scheduled and admitted bodies.

The Statement of Accounts and further information is available on Gwynedd Pension Fund's website www.gwyneddpensionfund.wales.

The Fund has two important statements which set out the strategies for ensuring pensions are funded now and in the future as follows:

- Funding Strategy Statement – the statement sets out the fund-specific strategy which will identify how employer pensions liabilities are best met going forward. It is reviewed every three years after the triennial actuarial valuation and includes individual employer rates for the following period.
- Investment Strategy Statement - the statement sets out the types of investments and broad limits on each type of investment.

Both these statements are available on the Fund's website under the investments section.

An Actuarial Valuation is required every three years to establish the level of assets available to pay pensions now and in the future. The most recent valuation was at 31 March 2025 and any changes to employers' contributions will be made from 1 April 2026 onwards for three years.

Further information relating to the accounts is available from:

Delyth Jones-Thomas
Investment Manager
01286 679128
delythwynjonesthomas@gwynedd.llyw.cymru

Finance Department
Cyngor Gwynedd
Council Offices
Caernarfon
Gwynedd
LL55 1SH

It is part of the Fund's policy to provide full information relating to the Fund's affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection will be notified on the Pension Fund website at the appropriate time.

Accessibility Statement

We are aware that, due to the nature and format of the disclosures required to be included in this document, each of the tables is not fully compatible with accessibility standards. If you have any questions about this statement of accounts or would like any of the tables or disclosures to be provided in a more accessible format, please contact investmentunit@gwynedd.llyw.cymru

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE PENSION FUND’S RESPONSIBILITIES

Cyngor Gwynedd as administrating authority (effectively the trustee) for Gwynedd Pension Fund is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Cyngor Gwynedd, that “Section 151 Officer” is the Head of Finance. It is also the administrating authority’s responsibility to manage its affairs to secure economic, efficient and effective use of its resources, to safeguard its assets, and to approve the Statement of Accounts.

THE HEAD OF FINANCE’S RESPONSIBILITIES

The Head of Finance is responsible for the preparation of the Pension Fund Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (“the Code”).

In preparing the statement of accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent; and complied with the Code.

The Head of Finance has also kept proper accounting records which were up to date, and has taken reasonable steps for the prevention and detection of fraud and other irregularities.

RESPONSIBLE FINANCIAL OFFICER’S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of Gwynedd Pension Fund at 31 March 2026 and the Pension Fund’s income and expenditure for the year then ended.

30 June 2026

Dewi Morgan CIPFA

Head of Finance, Cyngor Gwynedd

GWYNEDD PENSION FUND ACCOUNTS

THE FUND ACCOUNT

31 March 2025 £'000		Notes	31 March 2026 £'000
	Dealings with members, employers and others directly involved in the Fund		
101,760	Contributions	7	101,495
3	Other income	8	5
9,156	Transfers in from other pension funds	9	9,378
110,919			**110,878**
(94,520)	Benefits	10	(95,546)
(7,870)	Payments to and on account of leavers	11	(8,147)
(102,390)			**(103,693)**
8,529	**Net additions/ (withdrawals) from dealings with members**		**7,185**
(18,282)	Management expenses	12	**(13,672)**
(9,753)	**Net additions/ (withdrawals) including fund management expenses**		**(6,487)**
	Returns on investments		
65,847	Investment income	13	84,845
105,626	Profit and losses on disposal of investments and changes in the market value of investments	14	283,936
171,473	**Net returns on investments**		**368,781**
161,720	**Net Increase/ (Decrease) in the net assets available for benefits during the year**		**362,294**
3,069,995	**Opening net assets of the scheme**		**3,231,715**
3,231,715	**Closing net assets of the scheme**		**3,594,009**

The notes on pages 7 to 44 form part of these Financial Statements

NET ASSETS STATEMENT

31 March 2025 £'000		Notes	31 March 2026 £'000
0	Long term investments	14	159
3,192,243	Investment assets	14	3,533,304
1,546	Cash deposits	14	7,208
(642)	Investment liabilities	14	0
3,193,147	**Total net investments**		**3,540,671**
42,580	Current assets	20	61,725
(4,012)	Current liabilities	21	(8,387)
3,231,715	**Net assets of the fund available to fund benefits at the end of the reporting period**		**3,594,009**

The Financial Statements do not take into account the Fund's liability to pay pensions and other benefits to all the present contributors to the Fund after the financial year-end, but rather summarises the transactions and net assets of the Fund. The liabilities of the Fund are taken into account in the periodic actuarial valuations of the Fund (most recently as at 31 March 2025) and are reflected in the levels of employers' contributions determined at the valuation, so that the Fund will be able to meet future liabilities. The actuarial present value of promised retirement benefits is shown in Note 19.

NOTES TO THE GWYNEDD PENSION FUND ACCOUNTS

NOTE 1 – DESCRIPTION OF FUND

The Gwynedd Pension Fund ("the Fund") is part of the Local Government Pension Scheme (LGPS) and is administered by Cyngor Gwynedd.

a) General

The Fund is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended);
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended);
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by Cyngor Gwynedd to provide pensions and other benefits for pensionable employees of Cyngor Gwynedd, two other local authorities and other scheduled, resolution and admission bodies within the former Gwynedd County Council area. Teachers, police officers and firefighters are not included as they are in other national pension schemes. The Fund is overseen by the Pensions Committee, which is a committee of Cyngor Gwynedd.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme. Organisations participating in the Gwynedd Pension Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Resolution bodies, which are city, town and community councils. They have the power to decide if their employees can join the LGPS and pass a resolution accordingly.
- Admission bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant 7arameteriza. Admission bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

NOTE 1 – DESCRIPTION OF FUND (continued)

The following bodies are active employers within the Pension Fund:

Scheduled Bodies	
Cyngor Gwynedd	Eryri National Park Authority
Conwy County Borough Council	Bryn Eilian School
Isle of Anglesey County Council	Emrys ap Iwan School
Police and Crime Commissioner for North Wales	Pen y Bryn School
Llandrillo – Menai Group	Eirias High School
GwE (until 31/05/2025)	North and Mid Wales Trunk Road Agency
North Wales Corporate Joint Committee	
Resolution Bodies	
Llanllyfni Community Council	Ffestiniog Town Council
Bangor City Council	Llandudno Town Council
Abergele Town Council	Llangefni Town Council
Colwyn Bay Town Council	Menai Bridge Town Council
Beaumaris Town Council	Towyn and Kinmel Bay Town Council
Holyhead Town Council	Tywyn Town Council
Caernarfon Town Council	Conwy Town Council
Llanfairfechan Town Council	Llanrwst Town Council
Llanfair Mathafarn Eithaf Town Council	
Admission Bodies	
Adult Learning Wales	North Wales Society for the Blind
Adferiad Recovery	Community and Voluntary Support Conwy
Holyhead Joint Burial Committee	Careers Wales North West
Cwmni'r Fran Wen	Mantell Gwynedd
Menter Môn	Medrwn Môn
Menter Iaith Gwynedd	
Community Admission Bodies	
Cartrefi Conwy	Adra
Byw'n Iach	
Transferee Admission Bodies	
ABM Catering (until 31/07/2025)	A E & A T Lewis
Chartwells	

NOTE 1 – DESCRIPTION OF FUND (continued)

Membership details are set out below:

	31 March 2025	31 March 2026
Number of employers	47	45
Number of employees in scheme		
County Council	15,198	15,356
Other employers	4,214	4,156
Total	**19,412**	**19,512**
Number of pensioners		
County Council	10,746	11,284
Other employers	2,530	2,688
Total	**13,276**	**13,972**
Deferred pensioners		
County Council	12,435	12,735
Other employers	2,411	2,456
Total	**14,846**	**15,191**
Unclaimed benefits		
County Council	4,055	4,152
Other employers	628	628
Total	**4,683**	**4,780**
Undecided Leavers		
County Council	1,604	1,355
Other employers	188	185
Total	**1,792**	**1,540**
Total number of members in pension scheme	**54,009**	**54,995**

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the Local Government Pension Scheme Regulations 2013 and ranged from 2.75% to 12.5% of pensionable pay for the financial year ending 31 March 2026. Employer contributions are set based on triennial actuarial funding valuations. The valuation relating to this year was at 31 March 2022. The employer contribution rates range from 0.0% to 31.8% of pensionable pay.

NOTE 1 – DESCRIPTION OF FUND (continued)

d) Benefits

Prior to 1 April 2014 pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, 10arameteri below:

	Service pre-1 April 2008	Service post-31 March 2008
Pension	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
Lump sum	Automatic lump sum of 3 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014, the Fund became a career average scheme as 10arameteri below:

	Service post-31 March 2014
Pension	Each year worked is worth 1/49 x career average revalued earnings (CARE)
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

Accrued pension is increased annually in line with the Consumer Prices Index.

There are a number of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For more details, please refer to the Gwynedd Pension Fund scheme handbook available from Cyngor Gwynedd's Pensions Section.

NOTE 2 – BASIS OF PREPARATION

The Statement of Accounts summarises the Fund's transactions for the 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

Paragraph 3.3.1.2 of the Code requires disclosure of any accounting standards issued but not yet adopted. No such accounting standards have been identified for 2025/26.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits that fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Account – revenue recognition

a) Contribution Income

Normal contributions are accounted for on an accrual basis as follows:

- Employee contributions rates are set in accordance with LGPS regulations, using common percentage rates for all schemes that rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommend by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the fund's actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfer in and out relate to members who have joined or left the fund.

Individual transfers in/ out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 9).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

Where an employer leaves the scheme, any contributions required or exit credit payable on closure is accrued in the year of departure.

c) Investment income

i) Interest income

Interest income is 11arameteri in the Fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

ii) Dividend income

Dividend income is 11arameteri on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iii) Distributions from pooled funds including property

Distributions from pooled funds are 11arameteri at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are 11arameteri as income and comprise all 11aramete and 11arameteri profits/losses during the year.

v) Accumulated funds

Income earned within the pooled investment is retained by fund managers as part of the capital assets of the fund and is reflected in a higher unit price.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities, providing that payment has been approved.

e) Management expenses

The fund discloses its management expenses in line with CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the fund on an accrual basis as follows:

Administrative expenses

All staff costs of the pensions administration team are charged direct to the Fund. Council recharges for management, accommodation and other overhead costs are also accounted for as administrative expenses of the fund.

Oversight and governance costs

All costs associated with oversight and governance are separately identified, apportioned to this activity and charged as expenses to the fund.

Investment management expenses

Investment fees are charged directly to the fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off returns by investment managers, these expenses are grossed up to increase the change in value of investments.

Fees charges by external investment managers and custodians are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

Transaction costs are associated with the acquisition or disposal of fund assets and are disclosed in the notes to the accounts.

f) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets statement

g) Financial assets

All investment assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is 13arameteri in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. Any gains or losses on investment sales arising from changes in the fair value of the asset are 13arameteri in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirement of the Code and IFRS 13 (see note 15). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/ Investment Association, 2016).

The Gwynedd Pension Fund and the other seven shareholders each hold a 12.5% share in Wales Pension Partnership Investment Management Company Limited (Company Number 16645479). As such, no Fund is deemed to have a significant influence, and this long- term investment is accounted for at fair value. The asset is initially measured at cost and will be subsequently revalued for any impairment. The Fund advanced a contribution of £158,825 during 2025/26 to fund the initial set- up costs of the company.

h) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

i) Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers. All cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

j) Financial liabilities

A financial liability is 13arameteri in the net asset statement on the date the fund becomes legally responsible for that liability. The fund 13arameteri financial liabilities relating to investment trading at fair value and any gains and losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are 13arameteri in the fund account as part of the change in value of investments.

Other financial liabilities classed as amortised cost are carried in the net assets statement at the value of the outstanding principal at 31 March each year. Any interest due not yet paid is accounted for on an accruals basis and included in administration costs.

k) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the fund actuary in accordance with the requirements of IAS19 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 19).

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Additional voluntary contributions

Gwynedd Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. There are three AVC funds. They are held with Clerical Medical, Utmost Life and Standard Life. The AVC providers secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in these arrangements each receive an annual statement made up to 31 March confirming the amounts held in their account and the movements in year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed for information only in Note 22.

m) Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by future events. A contingent liability arises where an event prior to the year end has created a possible financial obligation whose existence will only be confirmed or otherwise by future events. Contingent liabilities can also arise when it is not possible at the Balance Sheet to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not 14arameteri in the net asset statement but are disclosed by way of narrative in the notes.

NOTE 4 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Unquoted private equity, private credit and infrastructure investments

The fair value of private equity, private credit and infrastructure investments are inherently based on forward-looking estimates and judgements involving many factors. Unquoted private equities, private credit and infrastructure are valued by the investment managers using guidelines set out by IFRS accounting standards. The value of unquoted securities at 31 March 2026 was £432.5 million (£413.0 million at 31 March 2025).

Pension fund liability

The pension fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS19. Assumptions underpinning the valuations are agreed with the actuary and are 14arameteri in Note 18. This estimate is subject to significant variances based on changes to the underlying assumptions.

NOTE 5 – ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However, actual outcomes could be different from assumptions and estimates made.

The items in the net assets statement for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pension depends on a number of complex judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and return on fund assets. Hymans Robertson is engaged to provide the fund with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. However, the assumptions interact in complex ways.
Private equity, private credit and infrastructure	Private equity, private credit and infrastructure investments are valued at fair value in accordance with British Venture Capital Association guidelines (December 2018). These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity, private credit and infrastructure investments in the financial statements are £432.5 million. There is a risk that this investment may be under or overstated in the accounts.

NOTE 6 – EVENTS AFTER THE REPORTING DATE

The Fund has come together with the other 7 Welsh LGPS Funds to form the Wales Pension Partnership Investment Management Company (WPP IM Co), which is 1/8th owned by each Fund.

WPP IM Co (Company number 16645479) is seeking to become FCA regulated and to start providing services to each Fund during 2026/27. Once granted the necessary regulated status IM Co will take responsibility for managing and overseeing each Fund's investments.

Each Fund will be required to provide regulatory capital during 2026/27 and on an ongoing basis will be charged fees depending on services taken up and assets under management.

NOTE 7 – CONTRIBUTIONS RECEIVED

By category

2024/25		2025/26
£'000		**£'000**
24,831	Employees' contributions	26,040
	Employers' contributions:	
76,844	• Normal contributions	80,584
85	• Other*	(5,129)
76,929	**Total employers' contributions**	**75,455**
101,760	**Total contributions receivable**	**101,495**

By type of employer

2024/25		2025/26
£'000		**£'000**
32,503	Cyngor Gwynedd	33,981
63,001	Other scheduled bodies	60,587
1,872	Admission bodies	2,380
3,691	Community admission bodies	3,895
150	Transferee admission bodies	147
458	Resolution bodies	505
85	Closed funds**	0
101,760		**101,495**

* Other – this relates to exit credit transactions

** Closed funds –the employer was previously an admission body but is now a closed fund.

NOTE 8 – OTHER INCOME

2024/25		2025/26
£'000		**£'000**
3	Income from divorce calculations	5
3		**5**

NOTE 9 – TRANSFERS IN FROM OTHER PENSION FUNDS

2024/25		2025/26
£'000		**£'000**
9,156	Individual transfers	9,378
9,156		**9,378**

NOTE 10 – BENEFITS PAID

By category

2024/25 £'000		2025/26 £'000
70,063	Pensions	74,126
21,597	Commutation and lump sum retirement benefits	19,330
2,860	Lump sum death benefits	2,090
94,520		**95,546**

By type of employer

2024/25 £'000		2025/26 £'000
28,742	Cyngor Gwynedd	29,492
48,151	Other scheduled bodies	48,969
2,085	Admission bodies	1,896
2,417	Community admission bodies	2,558
56	Transferee admission bodies	23
133	Resolution bodies	163
12,936	Closed funds	12,445
94,520		**95,546**

NOTE 11 – PAYMENTS TO AND ON ACCOUNT OF LEAVERS

2024/25 £'000		2025/26 £'000
209	Refunds to members leaving service	328
0	Payments for members joining state scheme	(1)
7,661	Individual transfers	7,820
7,870		**8,147**

NOTE 12 – MANAGEMENT EXPENSES

2024/25 £'000		2025/26 £'000
15,738	Investment management expenses	10,885
1,988	Administrative costs	2,145
556	Oversight and governance costs	642
18,282		**13,672**

NOTE 12a – INVESTMENT MANAGEMENT EXPENSES

2025/26	Management Fees	Transaction Costs	Total
	£'000	£'000	£'000
Pooled Funds			
Fixed Income	626	0	**626**
Equities	949	1,136	**2,085**
Other Investments			
Pooled Property	1,162	5	**1,167**
Private Credit	1,089	0	**1,089**
Private Equity	1,865	0	**1,865**
Infrastructure	3,553	135	**3,688**
	9,244	1,276	**10,520**
Custody Fees			**365**
Total			**10,885**

2024/25	Management Fees	Transaction Costs	Total
	£'000	£'000	£'000
Pooled Funds			
Fixed Income	594	101	**695**
Equities	1,807	986	**2,793**
Other Investments			
Pooled Property	1,708	0	**1,708**
Private Credit	990	0	**990**
Private Equity	4,370	0	**4,370**
Infrastructure	4,763	88	**4,851**
	14,232	1,175	**15,407**
Custody Fees			**331**
Total			**15,738**

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled investment vehicles. There are no performance-related fees paid to investment managers. In addition to these costs, indirect costs are incurred through the bid-offer spread on investment sales and purchases. They are reflected in the cost of investment purchases and in the proceeds of sales of investments in Note 14a.

The WPP Global Growth, Global Opportunities, Sustainable Equity, Multi Asset Credit, Absolute Return Bond, Global Credit and Emerging Market funds are investments which are appointed via a manager of managers approach which have their own underlying fees. The return for this mandate are net of the underlying manager fees which is reflected in Note 14a within the 'Change in Market value'. For transparency, the fees in 2025/26 were £6,141,626 (£4,125,186 in 2024/25).

NOTE 12b- ADMINISTRATIVE COSTS

2024/25 £'000		2025/26 £'000
903	Direct employee costs	951
648	Other direct costs	717
437	Support services, including IT	477
1,988		**2,145**

Administrative costs include amounts charged to the Pension Fund by Cyngor Gwynedd for staff costs, support services and accommodation.

NOTE 12c- OVERSIGHT AND GOVERNANCE COSTS

2024/25 £'000		2025/26 £'000
143	Actuarial fees	213
68	Investment consultancy fees	69
47	Performance monitoring service	25
44	External audit fees	46
13	Pensions Committee and Local Pension Board	17
241	Wales Pensions Partnership	272
556		**642**

NOTE 12d- WALES PENSION PARTNERSHIP

The investment management expenses in Note 12a are fees payable to Waystone (the WPP operator) and include fund manager fees (which also includes the operator fee and other associated costs), transaction costs and custody fees. These costs are based on each Fund's percentage share of WPP pooled assets and are deducted from the Net Asset Value (NAV).

The oversight and governance costs in Note 12c are the annual running costs of the pool which includes the host authority costs and other external advisor costs. These costs are funded equally by all eight of the local authority Pension Funds in Wales.

The following fees are included in Note 12 in relation to the Wales Pension Partnership and further details on the WPP can be found in the Annual Report.

	2024/25 £'000	2025/26 £'000
Investment Management Expenses		
Fund Manager fees	5,624	4,808
Transaction costs	1,175	1,270
Custody fees	331	365
	7,130	**6,443**
Oversight and governance costs		
Running costs	241	272
Total	**7,371**	**6,715**

NOTE 13 – INVESTMENT INCOME

2024/25 £'000		2025/26 £'000
28,082	Fixed Income	32,434
20,417	Equities	21,499
1,252	Private Credit	5,322
2,408	Private Equity	8,527
5,924	Infrastructure	9,908
6,242	Pooled property investments	4,993
1,522	Interest on cash deposits	2,162
65,847	**Total before taxes**	**84,845**

The Gwynedd Pension Fund has two bank accounts which are held as part of Cyngor Gwynedd's Group of Bank Accounts. The overall surplus cash held in the Group of Bank Accounts is invested on a daily basis. At the end of the financial year, Cyngor Gwynedd pays interest over to the Pension Fund, based on the Fund's daily balances over the year.

The Pension Fund also has a Euro account to deal with receipts and payments in Euros and to 20aramete exchange transactions and relevant costs.

NOTE 14 – INVESTMENTS

31 March 2025 £'000		31 March 2026 £'000
	Long-term investment assets	
0	WPP Investment Management Company	159
0		159
	Investment assets	
	Pooled Funds	
878,523	Fixed income	1,161,551
1,725,148	Equities	1,735,684
	Other Investments	
175,589	Pooled property investments	203,619
50,748	Private Credit	63,291
162,518	Private Equity	156,659
199,717	Infrastructure	212,500
3,192,243		**3,533,304**
1,546	Cash deposits	7,208
3,193,789	**Total investment assets**	**3,540,671**
	Investment liabilities	
(642)	Amounts payable for purchases	0
(642)	**Total investment liabilities**	**0**
3,193,147	**Net investment assets**	**3,540,671**

NOTE 14a – RECONCILIATION OF MOVEMENTS IN INVESTMENTS AND DERIVATIVES

2025/26	Market value at 1 April 2025	Purchases during the year	Sales during the year	Change in market value during the year	Market value at 31 March 2026
	£'000	£'000	£'000	£'000	£'000
Long term investments	0	159	0	0	159
Pooled investments	2,603,671	2,899,491	(2,886,084)	280,157	2,897,235
Pooled property investments	175,589	179,897	(148,319)	(3,548)	203,619
Private credit	50,748	14,531	(678)	(1,310)	63,291
Private equity / infrastructure	362,235	38,405	(33,552)	2,071	369,159
	3,192,243	3,132,483	(3,068,633)	277,370	3,533,463
Cash deposits	1,546				7,208
Amounts payable for purchases of Investments	(642)				
Fees within pooled vehicles				6,566	
Net investment assets	**3,193,147**			**283,936**	**3,540,671**

2024/25	Market value at 1 April 2024	Purchases during the year	Sales during the year	Change in market value during the year	Market value at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Pooled investments	2,558,668	59,499	(90,100)	75,604	2,603,671
Pooled property investments	210,350	3,980	(45,410)	6,669	175,589
Private credit	10,235	37,642	0	2,871	50,748
Private equity / infrastructure	257,011	118,878	(22,930)	9,276	362,235
	3,036,264	219,999	(158,440)	94,420	3,192,243
Cash deposits	499				1,546
Amounts payable for purchases of Investments	(333)				(642)
Fees within pooled vehicles				11,206	
Net investment assets	**3,036,430**			**105,626**	**3,193,147**

No derivative instruments were held by Gwynedd Pension Fund at 31 March 2026 or at 31 March 2025.

NOTE 14b – ANALYSIS OF INVESTMENTS

Investments analysed by fund manager

Market Value at 31 March 2025 £'000	%		Market Value at 31 March 2026 £'000	%
2,326,430	72.9	Wales Pension Partnership	2,812,268	79.5
521,850	16.3	BlackRock	500,194	14.1
226,167	7.1	Partners Group	192,557	5.4
36,337	1.1	Threadneedle	35,344	1.0
6,263	0.2	Lothbury	149	0.0
76,742	2.4	UBS	0	0.0
3,193,789	**100.0**		**3,540,512**	**100.0**

The following investments represent more than 5% of the net assets of the Fund:

Market Value at 31 March 2025 £'000	%		Market Value at 31 March 2026 £'000	%
403,246	12.5	WS Wales PP Absolute Return Bond Fund	554,275	15.4
460,613	14.3	WS Wales PP Global Opportunities Equity Fund	403,967	11.2
418,895	13.0	WS Wales PP Global Growth Fund	389,529	10.8
317,658	9.8	WS Wales PP Sustainable Active Equity Fund	359,705	10.0
233,417	7.2	WS Wales PP Global Credit Fund	347,858	9.7
294,958	9.1	Black Rock Aquila Life UK Equity Index Fund	301,088	8.4
241,859	7.5	WS Wales PP Multi Asset Credit Fund	259,418	7.2
0	0.0	BlackRock Aquila Life WPP World ESG INS EQ Fund	198,675	5.5
170,002	5.3	Black Rock ACS World Low Carbon Fund	0	0.0

NOTE 14c – STOCK LENDING

The Fund's investment strategy permits stock lending subject to specific approval. The income earned by the fund through stock lending was £215,750 (£135,500 in 2024/25). Currently the Fund has total quoted equities of £45.5m on loan (£44.7m at 31 March 2025). These equities continue to be 22arameteri in the Fund's financial statements. No liabilities are associated with the loaned assets.

NOTE 15 – FAIR VALUE- BASIS OF VALUATION

All investment assets are valued using fair value techniques based on the characteristics of each instrument, where possible using market-based information. There has been no change in the valuation techniques used during the year.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1 – where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, comprising quoted equities, quoted bonds and unit trusts.

Level 2 – where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable data.

Level 3 – where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

NOTE 15 – FAIR VALUE- BASIS OF VALUATION (continued)

Description of Asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the Valuations provided
Cash and cash equivalents	Level 1	Carrying value is deemed to be fair value because of the short- term nature of these financial instruments	Not required	Not required
Pooled investments- equity funds	Level 2	The 'NAV' (net asset value) is calculated based on the market value of the underlying assets	Evaluated price feeds	Not required
Pooled investments- fixed income	Level 2	The 'NAV' is calculated based on the market value of the underlying fixed income Securities	Evaluated price feeds	Not required
Pooled property funds	Level 3	Closing bid price where bid and offer prices are published; closing single price where single price is published	'NAV'- based set on a forward pricing basis	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts
Private equities	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2018 and the IPEV Board's Special Valuation Guidance (March 2020)	• EBITDA multiple • Revenue multiple • Discount for lack of marketability • Control premium	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts
Infrastructure	Level 3	Valued using discounted cashflow techniques to generate a net present value	Discount rate and cashflow used in the models	Rate of inflation, interest, tax and foreign exchange
Private credit	Level 3	Valuation techniques are used in accordance with U.S. GAAP to measure fair value that is consistent with market approach and/or income approach, depending on the type of security and the circumstance.	Private investments are fair valued initially based upon transaction price excluding expenses. The market approach uses prices generated by market transactions involving identical or comparable securities. The income approach	Valuations could be affected by changes to expected cash flows or by differences between audited and unaudited accounts.

			uses valuation techniques to discount estimated future cash flows to present value.	
Holdings in WPP IM Co	Level 3	Held at fair value	Initially measured at cost	Will be assessed in future for impairment

Sensitivity of assets valued at level 3

The values reported in the Level 3 valuations represent the most accurate estimation of the portfolio values as at 31 March 2026. Any subjectivity related to the investment value is incorporated into the valuation, and the sensitivity analysis can be seen in Note 17.

Transfers between levels 1 and 2

There were no transfers between levels 1 and 2 investments during 2025/26.

NOTE 15a – FAIR VALUE HIERARCHY

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Gwynedd Pension Fund has invested. These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2026	Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
	£'000	£'000	£'000	£'000
Financial assets at fair value through profit and loss				
Long term investments	0	0	159	159
Fixed income	0	1,161,551	0	1,161,551
Equities	0	1,735,684	0	1,735,684
Pooled property investments	0	0	203,619	203,619
Private credit	0	0	63,291	63,291
Private equity	0	0	156,659	156,659
Infrastructure	0	0	212,500	212,500
Cash deposits	7,208	0	0	7,208
	7,208	**2,897,235**	**636,228**	**3,540,671**
Financial liabilities at fair value through profit and loss				
Payables for investment purchases	0	0	0	0
Total	**7,208**	**2,897,235**	**636,228**	**3,540,671**

NOTE 15a – FAIR VALUE HIERARCHY (CONTINUED)

Values at 31 March 2025	Quoted market Price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Financial assets at fair value through profit and loss				
Fixed income	0	878,523	0	878,523
Equities	0	1,725,148	0	1,725,148
Pooled property investments	0	0	175,589	175,589
Private credit	0	0	50,748	50,748
Private equity	0	0	162,518	162,518
Infrastructure	0	0	199,717	199,717
Cash deposits	1,546	0	0	1,546
	1,546	**2,603,671**	**588,572**	**3,193,789**
Financial liabilities at fair value through profit and loss				
Payables for investment purchases	(642)	0	0	(642)
Total	**904**	**2,603,671**	**588,572**	**3,193,147**

NOTE 15b – RECONCILIATION OF FAIR VALUE MEASUREMENTS WITHIN LEVEL 3

	Market Value 1 April 2025 £'000	Transfers in/ out of Level 3 £'000	Purchases during the year £'000	Sales during the year £'000	Unrealised gains/ (losses) £'000	Realised (gains)/ losses £'000	Market Value 31 March 2026 £'000
Long term investment	0	0	159	0	0	0	159
Property	175,589	0	179,897	(152,900)	(3,548)	4,581	203,619
Private Credit	50,748	0	14,531	0	(1,310)	(678)	63,291
Private Equity	162,518	0	17,731	(8,240)	(5,279)	(10,071)	156,659
Infrastructure	199,717	0	20,674	(6,706)	7,350	(8,535)	212,500
Total Level 3	**588,572**	**0**	**232,992**	**(167,846)**	**(2,787)**	**(14,703)**	**636,228**

	Market Value 1 April 2024 £'000	Transfers in/ out of Level 3 £'000	Purchases during the year £'000	Sales during the year £'000	Unrealised gains/ (losses) £'000	Realised (gains)/ losses £'000	Market Value 31 March 2025 £'000
Property	210,350	0	3,980	(45,410)	6,669	0	175,589
Private Credit	10,235	0	37,642	0	2,871	0	50,748
Private Equity	167,029	0	12,230	(7,646)	1,177	(10,272)	162,518
Infrastructure	89,982	0	106,648	(1,552)	8,099	(3,460)	199,717
Total Level 3	**477,596**	**0**	**160,500**	**(54,608)**	**18,816**	**(13,732)**	**588,572**

NOTE 16 – CLASSIFICATION OF FINANCIAL INSTRUMENTS

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are 28arameteri. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

As at 31 March 2025				As at 31 March 2026		
Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
£'000	£'000	£'000		£'000	£'000	£'000
			Financial assets			
0	0	0	Long term Investments	159	0	0
2,603,671	0	0	Pooled investments	2,897,235	0	0
175,589	0	0	Pooled property investments	203,619	0	0
50,748	0	0	Private credit	63,291	0	0
162,518	0	0	Private equity	156,659	0	0
199,717	0	0	Infrastructure	212,500	0	0
0	36,963	0	Cash	0	62,937	0
0	7,163	0	Debtors	0	5,996	0
3,192,243	**44,126**	**0**		**3,533,463**	**68,933**	**0**
			Financial liabilities			
0	0	(4,654)	Creditors	0	0	(8,387)
0	**0**	**(4,654)**		**0**	**0**	**(8,387)**
3,192,243	**44,126**	**(4,654)**		**3,533,463**	**68,933**	**(8,387)**

NOTE 16a – NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

31 March 2025		31 March 2026
Fair value		Fair value
£'000		£'000
	Financial assets	
94,420	Fair value through profit and loss	277,370
0	Loans and receivables	0
94,420	**Total financial assets**	**277,370**
	Financial liabilities	
0	Fair value through profit and loss	0
0	Financial liabilities at cost	0
0	**Total financial liabilities**	**0**
94,420	**Net financial assets**	**277,370**

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). The aim of investment risk management is to 29aramete the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fundmanages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall Pension Fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pensions Committee. Risk management policies are established to identify and analyse the risks faced by the Pension's Fund operations, then reviewed regularly to reflect changes in activity and market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst 29arameteri investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

- the exposure of the Fund to market risk is monitored through a risk factor analysis to ensure that risk remains within tolerable levels;
- specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or by factors affecting all such instruments in the market.

The Fund is exposed to share price risk. The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure it is within the limits set in the Fund investment strategy.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's investment advisors, the Fund has determined that the following movements in market price risk are reasonably possible for the 2024/25 and 2025/26 reporting period.

Asset type	Potential market movement (+/-)	
	31 March 2025	31 March 2026
	%	%
UK Equities	16.3	18.0
Global Equities	18.6	18.3
Emerging Markets Equities	24.3	26.9
Private Equity	26.6	27.0
Corporate Bonds	6.5	6.3
Senior Loans (Sub investment grade)	7.6	9.1
Absolute Return Bonds	2.7	2.7
Infrastructure	14.5	14.6
Property	15.2	15.9
Diversified Credit	6.3	6.1
Cash	0.3	0.3
Total Fund	**11.6**	**11.2**

The potential volatilities disclosed above are consistent with a one-standard deviation movement in the change of value of the assets over the latest three years. The total fund volatility takes into account the expected interactions between the different asset classes shown, based on the underlying volatilities and correlations of the assets, in line with mean variance portfolio theory.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Had the market price of the Fund investments increased/decreased in line with the above, the change in the market price of the net assets available to pay benefits would have been as follows:

Asset type	Value as at 31 March 2026 £'000	Percentage change %	Value on Increase £'000	Value on decrease £'000
UK Equities	301,088	18.0	355,284	246,892
Global Equities	1,351,876	18.3	1,599,269	1,104,483
Emerging Markets Equities	82,721	26.9	104,973	60,469
Private Equity*	156,659	27.0	198,957	114,361
Corporate Bonds	347,858	6.3	369,774	325,943
Senior Loans (sub investment grades)*	63,291	9.1	69,051	57,532
Absolute Return Bonds	554,275	2.7	569,240	539,309
Infrastructure*	212,500	14.6	243,525	181,475
Property*	203,619	15.9	235,994	171,243
Diversified Credit	259,418	6.1	275,242	243,593
Cash	62,936	0.3	63,125	62,748
Debtors and Creditors	(2,391)	0.0	(2,391)	(2,391)
Long Term Investments*	159	0.0	159	159
Total assets available to pay Benefits	**3,594,009**		**4,082,202**	**3,105,816**
*Level 3 assets	636,228		747,686	524,770

Asset type	Value as at 31 March 2025 £'000	Percentage change %	Value on Increase £'000	Value on decrease £'000
UK Equities	294,958	16.3	343,036	246,880
Global Equities	1,367,167	18.6	1,621,460	1,112,874
Emerging Markets Equities	63,023	24.3	78,338	47,709
Private Equity*	162,518	26.6	205,748	119,288
Corporate Bonds	233,417	6.5	248,589	218,245
Senior Loans (sub investment grades)*	50,748	7.6	54,605	46,891
Absolute Return Bonds	403,247	2.7	414,134	392,359
Infrastructure*	199,717	14.5	228,676	170,758
Property*	175,588	15.2	202,278	148,899
Diversified Credit	241,859	6.3	257,097	226,622
Cash	36,963	0.3	37,073	36,851
Debtors and Creditors	2,510	0.0	2,510	2,510
Total assets available to pay Benefits	**3,231,715**		**3,693,544**	**2,769,886**
*Level 3 assets	588,571		691,307	485,836

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest rate risk is routinely monitored in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The Fund's direct exposure to interest rate movements as at 31 March 2025 and 31 March 2026 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

Asset type	**As at 31 March 2025**	**As at 31 March 2026**
	£'000	**£'000**
Cash and cash equivalents	35,417	55,729
Cash balances	1,546	7,208
Pooled Fixed Income	878,523	1,161,551
Total	**915,486**	**1,224,488**

Interest rate risk sensitivity analysis

The Fund 32arameteri that interest rates can vary and can affect both income to the Fund and the value ofnet assets available to pay benefits. A 1% movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy. The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates:

Asset type	**Carrying amount as at 31 March 2026**	**Change in year in the net assets available to pay benefits**	
		+1%	**-1%**
	£'000	**£'000**	**£'000**
Cash and cash equivalents	55,729	557	(557)
Cash balances	7,208	72	(72)
Pooled Fixed Income *	1,161,551	11,616	(11,616)
Total change in assets available	**1,224,488**	**12,245**	**(12,245)**

Asset type	**Carrying amount as at 31 March 2025**	**Change in year in the net assets available to pay benefits**	
		+1%	**-1%**
	£'000	**£'000**	**£'000**
Cash and cash equivalents	35,417	354	(354)
Cash balances	1,546	15	(15)
Pooled Fixed Income *	878,523	8,785	(8,785)
Total change in assets available	**915,486**	**9,154**	**(9,154)**

* A change of 1% in interest rate does not have a direct impact on fixed interest 32arameteri but does have a partialimpact as calculated in the tables above.

The average interest rate received on cash during the year was 4.17% amounting to interest of £2,109,931 for the year (average interest rate of 5.07% and interest income of £1,087,938 in 2024/25).

A 1% increase in interest rates will not affect the interest received on fixed income assets but will reduce their fair value, as shown in the tables above. Changes in interest rates do not impact on the value of cash / cash equivalents but they will affect the interest income received on those balances. Changes to both the fair value of assets and income received from investments impact on the net assets to pay benefits but as noted above this does not have a significant effect on the Fund.

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds assets denominated in currencies other than £UK.

The Fund has made commitments to private equity and infrastructure in foreign currency (€57.9 million and US$15.7 million). These commitments are being drawn down on request from the investment manager over a number of years. The current commitments still outstanding are shown in Note 24. The risk is that the pound is weak relative to the dollar and euro at the time of the drawdown and then strengthens when the Fund is fully funded. The Fund has been funding the commitments since 2005 and therefore the liability is balanced out over a long period.

The Fund's currency rate risk has been calculated based on the volatility of the currencies which would affect the value of the investments and any cash held in those currencies.

Currency risk – sensitivity analysis

Following analysis of historical data in consultation with the Fund investment advisors, the likely volatility associated with foreign exchange rate movements has been calculated with reference to the historic volatility of the currencies and their relative amounts in the Fund's investments.

The 1 year expected standard deviation for an individual currency as at 31 March 2026 is 8.7%. The equivalent rate for the year ended 31 March 2025 was 9.1%. This analysis assumes that all other variables, inparticular interest rates, remain constant.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The tables below show a breakdown of the Fund's exposure to individual currencies as at 31 March 2026 and at the end of the previous financial year:

Currency exposure – by asset type	Carrying amount as at 31 March 2026	Change in year in the net assets available to pay benefits	
		Value on increase	Value on decrease
	£'000	£'000	£'000
Global Equities	1,351,876	1,469,489	1,234,263
Emerging Markets Equities	82,721	89,917	75,524
Private Equity	156,659	170,289	143,030
Corporate Bonds	347,858	378,122	317,595
Senior Loans (sub investment grades)	63,291	68,798	57,785
Absolute Return Bonds	554,275	602,497	506,053
Infrastructure	212,500	230,987	194,012
Diversified Credit	259,418	281,987	236,849
Total change in assets available	**3,028,598**	**3,292,086**	**2,765,111**

Currency exposure – by asset type	Carrying amount as at 31 March 2025	Change in year in the net assets available to pay benefits	
		Value on increase	Value on decrease
	£'000	£'000	£'000
Global Equities	1,367,167	1,491,579	1,242,755
Emerging Markets Equities	63,023	68,758	57,288
Private Equity	162,518	177,307	147,729
Corporate Bonds	233,417	254,658	212,176
Senior Loans (sub investment grades)	50,748	55,366	46,130
Absolute Return Bonds	403,247	439,942	366,551
Infrastructure	199,717	217,891	181,543
Diversified Credit	241,859	263,869	219,851
Total change in assets available	**2,721,696**	**2,969,370**	**2,474,023**

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high quality counterparties, brokers and financial institutions 34arameter credit risk that may occur through the failure to settle a transaction in a timely manner.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The benchmark for the concentration of the funds held with investment managers is as follows:

Fund	Percentage of Portfolio
UK Equities (BlackRock)	6.0%
Global Equities (BlackRock and Wales Pension Partnership)	27.0%
Emerging Markets (Wales Pension Partnership)	2.0%
Multi Asset Credit (Wales Pension Partnership)	7.5%
Absolute Return Bond (Wales Pension Partnership)	12.5%
Private Credit (Wales Pension Partnership)	7.5%
Global Credit (Wales Pension Partnership)	10.0%
Natural Capital (Not yet allocated)	5.0%
Property (Threadneedle and Wales Pension Partnership)	10.0%
Infrastructure (Wales Pension Partnership and Partners)	7.5%
Private Equity (Wales Pension Partnership and Partners)	5.0%

All investments held by investment managers are held in the name of the Pension Fund, so if the investment manager fails, the Fund's investments are not classed amongst their assets.

Contractual credit risk is represented by the net payment or receipt that remains outstanding. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

In order to maximise the returns from short-term investments and cash deposits, the Council invests any temporarily surplus funds in its bank accounts along with any surplus funds in the Gwynedd Pension Fund bank accounts. An appropriate share of the interest earned is paid to the Pension Fund and any losses on investment are shared with the Pension Fund in the same proportion. Due to the nature of the banking arrangements, any surplus cash in the Pension Fund bank accounts is not transferred to the Council's bank accounts.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the Council's credit criteria. The Council has also set limits as to the maximum percentage of deposits placed with any one class of financial institution. In addition, the Council invests an agreed percentage of funds in the money markets to provide diversification. Money market funds chosen all have AAA rating from a leading ratings agency.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Employers in the Fund are not currently assessed for their creditworthiness or individual credit limits set. There is risk of being unable to collect contributions from employers with no contributing members (e.g. risk associated with employers with a small number of declining contributing members) so the Administering Authority monitors membership movements on an annual basis.

New employers to the Fund will need to agree to the provision of a bond or obtain a guarantee to reduce the risk of future financial loss to the Fund in the event of not being able to meet its pension liability on cessation. As shown in Note 25 two employers have provided bonds. Any future liabilities falling on the Fund as a result of cessation are borne by the whole Fund and spread across all employers. This is done to ensure that actuarial recovery periods and amounts are kept at a manageable level for smaller employers.

This risk has increased by a legal judgement, which potentially indicates that employers with no contributing members cannot be charged contributions under the LGPS Administration Regulations. This ruling, however, does not affect the ability to collect contributions following a cessation valuation under Regulation 38(2). The Actuary may be instructed to consider revising the rates and adjustments certificate to increase an employer's contributions under Regulation 38 of the LGPS (Administration) Regulations 2008 between triennial valuations.

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Council therefore takes steps to ensure that the Pension Fund has adequate cash resources to meet its commitments to pay pensions and other costs and to meet investment commitments.

The Council has a cash flow system that seeks to ensure that cash is available if needed. In addition, current contributions received from contributing employers and members far exceed the benefits being paid. Surplus cash is invested and cannot be paid back to employers. The Fund's Actuary establishes the contributions that should be paid in order that all future liabilities can be met.

There is no limit on the amount that the Pension Fund bank account can hold. The amounts held in this account should meet the normal liquidity needs of the Fund. Any temporary surplus is invested by the Council in accordance with the Treasury Management Strategy Statement to provide additional income to the Pension Fund. Surplus cash is invested in accordance with the Statement of Investment Principles.

The Fund also has access to an overdraft facility through the Council's group bank account arrangements. This facility would only be used to meet short-term timing differences on pension payments. As these borrowings would be of a limited short-term nature, the Fund's exposure to credit risk is considered negligible.

NOTE 17 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. As at 31 March 2026 the value of illiquid assets was £636m, which represented 17.7% of the total Fund assets (31 March 2025: £589m, which represented 18.2% of the total Fund assets).

Management prepares periodic cash flow forecasts to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2026 are due within one year as was the case at 31 March 2025.

Refinancing risk
The key risk is that the Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

NOTE 18 – FUNDING ARRANGEMENTS

In line with the Local Government Pension Scheme (Administration) Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2025.

Description of Funding Policy
The funding policy is set out in the Administering Authority's Funding Strategy Statement, dated March 2026.

In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependents
- use a balanced investment strategy to 37aramete long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The Funding Strategy Statement sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable.

NOTE 18 – FUNDING ARRANGEMENTS (continued)

For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been 38arameteri to have a sufficiently high likelihood of achieving the funding target over 17 years. Asset-liability modelling has been carried out which demonstrates that if these contribution rates are paid and future contribution changes are constrained as set out in the Funding Strategy Statement, there is at least a 80% likelihood that the Fund will achieve the funding target over 17 years.

Funding Position as at the Last Formal Funding Valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was at 31 March 2025. This valuation revealed that the Fund's assets, which at 31 March 2025 were valued at £3,232 million, were sufficient to meet 166% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2025 valuation was £1,286 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and probability measure as per the Funding Strategy Statement. Individual employers' contributions for the period 1 April 2026 to 31 March 2029 were set in accordance with the Fund's funding policy as set out in its Funding Strategy Statement.

Principal Actuarial Assumptions and Method used to Value the Liabilities

Full details of the methods and assumptions used are described in the 2025 valuation report and Funding Strategy Statement.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date, and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2025 valuation were as follows:

Financial assumptions	31 March 2025
Discount rate	5.9% pa
Salary increase	2.8% pa
Benefit increase (CPI)	2.3% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's *VitaCurves* with improvements in line with the CMI 2024 model, with core 38arameterization, except, initial adjustment of 0.25% and a long term rate of 1.50% pa. Based on these assumptions, the average future life expectancies at age 65 are as follows:

NOTE 18 – FUNDING ARRANGEMENTS (continued)

Mortality assumption	Male Years	Female Years
Current pensioners	20.8	23.7
Future pensioners (aged 45 at the 2025 valuation)	21.8	25.3

Copies of the 2025 valuation report and the Funding Strategy Statement are available on the Pension Fund's website www.gwyneddpensionfund.wales

Experience over the period since 31 March 2025

The increase in US tariffs on imports since March 2025 and the recent conflict in the Middle East have caused significant market volatility which feeds through to the investment returns achieved by the Fund's assets. The Fund's overall investment returns since March 2025 have been positive.

Observed inflation has been higher than anticipated over 2026, resulting in LGPS benefit increases of 3.8% in April 2026 and an increase in the value placed on the Fund's liabilities.

Overall, we estimate that the funding position is likely to be weaker than at the previous formal valuation at 31 March 2025.

The next actuarial valuation will be carried out as at 31 March 2028. The Funding Strategy Statement will also be reviewed at that time, and a revised version will come into effect from 1 April 2029.

NOTE 19 - ACTUARIAL PRESENT VALUE OF PROMISED RETIREMENT BENEFITS

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the Pension Fund liabilities, on an IAS19 basis every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting Fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18) and has also used them to provide the IAS19 and FRS102 reports for individual employers in the Fund. The actuary has also valued ill health and death benefits in line with IAS19.

NOTE 19 - ACTUARIAL PRESENT VALUE OF PROMISED RETIREMENT BENEFITS (continued)

The actuarial present value of promised retirement benefits at 31 March 2025 and 2026 are shown below:

	31 March 2025 £m	31 March 2026 £m
Active members	1,004	984
Deferred members	314	307
Pensioners	735	903
Total	**2,053**	**2,194**

The promised retirement benefits at 31 March 2026 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2025.

Assumptions used

The assumptions used are those adopted for the Administering Authority's IAS19 report as shown below and are different as at 31 March 2025 and 31 March 2026. The actuary estimates that the impact of the change in financial assumptions to 31 March 2026 is to decrease the actuarial present value by £93m. It is estimated that the impact of the change in demographic and longevity assumptions is to decrease the actuarial present value by £61m.

Assumption	31 March 2025 %	31 March 2026 %
Pension increase rate	2.75	3.00
Salary increase rate	3.25	3.50
Discount rate	5.80	6.30

The life expectancy for the longevity assumption is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male Years	Female Years
Current pensioners	20.9	23.8
Future pensioners (assumed to be aged 45 at the latest valuation date)	21.9	25.4

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the fund.

The sensitivities regarding the principal assumptions used to measure the liabilities are set out below:

Change in assumptions at 31 March 2026	Approximate increase to promised retirement benefits %	Approximate monetary amount £m
0.1% p.a. increase in the rate of CPI inflation	2	36
0.1% p.a. increase in the salary increase rate	0	2
0.1% p.a. decrease in the discount rate	2	38
1 year increase in member life expectancy	4	88

NOTE 20 – CURRENT ASSETS

31 March 2025 £'000		31 March 2026 £'000
966	Contributions due – employees	568
3,004	Contributions due – employers	1,662
3,193	Sundry debtors	3,766
7,163	**Total debtors**	**5,996**
35,417	Cash	55,729
42,580	**Total**	**61,725**

NOTE 21 – CURRENT LIABILITIES

31 March 2025 £'000		31 March 2026 £'000
2,215	Sundry creditors	7,945
1,797	Benefits payable	442
4,012	**Total**	**8,387**

NOTE 22 - ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVC)

The market value of the funds is stated below:

	Market value at 31 March 2025 £'000	Market value at 31 March 2026 £'000
Clerical Medical	5,852	7,597
Utmost Life	125	80
Standard Life	5	6
Total	**5,982**	**7,683**

AVC contributions were paid directly to the following manager:

	2024/25 £'000	2025/26 £'000
Clerical Medical	1,135	1,408
Total	**1,135**	**1,408**

NOTE 23 - RELATED PARTY TRANSACTIONS

Cyngor Gwynedd
The Gwynedd Pension Fund is administered by Cyngor Gwynedd. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £1,941,377 (£1,787,170 in 2024/25) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also one of the largest employers of members of the Fund and contributed £34.0m to the Fund in 2025/26 (£32.5m in 2024/25). At the end of the year, the Council owed £2.2m to the Fund which was primarily in respect of interest paid on the Pension Fund's balances, and the Fund owed £2.9m to the Council which was primarily in respect of recharges to the Council for the administrative costs (£1.9m) and the GwE exit credit (£0.9m).

The Gwynedd Pension Fund has two bank accounts which are held as part of Cyngor Gwynedd's Group of Bank Accounts. The overall surplus cash held in the Group of Bank Accounts is invested on a daily basis. At the end of the financial year, Cyngor Gwynedd pays interest over to the Pension Fund, based on the Fund's daily balances over the year. During 2025/26, the Fund received interest of £2,109,931 (£1,087,938 in 2024/25) from Cyngor Gwynedd.

Governance
Two members of the Pensions Committee who is in receipt of pension benefits from the Gwynedd Pension Fund during 2025/26 (committee members J.B.Hughes and G.Edwards). In addition, committee members S.W. Churchman, R.W.Williams, J.B.Hughes, I.Thomas, J.P.Roberts, R.M.Hughes, E.Hywel and G.Owen are active members of the Pension Fund. Committee member I.Huws is a deferred member of the pension fund.

Two members of the Pension Board were in receipt of pension benefits from the Gwynedd Pension Fund during 2025/26 (board members H.E.Jones and A.Deakin). In addition, Board members R.Thomas, O. Richards, N.Michael and S.E.Parry are active members of the Pension Fund.

Wales Pension Partnership Investment Management Company Limited (WPP IM Co)
WPP IM Co (Company Number 16645479) was formed during 2025/26 with the expectation that it will manage and oversee the investments of each Welsh LGPS Fund commencing in 2026/27. Each Fund owns 12.5% of WPP IM Co. The Gwynedd Pension Fund advanced a contribution of £158, 825 during 2025/26 to fund the initial set up costs of the company.

Key Management Personnel
The key management personnel of the fund are the Head of Finance (s151) and Chair of the Pensions Committee

The remuneration payable to key management personnel attributable to the fund is set out below:

2024/25 £'000		2025/26 £'000
31	Short-term benefits	33
5	Post-employment benefits	6
36		**39**

NOTE 24 - COMMITMENTS UNDER INVESTMENT CONTRACTS

Outstanding capital commitments (investments) at 31 March were as follows:

	Total Commitments	Commitment at 31 March 2025	Commitment at 31 March 2026
	£'000	**£'000**	**£'000**
Schroders Capital WPP Global Private Equity I L.P	12,500	7,556	5,656
Schroders Capital WPP Global Private Equity II L.P	25,000	18,250	16,000
Schroders Capital WPP Global Private Equity III L.P	27,500	0	19,195
GCM WPP Global Infrastructure I L.P	15,000	7,551	5,337
GCM WPP Global Infrastructure II L.P	27,500	0	25,666
Capital Dynamics CEI (WPP), L.P	10,000	5,869	3,191
Octopus Renewables Infrastructure	34,500	0	0
Russell Investments WPP Global Private Credit I L.P	110,000	62,286	51,703
Russell Investments WPP Global Private Credit II L.P	130,000	0	130,000
IFM Global Infrastructure UK (GB) L.P	57,500	0	0
Total GBP	**449,500**	**101,512**	**256,748**
	€'000	**€'000**	**€'000**
Partners Group Direct 2006	20,000	0	0
Partners Group Global Value 2006	50,000	3,477	0
Partners Group Secondary 2008	15,000	1,960	1,960
Partners Group Global Value 2011	15,000	2,096	2,096
Partners Group Global Infrastructure 2012	40,000	3,419	3,419
Partners Group Direct 2012	12,000	1,181	1,181
Partners Group Global Value 2014	12,000	1,531	1,531
Partners Group Direct Equity 2016	50,000	2,826	2,826
Partners Group Global Value 2017	42,000	11,570	11,570
Partners Group Global Infrastructure 2018	28,000	4,631	4,631
Partners Group Direct Equity 2019	48,000	4,992	4,992
Partners Group Direct Infrastructure 2020	32,000	9,120	7,584
Partners Group Direct Equity V	30,000	22,279	16,129
Total Euros	**394,000**	**69,082**	**57,919**
	US$'000	**US$'000**	**US$'000**
Partners Group Emerging Markets 2011	7,000	1,082	1,082
Partners Group Secondary 2015	38,000	11,420	7,620
Partners Group Direct Infrastructure 2015	43,600	6,986	6,986
CBRE Global Infrastructure Fund (International) L.P	29,075	10,932	0
Total Dollars	**117,675**	**30,420**	**15,688**

These commitments relate to outstanding call payments on unquoted funds held in the the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a number of years from the date of the original commitment.

NOTE 25 – CONTINGENT ASSETS

Two admitted body employers in the Gwynedd Pension Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Fund and payment will only be triggered in the event of employer default.

NOTE 26 – CONTINGENT LIABILITIES

There are no contingent liabilities identified.

NOTE 27 – IMPAIRMENT LOSSES

There are no impairment losses identified.

MEETING	**PENSION BOARD**
DATE	**17 JULY 2026**
TITLE	**LGPS POOLING SYMPOSIUM**
PURPOSE	**To receive relevant feedback and information from the conference**
RECOMMENDATION	**Receive the information**
AUTHOR	**Anthony Deakin**

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1. INTRODUCTION

The LGPS Pooling Symposium was held in May and Anthony Deakin attended on behalf of the Board.

2. LGPS POOLING SYMPOSIUM

The conference agenda can be found here: https://www.dgpublishing.com/lgps-pooling-symposium/agenda/

Anthony Deakin will provide feedback and share relevant information from the conference, see Attachment 1.

3. RECOMMENDATION

The Board is requested to receive the information.

Cronfa Bensiwn
GWYNEDD
Pension Fund

Ffurflen Gofnodi Adborth o Gynadleddau CPLlL /
LGPS Conference Feedback Recording Form

1. Manylion/ Details	
Enw / Name:	ANTHONY DEAKIN
Teitl y Gynhadledd / Conference Title:	LGPS POOLING SYMPOSIUM
Dyddiad y Gynhadledd / Date of Conference:	5 & 6 MAY/ MAI 2026
Lleoliad neu Ddarparwr / Location or Provider:	THE BELFRY HOTEL, SUTTON COLDFIELD, B76 9PR

2. **Prif Sesiynau a Fynychwyd / Key Sessions Attended**

Rhowch fanylion y prif sesiynau, gweithdai neu gyflwyniadau a fynychwyd / Please list the main sessions, workshops or presentations you attended:

Tuesday 5 May / Dydd Mawrth 5 Mai

11.10 to 11.40 Pensions Act update
11.40 to 12.20 “What does Strategic Investments advice look like now?”
12.20 to 13.00 Listed Equities – strategy and pooling perspectives
14.00 to 14.40 Listed Bonds – strategy and pooling perspectives
14.40 to 15.20 Private Markets - strategy and pooling perspectives
15.40 to 16.20 Property - strategy and pooling perspectives
16.20 to 17.10 Fit for the future a fund perspective

Wednesday 6 May / Dydd Mercher 6 Mai

9.05 to 9.55 Delivering against tightened deadlines and new responsibilities – the pool perspective
9.55 to 10.35 Governance and Fiduciary oversight
11.00 to 11.40 Private Debt - strategy and pooling perspectives
11.40 to 12.20 Local Investment Projects in practice
12.20 to 13.00 Where are we with the transfer of assets
14.10 to 14.50 Natural Capital - strategy and pooling perspectives
14.50 to 15.30 Building local impact solutions across the private asset classes
15.55 to 16.35 Clean Energy - strategy and pooling perspectives
16.35 to 17.15 Investment Trends and the Impact on Strategy

3. Prif Bwyntiau a Ddysgwyd / Materion a Amlygwyd / Key Points Learned / Issues Highlighted

Crynhowch y pwyntiau pwysicaf, y mewnwelediadau neu'r diweddariadau polisi a gyflwynwyd yn ystod y gynhadledd / Summarise the most important points, insights or policy updates shared during the conference:

Roedd LGA yn pryderu nad yw'r Llywodraeth yn eu cynnwys ar drafodaethau ynghylch Dyletswydd Ymddiriedolwyr (nid ydynt yn cael eu cynrychioli ar y Gweithgor)

Pryder os oes gwahaniaeth rhy fawr rhwng perfformiad y *'Pools'* yna gallai hyn ysgogi mwy o ymyrraeth ac uno gan y Llywodraeth

Banc canolog yr Unol Daleithiau yn dweud y bydd toriadau cyfradd llog. Banc canolog Ewrop yn dweud bod cyfradd llog yn cynyddu. Mae buddsoddwyr yn credu y bydd yn rhaid i Fanc Lloegr gynyddu cyfraddau llog.

Angen adeiladu goruchwyliaeth rheoli contractau ar gyfer Pwyllgorau Pensiwn ar gyfer *y Pool*s a threfniadau datrys anghydfodau ar gyfer pan fydd pethau'n mynd o'i le.

Cyflwyniad Rob Lamb:- WPP y cwmni buddsoddi mwyaf yng Nghymru. Wedi mynd am strwythur staffio darbodus. Nid yn unig recriwtio pobl ond y bobl iawn. Mae model gweithredu yn gofyn iddynt allu gweithredu'n annibynnol heb gyfeirio pethau i fyny yn rheolaidd (mater diwylliant). Cystadleuaeth am dalent – cronfeydd sy'n cystadlu am yr un dalent.

Trafodaeth llywodraethu.
Yn flaenorol, roedd y Pwyllgor Pensiynau yn arfer llusgo Rheolwyr Asedau i mewn a "rhoi cicio da iddynt! " Yn y dyfodol gall y Pwyllgor Pensiynau lusgo Rheolwr Asedau y 'Pool' i mewn i roi "cico" iddynt. Llywodraeth yn gweld y Pwyllgor Pensiwn yn canolbwyntio ar strategaeth. Felly cwestiwn go iawn dros fater goruchwylio! Nid yw'r llywodraeth eisiau gweld 86 o swyddogion goruchwylio cronfeydd. Ac nid yw'r Llywodraeth yn gweld unrhyw angen am ymgynghorwyr buddsoddi'r Gronfa fel rhan o'r oruchwyliaeth hon. Llywodraeth eisiau un swyddog goruchwylio fesul *Pool*. Felly mae angen i 8 Cronfa Cymru benodi'r swyddog hwn ar y cyd.
Mater gwirioneddol ynglŷn â dyletswydd ymddiriedolwyr Pwyllgorau Pensiwn. Os bydd rhywbeth yn mynd o'i le ac mae y *Pool* yn derbyn dirwy SFA, pob Cronfa bydd yn codi'r Bil! Bydd archwilwyr eisiau gweld bod Cronfeydd wedi ceisio sicrwydd fel cyfranddalwyr

Marchnadoedd Preifat – amharodrwydd cronfeydd i gael swm sylweddol o anhylifedd yn eu portffolio. Ar gyfer llif arian y gronfa bensiwn yn hynod bwysig – angen talu pensiynwyr !! Ond gellir buddsoddi arian dros ben mewn cynhyrchion anhylifol (fel dyled breifat) i gael enillion uwch.

Mae buddsoddwyr wrth fuddsoddi'n lleol wedi tueddu i ganolbwyntio ar dai fel rhan o agenda gwneud lle a strategaeth drawsnewidiol. Yn hanesyddol, mae cyfalaf naturiol (coedwigaeth) yn cynnwys 2-5% o'r buddsoddiadau. Ond diddordeb cynyddol.

LGA concerned that Government not involving them on discussions re Fiduciary Duty (they are not represented on Working Party)

Concern that if there too big a divergence between Pools' performance then this might prompt more Government interference and mergers

US central bank saying Interest rate cuts. European central bank saying Interest rate increases. Investors believe Bank of England will have to increase interest rates.

Need to build in contract management oversight for Pension Committees re Pool and dispute resolution arrangements for when things go wrong.

Rob Lamb presentation:- WPP the largest investment company in Wales. Gone for a lean staffing structure. Not just recruiting people but the right people. Operating model requires them to be able to operate independently without regularly referring things upwards (culture issue). Competition for talent – pools competing for the same talent.

Governance discussion.
Previously Pensions Committee used to drag Asset Managers in and "give them a good kicking! " In future can Pensions Committee drag Pool Asset Manager in to give them "a kicking". Government sees Pension Committee focusing on strategy. So real question over oversight issue! Government doesnt want to see 86 fund oversight officers. And Government sees no need for Fund investment consultants as part of this oversight. Government wants single oversight officer per Pool . So 8 welsh Funds need to jointly appoint this officer.
Real issue re Pension Committees fiduciary duty. If something goes wrong and Pool receives a SFA fine it is each Fund who will pick up the Bill!
Auditors will want to see that Funds have sought assurance as shareholders

Private Markets – reluctance of funds to have a significant amount of illiquidity in their portfolio. For pension fund cashflow extremely important – need to pay pensioners !! But surplus cash can be invested in illiquid products (like private debt) to get higher returns.

Investors when investing locally have tended to focus on housing as part of place making agenda and transformational strategy.Historically natural capital (forrestry) comprises 2-5% of investments. But increasing interest.

4. Perthnasedd i'r Gronfa CPLlL / Relevance to the LGPS Fund
Esboniwch sut mae'r wybodaeth yn berthnasol i lywodraethu'r gronfa, strategaeth fuddsoddi, gweinyddiaeth neu reoli risg / Explain how the information relates to the fund's governance, investment strategy, administration or risk management:
Roedd y rhaglen ar gyfer ***2026 LGPS Pooling Symposium*** yn adlewyrchu cyflymder a graddfa'r newid ar draws tirwedd CPLlL. Roedd yr agenda wedi'i churadu'n ofalus i

ddarparu mewnwelediad ymarferol, cyd-destun strategol a safbwyntiau blaengar ar rôl esblygol cronni.

Yn ogystal â rhaglen gynhadledd, roedd y symposiwm yn cynnig cyfleoedd rhwydweithio helaeth, gan alluogi cynrychiolwyr i gysylltu â chyfoedion, cyfnewid profiadau ac adeiladu perthnasoedd gwerthfawr ar adeg dyngedfennol i'r sector.

The programme for the ***2026 LGPS Pooling Symposium*** *reflected the pace and scale of change across the LGPS landscape. The agenda had been carefully curated to provide practical insight, strategic context and forward-looking perspectives on the evolving role of pooling.*

In addition to a comprehensive conference programme, the symposium offered extensive networking opportunities, enabling delegates to connect with peers, exchange experiences and build valuable relationships at a pivotal time for the sector.

5. Camau Gweithredu neu Gamau Dilynol a Argymhellir / Recommended Actions or Follow-Up

Rhestrwch unrhyw gamau gweithredu, newidiadau neu drafodaethau pellach y dylai'r pwyllgor/bwrdd eu hystyried / List any suggested actions, changes, or further discussions needed by the committee/board:

Rwy'n siŵr y bydd trafodaeth bellach ar drefniadau goruchwylio a dyletswydd ymddiriedolwyr y Cronfeydd (gweler materion trafodaeth llywodraethu yn adran 3)

There will I am sure be further discussion of oversight arrangements and the Funds fiduciary duty (see governance discussion issues in section 3)

6. Deunyddiau neu Adnoddau a Gasglwyd / Materials or Resources Obtained

Cofnodwch unrhyw ddogfennau, dolenni, cyflwyniadau neu nodiadau a all fod o gymorth i'r pwyllgor / Include links, documents, slide decks, or notes that may assist the committee:

Gweler y ddolen podlediad isod

See podcast link below

https://shows.acast.com/pensionsexpert/episodes/live-from-the-pooling-symposium-a-pension-schemes-bill-act-s

7. Asesiad Cyffredinol / Overall Assessment Rhowch eich adborth cyffredinol ar werth ac effeithiolrwydd y gynhadledd / Provide your general feedback on the value and usefulness of the conference:
Cynhadledd ardderchog. Yn addysgiadol iawn am y newidiadau a'r materion buddsoddi cyfredol. Excellent conference. Very informative re the current investment changes and issues.

8. Sylwadau Ychwanegol / Additional Comments Defnyddiwch y rhan hon ar gyfer unrhyw sylwadau neu bryderon ychwanegol / Use this space for any extra observations or concerns not covered above:

Meeting:	Pension Board
Date:	17/07/2026
Title:	PENSION BOARD CHAIR'S DRAFT REPORT FOR THE FUND'S ANNUAL REPORT
Purpose:	Assisting the Chair in writing the annual report

1. Introduction

The Chair of the Pension Board is required to submit an annual report as part of the Pension Fund's annual report and as part of the Fund's annual meeting.

This draft report (See Appendix A) has been roughly prepared as a starting point.

2. Timeline

The final report is required to be submitted by: **31/07/2026**.

The fund's annual meeting will be held during the Autumn term (23/11/2026 at 1pm) and all Board members are welcome to attend.

3. Contents of the draft report

The draft report has been written as per the setting of the 2025 report. A number of factual statements have been left unchanged for the 2026 report but it has been updated to take into account the topics discussed during the year.

4. Conclusion

Members of the Board will be asked to consider the content of the draft report in order to discuss its content and propose amendments at the meeting.

As noted above, the Chair is required to submit the final report to Delyth Jones-Thomas, Investment Manager by **31/07/2026**.

Appendix A

Gwynedd Pension Board Annual Report for 2025/26 (year to 31 March 2026)

1. Background / Composition

The Board was constituted under the Public Service Pensions Act 2013, and its first meeting was held on 13 July 2015. The membership consists of three members who represent the scheme's employers and three members who represent the scheme members (namely staff who contribute towards the pension scheme and those who are retired and in receipt of a pension).

Over the period from 1st April 2025 to 31st March 2026, the Board has met virtually four times. Board members are invited as observers to the meetings of the Pensions Committee and have agreed to take this role in turn in order to promote understanding as well as communication. This arrangement is balanced with the Chair of the Pensions Committee now attending Board meetings, where she is accountable, with officers for the governance and administration of the Fund. On occasion, the Board has asked for its views and recommendations to be formally submitted for consideration by the Committee.

2. Role of the Board

In accordance with the legislation, the Local Pension Board's two main functions are to assist the administering authority (Cyngor Gwynedd) to:

i. ensuring effective and efficient governance and administration of the LGPS, and
ii. ensure compliance with relevant legislation and regulations

Therefore, the Board is a monitoring, reviewing and assisting body, not a body that manages and makes decisions. The Board operates under a Terms of Reference agreed by Cyngor Gwynedd (at a meeting of the full Council on the 5th of March 2015).

It is supported by the Council's Member Support and Scrutiny Officer, and reports are prepared and presented by officers including the Head of Finance, Investment Manager and Pensions Manager of the Fund.

3. Work of the Board

Once again, the past year has been a busy year for the senior staff of the Administrative Authority. Therefore, Board members were aware of the need to prioritise requests for officers to prepare reports for the Board.

4. Attendance

	07/04/2025	11/07/2025	03/11/2025	09/02/2026
Anthony Deakin	✓	✓	✓	✓
H. Eifion Jones	✓	✓	✓	✓
Ned Michael	✓			✓
Sioned Evans Parry	✓		✓	✓
Osian Richards	✓	✓	✓	✓
Roland Thomas		✓	✓	✓

5. Work Plan

In line with the work plan agreed in the previous year, reports were addressed on the following issues:

- **Monitoring progress against the training plan -** The Board reviewed the progress made against the training plan to ensure that Board members maintain the necessary knowledge and skills to carry out their duties effectively.

- **Updates on the work of the Wales Pension Partnership -** The Board received regular reports on the activities and developments of the Wales Pension Partnership, including investment and governance issues affecting the Fund.

- **2025 Actuarial Valuation -** The assumptions used for the 2025 Actuarial Valuation have been reviewed to ensure that they are appropriate and reflect the circumstances of the Fund.

- **Gender Pension Gap -** Information and analysis relating to the Gender Pension Gap was discussed to understand any inequalities and their potential impact on scheme members.

- **Connecting to the Pensions Dashboard -** Progress and preparations for connecting with the Pensions Dashboard have been considered, ensuring that the Fund complies with national requirements.

- **Governance Policy Statement -** The Governance Policy Statement has been revised to ensure that the Fund's governance arrangements remain fit and effective.

- **Funding Strategy Statement -** The content and implementation of the Funding Strategy Statement, which sets out the approach to managing the Fund's long-term accountability and funding, has been covered.

- **Pensions Regulator Governance Survey Results -** The survey results were discussed to identify strengths and any areas where governance arrangements could be improved.

- **Pensions administration updates -** The Board scrutinised the day-to-day performance and operation of the pension administration service, monitoring service and performance standards.

- **Data improvement plan -** The progress of the data improvement plan has been reviewed to ensure that the Fund's data is accurate, complete and meets the required regulatory standards.

- **Pension Fund Administrative Policies -** A number of administrative policies have been considered and reviewed to ensure that they remain current and support the effective operation of the Fund.

- **Gwynedd Pension Fund Draft Accounts (31 March 2025)** - The draft accounts were reviewed to ensure that the Fund's financial position was presented accurately and transparently.

- **Draft Annual Report 2024/25 -** The content of the Annual Report has been considered to ensure that it provides a comprehensive overview of the Fund's activities and performance.

- **Risk Register -** The key risks facing the Fund and the measures in place to manage and mitigate them have been reviewed.

- **The Fund's investment performance -** The performance of the investment portfolio was regularly monitored in order to assess whether the Fund was achieving its investment objectives.

- **Investment advisors' strategic objectives -** The investment advisers' performance and strategic objectives were reviewed to ensure they continued to support the Fund's aims.

- **Budget 2026/27 -** The proposed budget for 2026/27 has been considered and challenged to ensure that adequate resources are available to sustain the Fund's operations and priorities.

During discussions, input was provided and a number of comments were made by Board members who have assisted the administration authority officers in completing their work.

The work plan for 2026/27 covers the following areas:

- **Update on regulatory changes** – receive updates on any new legislative changes, guidance or regulatory requirements that affect the Local Government Pension Scheme and the work of the Fund.

- **Issues arising from the Pensions Committee** – considering relevant decisions, discussions and issues referred by the Pensions Committee to ensure an overview and effective governance.

- **Review of the Scheme Advisory Board (SAB) meetings** – receive a summary of key messages, guidance and best practice arising from SAB meetings and consider their relevance to the Fund.

- **Breach of law** – monitoring any breaches of legal or regulatory requirements and ensuring that appropriate action has been taken to minimise risks and comply with the rules.

- **Updates to the Risk Register** – regularly review the risk register to monitor the Fund's key risks and ensure that appropriate mitigation measures are in place.

- **General update on the Administration of Pensions** – receive information on administrative performance, workload, processing schedules and relevant operational developments.

- **Update on the Wales Pension Partnership (IM Co) Investment Management Company** – consider the investment firm's progress, operational developments and governance issues relating to its activities.

- **Pension Fund Discretion Policies** – reviewing and monitoring the Fund's discretionary policies to ensure they are current, consistent and compliant with statutory requirements.

- **Pension Board Report for the Annual Report 2025/26** – prepare and agree the Board's contribution to the Fund's Annual Report, summarising its activities and findings during the year.

- **Cyber security update** – monitoring the Fund's cyber security arrangements, including emerging risks, protection measures and incident response plans.

- **Pensions Dashboard – increased preparedness and response** – receive updates on the Fund's preparatory work for the Pensions Dashboard Programme, including data quality, testing and compliance.

- **Gwynedd Pension Fund Annual Report 2025/26** – review the annual report prior to publication and ensure that it gives a complete picture of the Fund's activities and performance.

- **Investment performance update** – monitoring the performance of the Fund's investments against relevant benchmarks and targets, taking into account market trends and factors.

- **The Fund's Final Accounts for the year ended 31 March 2026** – review of the final accounts and financial results to ensure appropriate transparency and scrutiny.

- **Update on climate-related reporting (TCFD)** – monitoring the progress of the Fund's work in relation to climate-related disclosures and reporting in line with TCFD principles.

- **Budget 2027/28** – consider the proposed budget and the resources needed to support the effective operation of the Fund during the next financial year.

- **Business Plan 2027/28** – review the Fund's strategic priorities, objectives and key activities for the year ahead.

- **Training Plan 2027/28** – ensure that an appropriate training programme is in place to support the knowledge and skills development of Board members.

- **Work Plan 2027/28** – discuss and agree the Board's work programme for the following year to ensure that all relevant issues are addressed.

- **Data quality review (including common and scheme-specific data scores)** – monitoring the quality and accuracy of the Fund's data, reviewing data scores and identifying areas where further improvements are needed.

6. Training

During the Board meetings each Board member was briefed on the LGPS and its administration in Gwynedd in various presentations by the Head of Finance, Investment Manager and Pensions Manager. Board members have also attended a number of virtual meetings and presentations. These include:

Relevant training to appear here

7. Thank you

The Chair wishes to thank her fellow Board members, who have volunteered their time to the functions, and to the relevant officers for their support.

Sioned Parry
Pension Board Chair

Meeting:	Pension Board
Date:	17/07/2026
Title:	PENSION ADMINISTRATION
Author:	Meirion Jones, Pensions Manager
Purpose:	For information only

1. Introduction

The purpose of this report is to provide the Pension Board with an update on current developments affecting the administration of the Local Government Pension Scheme (LGPS) and the activities being undertaken by the Gwynedd Pension Fund to respond to these developments, maintain service standards and enhance the delivery of pension administration.

2. Regulatory Update - Fit for the Future

The UK Government's **Fit for the Future** reforms, which came into force in **June 2026**, introduce a significant strengthening of LGPS governance arrangements, placing greater emphasis on accountability, professional standards and effective decision-making by administering authorities. The reforms require each LGPS fund to appoint a designated **Senior LGPS Officer** with overall responsibility for the effective management and administration of the pension fund, providing a clear point of accountability for governance, administration and regulatory compliance. In addition, Pension Committees are required to include an **independent person** to provide external challenge, support robust decision-making and strengthen governance oversight.

Administering authorities are also required to undertake a formal **governance review** to assess the effectiveness of existing governance structures, decision-making processes, committee arrangements, policies and resources against the new requirements. Alongside this, funds must prepare and maintain an **Administration Strategy Statement**, setting out how pension administration services will be delivered, monitored and improved, including performance standards, employer engagement arrangements and the respective responsibilities of the administering authority and scheme employers. These measures are intended to promote greater consistency, transparency and service quality across the LGPS.

The governance changes form part of a wider package of reforms designed to professionalise the LGPS and improve governance standards across the Scheme. The Government's objective is to ensure that administering authorities possess the skills, capacity and resources necessary to manage increasingly complex pension fund operations while maintaining effective oversight of investment, administration and regulatory responsibilities. Funds are therefore expected to review their governance arrangements, training programmes, terms of reference and officer structures to ensure alignment with the new framework.

Although the reforms came into force in June 2026, administering authorities are expected to implement the key governance requirements, including the appointment of a **Senior LGPS Officer**, the appointment of an **independent committee member**, and adoption of an **Administration Strategy Statement**, by **31 December 2026**. Officers are currently assessing the implications of the new requirements for the Fund and will report further to the Pension Board and Pension Committee on the actions required to ensure full compliance within the prescribed timescales.

3. Regulatory Update – LGPS Access and Fairness Reforms

The LGPS *Access and Fairness* reforms came into effect from **1 April 2026**, representing one of the most significant packages of benefit and regulatory changes introduced to the Scheme in recent years. The reforms are intended to improve equality, accessibility and fairness across the LGPS, with a number of measures aimed at addressing historic anomalies and ensuring more consistent treatment of members and beneficiaries.

The principal changes include:

- Equalisation of survivor pension benefits, ensuring benefits are calculated consistently regardless of the sex or sexual orientation of the member or their survivor. Some changes apply retrospectively.
- Removal of the age 75 restriction on death grants, extending eligibility and applying the change retrospectively to qualifying deaths from 1 April 2014.
- Changes to cohabiting partner survivor benefits, including the removal of certain nomination requirements that previously prevented benefits from being payable in some circumstances.
- Measures designed to address the Gender Pension Gap, including improved pension protections for periods of authorised unpaid absence and the introduction of mandatory gender pension gap reporting by LGPS funds.
- New reporting requirements relating to member opt-outs from the Scheme to improve understanding of participation levels and any barriers to membership.
- A number of technical amendments associated with the implementation of the McCloud remedy and other LGPS regulatory provisions.

Impact on Administration

Whilst the changes are expected to improve member outcomes and promote greater fairness across the Scheme, they also create additional administrative responsibilities for administering authorities. The Fund has been required to review procedures, assess historic cases where appropriate, update administration processes and member communications, and prepare for new reporting requirements.

Officers have been working to implement the regulatory changes since their introduction on 1 April 2026 and continue to monitor guidance issued by the Scheme Advisory Board, MHCLG and other stakeholders.

A significant area of work currently underway is the identification of historic cases that may be affected by the retrospective elements of the changes, particularly those relating to survivor benefits and death grants. This exercise is expected to be challenging, as some potential beneficiaries may themselves have subsequently died, changed address, or otherwise become difficult to trace since the original member's death. The Fund will therefore need to undertake a careful review of historic records and, where necessary, tracing exercises to identify and contact individuals who may be entitled to benefits under the revised regulations.

As the Access and Fairness changes were classified as a **material change** to the LGPS regulations, administering authorities were required to communicate the changes to active, deferred and pensioner members within three months of the regulations coming into force. To comply with this requirement, the Fund issued a communication to all members towards the end of June 2026. In support of the Fund's digital strategy and to reduce printing and postage costs where possible, the majority of these communications were issued through the **My Pension Online** portal, with paper correspondence being used where members were not registered for online access.

Whilst no significant implementation issues have been identified to date, some additional administrative workload is expected over the coming months as the retrospective cases are reviewed and the practical implications of the reforms continue to emerge. Further updates will be provided to the Board as this work progresses

4. Staffing Update

I am pleased to report that two new members of staff have recently been appointed through Cyngor Gwynedd's apprenticeship and trainee schemes.

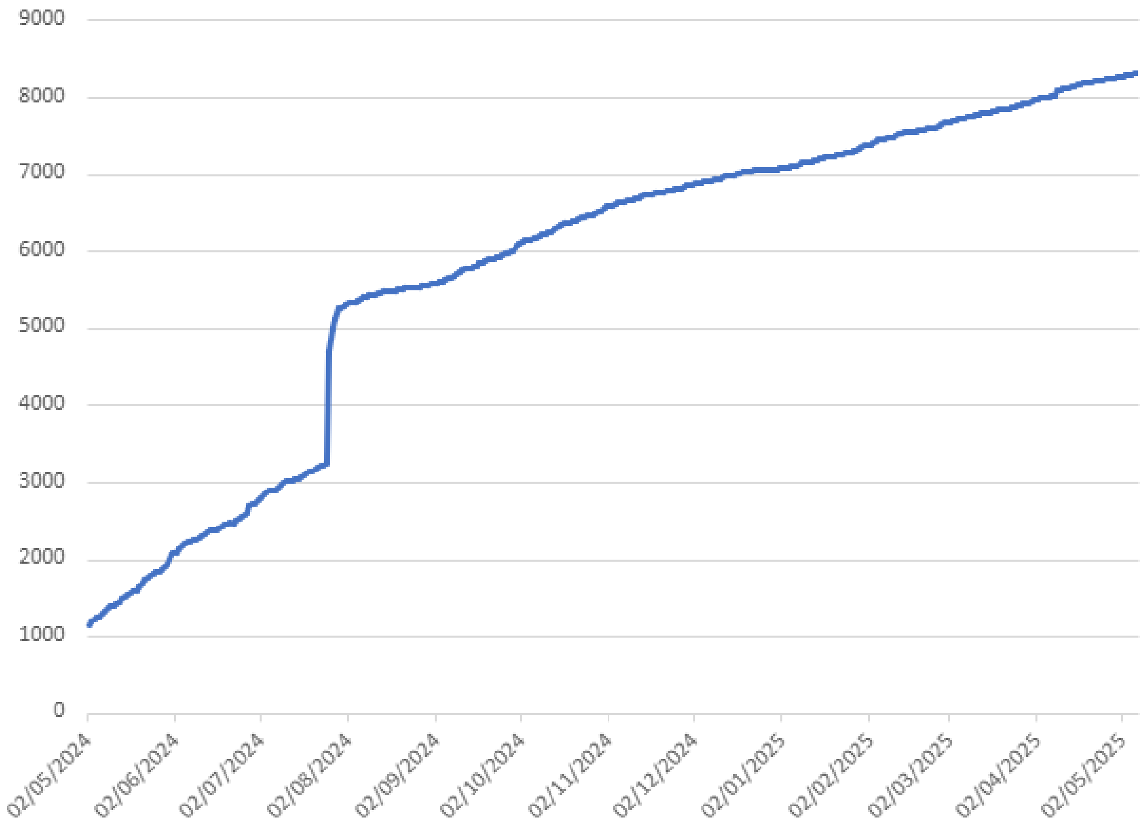
An Apprentice and a Trainee Pension Officer will join the Pension Administration Team on **20 July 2026**. These appointments demonstrate the Fund's ongoing commitment to developing local talent and investing in the future sustainability of the pensions service.

The additional resource will support succession planning, strengthen the resilience of the team and assist with maintaining high levels of service delivery as workloads continue to increase.

5. My Pension Online

Take-up of the Fund's **My Pension Online** portal continues to grow steadily, with an increasing number of members choosing to access their pension information online.

Currently approximately 8,200 members have signed up to the new portal:



The portal currently allows members to:

- View pension benefit information.
- Access annual benefit statements in paper and video format.
- Update personal details.
- Nominate beneficiaries.
- Submit retirement estimates and calculations.
- Access Fund documents and communications electronically.

The Fund is now exploring opportunities to further expand the portal's functionality. This includes the introduction of **digital forms**, reducing the need for members to complete and return paper documentation.

In addition, we are investigating the use of further **interactive AI-generated member videos**. These personalised videos could use an avatar to guide individual members through specific pension topics based on their circumstances, such as:

- Additional Voluntary Contributions (AVCs).
- Understanding retirement options.
- Retirement planning.

These developments have the potential to improve member engagement, provide information in a more accessible format and reduce administrative processing associated with paper-based communications.

6. Additional Voluntary Contributions (AVCs)

Following a comprehensive AVC review undertaken by **Hymans Robertson**, the Fund is currently in discussions with **Legal & General** regarding the provision of AVC arrangements for Fund members.

The review identified a number of challenges arising from the Fund's current arrangements with **Clerical Medical**, particularly in relation to administration and operational processes experienced over the last two years.

Subject to the successful conclusion of discussions, Legal & General would offer several enhancements for members, including:

- A wider range of investment choices.
- Lower member charges and fees.
- Improved online functionality through a dedicated member portal.

The proposed portal would allow members to:

- View their AVC fund value.
- Monitor investment performance.
- Change contribution levels.
- Switch investment funds online.

At present, many of these activities require intervention by Pension Fund staff, and members do not have direct online access to their AVC information.

The move to Legal & General is therefore expected to deliver both an improved member experience and greater administrative efficiency for the Fund.

7. New Payroll System

Work continues on the implementation of a new payroll system (iTrent) for Cyngor Gwynedd.

The project is being led by a dedicated Project Manager and representatives from the Pension Fund continue to participate in relevant design and development sessions.

Based on demonstrations and workshops completed to date, the new system is expected to deliver a number of significant improvements, including:

- Reduced manual data input.
- Automated processing of key payroll activities.
- Fewer manual checks and reconciliations.
- Improved accuracy and efficiency.
- Reduced operational risk.

However, some challenges have also been identified during the design phase. In particular, it may not be possible to replicate the current arrangement whereby paper payslips are only issued when there is a pension payment change of more than £10 compared to the previous month.

Given that pensioners are only legally required to receive an annual P60, this may result in the Fund moving away from routinely issuing paper payslips. Whilst this would require careful communication with pensioners, it could generate significant savings in printing and postage costs.

Current plans are for system testing to commence during Autumn 2026, with implementation anticipated in early 2027.

8. McCloud Remedy

Progress on the McCloud project continues to be positive.

The majority of the work required to implement the remedy has now been completed, with current efforts focused on resolving the remaining transfer cases affected by the regulations.

These cases represent the final significant element of the project. Once completed, any remaining McCloud-related activities will form part of the Fund's normal business-as-usual administration processes.

The team remains on track to complete the remaining project work in line with agreed timescales.

9. Member Satisfaction

To ensure that we offer the best possible service to our members, a Member Satisfaction Survey is sent at the end of each process, e.g. retirements and payment of refunds for the members to give their opinion on the quality of the service received and their opinion about the service provided by the staff.

89 Members took part in this survey.

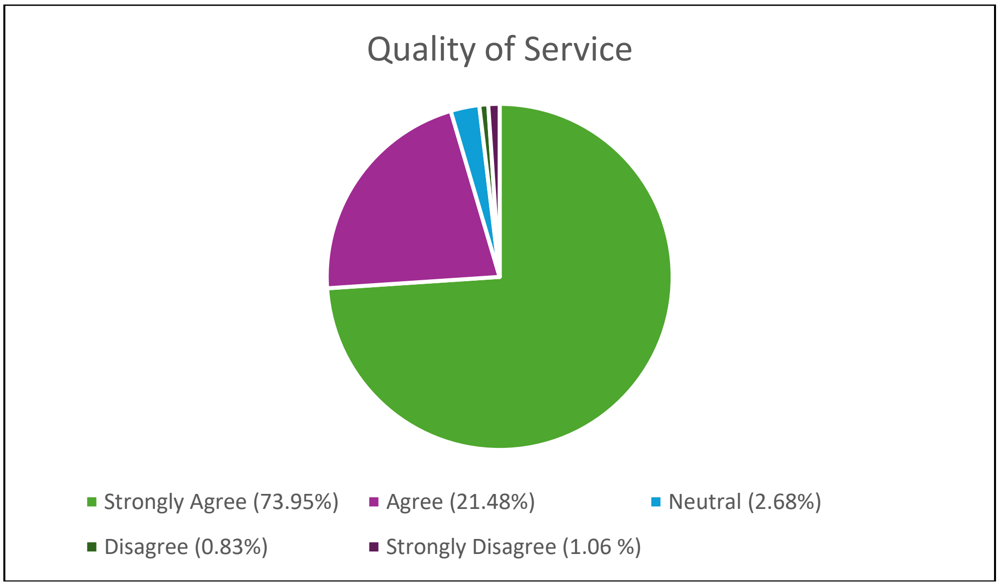
Comments received frequently highlight:

- The helpfulness and professionalism of staff.
- The quality of communications provided.
- Timely responses to enquiries.
- Support provided throughout retirement and benefit processes.

Here is a summary of the 2025/26 results:

Quality of Service

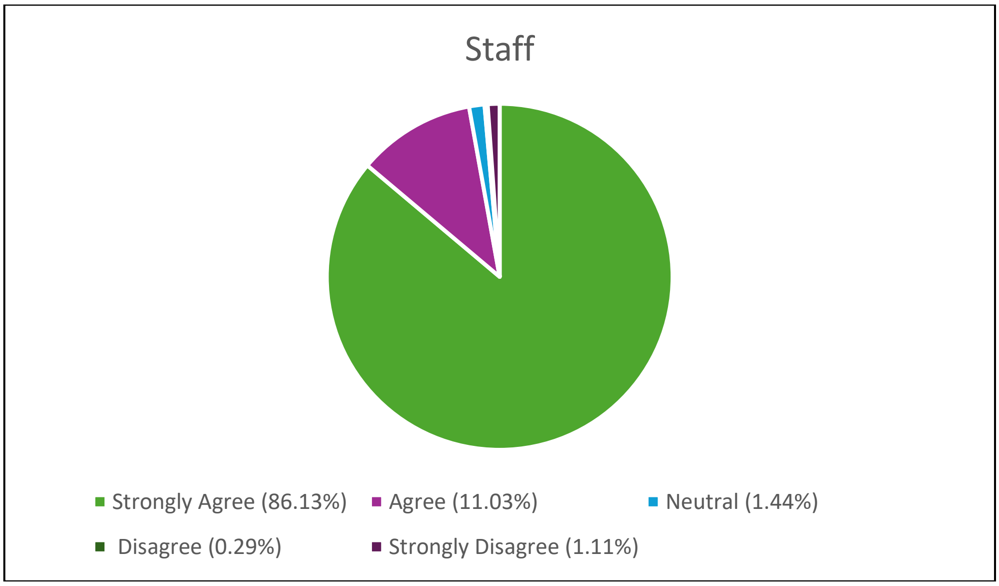
The chart below shows the percentage of users who are satisfied with four aspects of the service's performance based on: i) Service as a whole; ii) Clear information; iii) Quality of service; iv) Time to deal with the enquiry.



As can be seen, **95%** of the users strongly agree or agree that the quality of the service provided is of a high standard. The percentage for 2024/25 was **96%.**

Staff

The chart below shows the percentage of users who are satisfied with four aspects of staff performance based on: i) Courtesy; ii) Punctuality; iii) Assistance given; iv) Level of knowledge.



As can be seen, a high percentage once again **(97%)** of the users strongly agree or agree that the quality of the service provided is of a high standard in relation to the staff. The percentage for 2024/25 was **95%.**

The Fund will continue to monitor member feedback closely and use survey results to identify opportunities for further service improvements.

Meeting:	Pension Board
Date:	17/07/2026
Title:	PENSION FUND ADMINISTRATION POLICIES
Purpose:	To receive feedback on the new administration policy
Author:	Meirion Jones, Pensions Manager

1. Introduction

Over the years, the Pension Fund has operated with certain administrative policies that have guided our decisions and actions. However, these policies have not been formally documented. In alignment with The Pensions Regulator's General Code of Practice, we are now initiating the process of documenting these policies to ensure clarity, consistency, and compliance.

2. Purpose

The purpose of this report is to present an administration policy to the Pension Fund Board for scrutiny. The policy is important to the effective management and administration of the Fund and, subject to the Board's comments, will be presented to the Pensions Committee for approval at its next meeting.

3. Policy Presented

A. Provision of Retirement Estimates (Appendix A)

This policy sets out the Fund's approach to providing retirement estimates to scheme members.

The purpose of the policy is to establish a clear and consistent framework regarding the number of retirement estimates that the Fund is willing to provide to members within a tax year. Retirement estimates can be resource-intensive to produce and demand has increased significantly in recent years. The policy therefore seeks to balance the needs of members for retirement planning information with the efficient use of Fund resources.

Under the proposed policy, the Fund will provide up to **two retirement estimates per member per tax year**. Requests exceeding this limit will not normally be processed unless exceptional circumstances apply, as determined by the administering authority.

4. Benchmarking and Fairness

Having considered practices adopted by other Local Government Pension Scheme funds, I believe that the proposed policy is fair and proportionate.

A number of pension funds operate more restrictive arrangements. Some funds only provide retirement estimates to members who are within six months of their intended retirement date. Others limit members to a single estimate each year and may charge a fee for any additional estimates requested.

In comparison, the proposed policy allows members greater access to retirement planning information by providing up to two estimates each tax year without charge. This approach supports members in making informed decisions regarding their retirement while ensuring that Fund resources are managed efficiently and fairly across the membership.

5. Conclusion

The documentation of this policy marks a significant step towards enhancing the governance and administration of the Pension Fund. We seek the Board's thorough review and feedback on the policy to ensure it meets the highest standards of practice and provides a fair balance between member service and the effective use of Fund resources.

The Board's scrutiny and endorsement will assist in ensuring the successful implementation of the policy and its subsequent presentation to the Pensions Committee for approval.

Administrative Policy Statements

Title: Provision of Retirement Benefit Estimates

1. Purpose

This policy sets out Gwynedd Pension Fund's approach to providing retirement benefit estimates to members of the Local Government Pension Scheme (LGPS).

The policy is designed to ensure that members have access to sufficient information to support informed retirement planning while enabling the Fund to manage its resources efficiently, consistently and fairly. It also promotes the use of digital self-service tools, allowing members to access pension information quickly and conveniently.

2. Annual Benefit Statement (ABS)

All active members will receive an Annual Benefit Statement (ABS) each year in accordance with legislative requirements.

The ABS provides:

- The value of pension benefits accrued to date, payable unreduced from the member's Normal Pension Age (NPA); and
- An estimate of projected pension benefits at Normal Pension Age, based on the assumption that the member remains in employment on their current terms and pensionable pay.

The ABS is intended to provide members with a comprehensive overview of their pension benefits and should serve as the starting point for retirement planning.

3. Standard Provision of Retirement Benefit Estimates

In addition to the Annual Benefit Statement, the Fund will provide up to two (2) retirement benefit estimates per member in each financial year upon request.

This limit applies to estimates prepared manually by Fund officers following a request from a member, their employer, or an authorised representative.

Where a member requests estimates based on different retirement dates:

- The retirement dates requested must be a minimum of six (6) months apart; and

- The Fund reserves the right to decline requests for multiple estimates where the difference between the retirement dates is unlikely to have a material impact on the benefits payable.

This approach reflects the fact that retirement dates within a short period of each other often produce only marginal differences in pension benefits and do not justify the additional administrative resources required to produce multiple calculations.

Members should be aware that information provided are projections only and may differ from the actual benefits available at retirement. Outcomes will depend on a range of factors, including:

- Future pension benefits accrued within the LGPS;
- Changes in pensionable pay;
- Inflation and revaluation adjustments;
- The value of AVC funds at retirement (if applicable); and
- Relevant HMRC limits and pension taxation rules in force at the time benefits are taken.

4. Member Self Service and Additional Estimates

Members who require more than two retirement estimates in a financial year are encouraged to use the Fund’s online Member Self Service facility, **My Pension Online**.

My Pension Online enables members to:

- Generate their own retirement benefit estimates;
- Model different retirement ages and retirement scenarios;
- Access pension information at any time; and
- Produce estimates as frequently as required without the need to contact the Fund.

The Fund may decline additional manual estimate requests where suitable information can reasonably be obtained through Member Self Service.

Promoting the use of My Pension Online allows members to access real-time pension information while ensuring Fund resources remain focused on statutory and time-sensitive work.

5. Additional Voluntary Contributions (AVCs)

Members who hold Additional Voluntary Contributions (AVCs) can use the **Maximum AVC Lump Sum Calculator** available through the LGPS member website to explore the potential tax-free lump sum that may be available at retirement.

6. Exceptions

The Fund recognises that there may be circumstances where additional estimates are necessary and appropriate.

Requests exceeding the standard annual limit may be approved where there is a clear business, legal or member need. Examples include, but are not limited to:

- Ill-health retirement applications;
- Divorce, pension sharing or other court-related proceedings;
- Redundancy or business efficiency retirement exercises initiated by an employer;
- Regulatory, legislative or legal requirements;
- Cases involving pension remedy calculations or other complex benefit issues; and
- Exceptional personal circumstances where additional information is reasonably required to support decision-making.

All requests outside the standard policy will be considered on a case-by-case basis, having regard to the circumstances of the member and the resources of the Fund.

7. Rationale for the Policy

This policy has been introduced to:

- Ensure a fair, transparent and consistent approach to all members;
- Maintain service standards and support the efficient use of Fund resources;
- Prioritise administrative capacity for statutory, regulatory, complex and time-critical work;
- Reduce duplication of effort where estimates would result in little or no material variation in benefit outcomes;
- Encourage greater use of digital self-service tools that provide instant access to pension information; and
- Support the Fund's wider digital engagement strategy and service improvement objectives.

8. Review and Governance

This policy will be reviewed periodically, and at least every three years, to ensure that it remains:

- Consistent with LGPS regulations and relevant legislation;
- Aligned with Fund administration practices and service standards;
- Appropriate to member needs and expectations; and
- Supportive of the Fund’s strategic objectives and available resources.

Any material changes to this policy will be approved through the Fund’s established governance arrangements.

9. Contact Details:

Members may contact the Fund at any time for assistance with this policy.

- **Phone:** 01286 679982
- **E-bost:** pens@gwynedd.llyw.cymru
- **Website:** www.gwyneddpensionfund.wales

Approved by: [Name] Gwynedd Pension Fund

Date:

Meeting:	Pension Board
Date:	17/07/2026
Title:	ADMINISTRATION DISCRETIONS POLICY
Author:	Meirion Jones, Pensions Manager
Purpose:	Review the Administration Discretions Policy

1. Purpose of the Report

To present the revised **Administration Discretions Policy** for the Gwynedd Pension Fund to the Pension Board for review and scrutiny.

The Pension Board is asked to consider whether the proposed policy demonstrates compliance with the requirements of the Local Government Pension Scheme (LGPS) Regulations and whether the arrangements described support effective, consistent and transparent administration of the Fund.

2. Background

Administering authorities are required under the Local Government Pension Scheme Regulations to formulate, publish and maintain policies setting out how they will exercise specified discretions relating to scheme administration.

The purpose of maintaining a formal Administration Discretions Policy is to:

- ensure decisions are taken consistently and transparently;
- provide clarity to scheme members, employers and officers regarding administrative practices;
- support compliance with legislative and regulatory requirements;
- reduce operational and legal risk arising from inconsistent application of discretions; and
- support good governance and effective decision-making.

The policy does not alter members' statutory benefits but establishes the framework through which the Fund exercises those administrative discretions available under the Regulations.

3. Review of the Policy

The Fund's Administration Discretions Policies have not been comprehensively reviewed or updated for a number of years, with the previous policy having been approved in 2009.

During that period, changes to LGPS regulations and guidance have introduced additional discretions that administering authorities are required to consider and document. As part of this review, the policy has been fully refreshed to ensure that all relevant discretions that the Fund is required to maintain are included within a single, up-to-date document.

The revised policy therefore seeks to:

- consolidate all current administration discretions into one document;
- ensure compliance with current LGPS requirements;
- reflect current administrative practice and governance arrangements;
- clarify responsibilities and delegated authority; and
- improve transparency and consistency in decision-making.

It is proposed that the document will be reviewed annually going forward to ensure that the Fund's Administration Discretions Policy remains current, reflects any legislative or operational changes, and continues to meet regulatory requirements.

4. Main Proposed Change

The main proposed changes to the discretions are:

4.1 Abatement Policy

The revised policy changes the Fund's approach to **abatement**, which is the reduction of pension payments where an LGPS pensioner returns to employment in circumstances permitted under the Regulations.

Under the previous policy (adopted in 2015), abatement could only apply where a member was receiving a **Tier 1 or Tier 2 ill-health pension** or had been awarded **additional years** by their employer. In practice, no cases have been identified where abatement has been applied since the policy was introduced. Additional years have not been awarded for a number of years and Tier 1 and Tier 2 ill-health retirements are exceptional cases.

The revised policy therefore proposes removing abatement entirely and confirms that the Fund will
not apply abatement in future cases. This reflects the Fund's operational experience, actuarial advice and alignment with approaches adopted by other LGPS administering authorities.

4.2 Medical Requirements for Contributions

The revised policy updates the Fund's approach to medical requirements for members purchasing additional pension.

Under the previous policy, members applying for **Additional Regular Contributions (ARC)** were required to submit a satisfactory medical report before their election could be accepted. Under the revised policy, reflecting current arrangements for **Additional Pension Contributions (APC)** and **Shared Cost**

Additional Pension Contributions (SCAPC), members will instead complete a health declaration form.

The Fund retains discretion to refuse an application where health concerns are identified. This approach reduces administration while continuing to protect the Fund where appropriate.

4.3 Pension Strain Costs

The revised policy updates the Fund's approach to recovering pension strain costs from employers.

Previously, employers could pay strain costs either as a lump sum or in instalments over a period of up to five years. Under the revised policy, strain costs will normally be payable as a **single lump-sum payment**, with repayment arrangements only considered in cases of financial hardship and subject to interest on any outstanding balance.

The policy also clarifies that system-generated strain costs arising from flexible retirement from age 60 onwards will be disregarded where they do not represent a genuine actuarial cost.

4.4 Admission Agreements and Criteria

The revised policy simplifies the discretions relating to admission bodies.

Detailed requirements previously included within the policy, such as audited accounts, business plans, guarantor arrangements and administration charges, are now managed through the **Funding Strategy Statement** and associated governance documents.

4.5 Death Grant Payments

The revised policy retains **Expression of Wish** forms as the primary guide when determining payment of death grants but introduces greater flexibility where no valid nomination exists.

Rather than following a fixed order of payment, the Fund will consider all relevant circumstances and may pay the death grant to the member's estate or another appropriate beneficiary where appropriate.

4.6 Education Breaks for Eligible Children

The policy continues to treat education or training as continuous where a break does not exceed one academic year.

The revised policy adds clarification that payments will be reinstated and backdated, where appropriate, once evidence is received confirming that full-time education has resumed.

4.7 Medical Advisors

The revised policy strengthens governance arrangements relating to medical advisors.

It confirms that the approved list of independent registered medical practitioners is maintained jointly with Clwyd Pension Fund to improve resilience and continuity. It also formalises the requirement to verify practitioners against the General Medical Council register before approval.

5. Governance and Risk Considerations

Maintaining and periodically reviewing the Administration Discretions Policy supports the Fund’s governance framework by:

- promoting consistent decision-making;
- improving transparency for employers and members;
- supporting regulatory compliance;
- reducing operational and reputational risk; and
- providing a clear audit trail for administrative decisions.

Failure to maintain an up-to-date policy could increase the risk of inconsistency and challenge in the application of administrative decisions.

6. Financial Implications

There are no direct financial implications arising from adoption of the policy.

The proposed removal of pension abatement is not expected to create a material financial impact based on historic experience and the absence of identified cases under the existing policy.

7. Legal Implications

The Fund is required under the LGPS Regulations to maintain and publish policies relating to specified discretionary functions.

The revised policy supports compliance with those obligations and ensures that all relevant discretions are documented and regularly reviewed.

8. Recommendation

The Pension Board is asked to:

1. Review and scrutinise the Administration Discretions Policy attached at Appendix 1.
2. Consider whether the policy provides sufficient clarity, consistency and governance controls in relation to the exercise of discretionary powers under the LGPS Regulations.
3. Note the proposed changes to the Fund's approach to pension abatement.
4. Provide observations and recommendations to the Pensions Committee for consideration prior to adoption of the policy.

Gwynedd Pension Fund - Administering Authority Discretions

Introduction

As an administering authority within the Local Government Pension Scheme (LGPS), Gwynedd Pension Fund is required to prepare, publish, and keep under regular review a written policy statement on how it will exercise a number of statutory discretions. These discretions arise from various LGPS regulations and guidance, and the policy must set out the principles the administering authority will apply when making decisions in each area.

The Pensions Ombudsman has made clear that, when exercising a discretionary power, an employer or administering authority owes an implied duty of good faith to its members. This includes acting reasonably, taking relevant factors into account, and disregarding irrelevant ones. The Ombudsman has also recognised that employers and administering authorities are entitled to consider their own interests—including financial implications—when reaching a decision. Some discretionary decisions may result in additional costs to the employer or the pension fund, and it is legitimate for these costs to form part of the decision-making process. However, cost alone cannot be the sole determining factor; it must be balanced against all other relevant considerations. A blanket refusal to approve any action that generates a cost would again be considered fettering discretion.

There are certain discretions for which the LGPS Regulations require a published policy, and others where a published policy is not mandatory. The Fund has chosen to include both mandatory and non-mandatory areas within this document to ensure a comprehensive and transparent approach.

General Considerations

In exercising any discretion, the administering authority must comply with the requirements of the Equality Act 2010 and the Equality Act (Age Exceptions for Pension Schemes) Order 2010. All members must be treated fairly and consistently, and any differences in treatment must be capable of objective justification.

The tables that follow summarise the relevant LGPS regulations and outline the Fund's policy position for each discretionary area. These summaries are provided for ease of reference and should not be regarded as a substitute for the statutory regulations themselves, which remain the definitive legal source.

Statement of Policy

This section states the mandatory policies that an Administering Authority should have:

Regulation	Description	Policy
55 of the LGPS Regulations 2013	The matters within the Governance Compliance Statement which must be published in accordance with Regulation 55.	The Fund has a Governance Compliance Statement, which sets out how it complies with the governance requirements of the Local Government Pension Scheme and the extent to which it meets the best-practice principles issued by the Secretary of State. A copy can be viewed by clicking the following link: **Governance Compliance Statement**
58 of the LGPS Regulations 2013	Decide on funding strategy for inclusion in funding strategy statement	The Fund has a Funding Strategy Statement, which sets out the principles governing how employer contributions are determined and how funding risks are managed. A copy can be viewed by clicking the following link: **Funding Strategy Statement**
59 (1) & (2) of the LGPS Regulations 2013	Whether to have a written pensions administration strategy and, if so, the matters it should include.	Gwynedd Pension Fund has adopted a written Pensions Administration Strategy in accordance with Regulation 59(1) of the Local Government Pension Scheme Regulations 2013. The Strategy sets out the performance standards, responsibilities, communication arrangements and compliance framework required under Regulation 59(2). A copy can be viewed by clicking the following link: **Administration Strategy**
61 of the LGPS Regulations 2013	The administering authority's Communication Policy which must be published in accordance with this regulation	The Fund has a Communication Policy Statement, which sets out how it engages with members, employers and stakeholders. A copy can be viewed by clicking the following link:

Regulation	Description	Policy
		Communication Policy Statement

For active members or members who left on or after 1 April 2014 or in respect of current policies.

Relevant Legislation

- The Local Government Pension Scheme Regulations 2013
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
- The Local Government Pension Scheme (Administration) Regulations 2008
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
- The Local Government Pension Scheme Regulations 1997 (as amended)
- The Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011

Administering Authority Discretions – Mandatory

Regulation	Description	Policy
30(8) of the LGPS Regulations 2013	Whether to waive, in whole or in part, actuarial reduction on benefits accrued from 1 April 2014 only when a member voluntarily draws them before normal pension age **in the event that the member's former employer is no longer a scheme employer.** Whether to waive, in whole or in part, actuarial reduction on benefits which a member draws on flexible retirement grounds **in the event that the member's former employer is no longer a scheme employer.**	Waiving actuarial reductions will normally result in a pension strain cost. Where the member's former employer is no longer an active scheme employer within the Fund, this cost is effectively absorbed by all remaining employers participating in the Gwynedd Pension Fund. It should also be noted that a flexible retirement scenario is highly unlikely to arise in such circumstances. Flexible retirement can only take place where the member continues in employment with an organisation that remains a scheme employer. If the former employer has exited the scheme, flexible retirement is not a viable option. Given these considerations, Gwynedd Pension Fund will generally not agree to waive actuarial reductions where the member's former employer is no longer a scheme employer. However, the Fund retains discretion to consider **exceptional circumstances**, and may approve a waiver where it is satisfied that the justification clearly outweighs the additional cost and is in the overall interests of the Fund and its employers.
Schedule 2 para 1(2) and 1(1)(c) of the LGPS (Transitional Provisions and Savings) Regulations 2014	Where a member is voluntarily retiring between the ages of 55 and 60 and has a period of service which is covered by the rule of 85, the rule does not automatically apply. **Where the employer no longer exists,** the administering authority has the discretion to allow for the rule of 85 to be "switched on".	Waiving actuarial reductions will normally result in a pension strain cost. Where the member's former employer is no longer an active scheme employer within the Fund, this cost is effectively absorbed by all remaining employers participating in the Gwynedd Pension Fund. Given these considerations, Gwynedd Pension Fund will generally not agree to waive actuarial reductions where the member's former employer is no longer a scheme employer. However, the Fund retains discretion to consider **exceptional circumstances**, and may approve a waiver where it is satisfied that the justification clearly outweighs the additional cost and is in the overall interests of the Fund and its employers.
	Where the employer no longer exists, whether to waive upon the voluntary early payment of	No definition of compassionate grounds is given in the LGPS regulations. The term is sometimes interpreted as referring to a situation when a scheme member is required

Regulation	Description	Policy
3(1), Schedule 2, para 2(1) of the LGPS (Transitional Provisions and Savings) Regulations 2014 Regulation 30(5) and 30A(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 Regulation	benefits, any actuarial reduction on compassionate grounds or, for periods of service to which the compassionate service discretion does not apply, to waive any actuarial reduction on any grounds.	to give up work in order to be a full time, long term carer for a member of their family. Waiving actuarial reductions will normally result in a pension strain cost. Where the member's former employer is no longer an active scheme employer within the Fund, this cost is effectively absorbed by all remaining employers participating in the Gwynedd Pension Fund. Given these considerations, Gwynedd Pension Fund will generally not agree to waive actuarial reductions where the member's former employer is no longer a scheme employer. However, the Fund retains discretion to consider exceptional circumstances, and may approve a waiver where it is satisfied that the justification clearly outweighs the additional cost and is in the overall interests of the Fund and its employers.
3(13) of the LGPS (Transitional Provisions and Savings) Regulations 2014 And 70(1) and 71(4)(c) of the LGPS (Administration) Regulations 2008	Decide policy on abatement of pre 1 April 2014 element of pensions in payment following re-employment	Gwynedd Pension Fund will not apply abatement to pensions. The Fund has determined that pensions in payment will not be reduced or suspended on account of a member returning to local government employment or employment with another scheme employer.

Administering Authority Discretions – Non Mandatory

Regulation	Description	Policy
4(2)(b) of the LGPS Regulations 2013	Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority or care Quality Commission	The Fund's policy on the application of this regulation is set out in full within the Fund's Funding Strategy Statement.
3(5) and Schedule 2, Part 3 para 1 of the LGPS Regulations 2013	Whether to agree to an admission agreement with a body applying to be an admission body	The Fund's policy on the application of this regulation is set out in full within the Fund's Funding Strategy Statement.
Sch2, Part 3, para 14 of the LGPS Regulations 2013	Whether to agree that an admission agreement may take effect on a date before the date on which it is executed.	Under Schedule 2, Part 3, paragraph 14 of the Local Government Pension Scheme Regulations 2013, Gwynedd Pension Fund may agree for an admission agreement to take effect from a date earlier than its execution. Such approval is considered on a case-by-case basis, subject to confirmation of employer responsibilities and assurance that no additional risk is placed on the Fund.
Schedule 2 Part 3 para 9(d) of the LGPS Regulations 2013	Whether to terminate a transferee admission agreement in the event of - insolvency, winding up or liquidation of the body - breach by that body of its obligations under the admission agreement - failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so	The Fund's policy on the application of this regulation is set out in full within the Fund's Funding Strategy Statement.
Schedule 2, part 3, para 12(a)	Define what is meant by employed in connection with	Under Schedule 2, Part 3, paragraph 12(a) of the Local Government Pension Scheme Regulations 2013, the administering authority is required to determine which employees of an admission body are considered to be "employed in connection with" the provision of the service to

		which the admission agreement relates. For the purposes of Gwynedd Pension Fund, this term refers to employees who are wholly or mainly engaged in delivering the specific service or function covered by the admission agreement, including those who transfer under TUPE or whose duties are primarily assigned to that service. Employees whose work is only indirectly related, or who are engaged across multiple functions with limited involvement in the contracted service, are not regarded as being employed in connection with it. This definition ensures clarity, consistency, and appropriate eligibility for LGPS membership.
16(1) of the LGPS Regulations 2013	Whether to turn down a request by a member to pay an Additional Pension Contribution or Shared Cost Additional Pension Contribution over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment)	Gwynedd Pension Fund has not set a minimum payment threshold.
16(10) of the LGPS Regulations 2013	Whether to require a satisfactory medical before agreeing to an application to pay an Additional Pension Contribution (APC) or Shared Cost Additional Pension Contribution (SCAPC). If, where a medical is required to turn down an APC or SCAPC application if the member is in poor health.	Gwynedd Pension Fund does not require members to undergo a formal medical assessment before entering into an Additional Pension Contribution (APC) or Shared Cost APC (SCAPC) contract. However, where a member chooses to pay for the APC or SCAPC over a set period rather than as a lump sum, the Fund requires the member to complete a health declaration form at the start of the contract. This declaration confirms that the member is fit for work at the point the APC contract begins. It also provides the Fund with the right to access relevant historic medical records should the member subsequently retire on ill health grounds. This enables the Fund to verify that no medical condition leading to the ill health retirement existed prior to the commencement of the APC contract. The purpose of this process is to protect the Fund from meeting the cost of additional pension where the member

		may already have had an underlying medical condition that could reasonably have been expected to result in ill health retirement. The Fund reserves the right to decline an APC or SCAPC application where the information provided indicates that the member is in poor health and the contract would present an undue risk to the Fund.
17(12) of the LGPS Regulations 2013	Decide to whom any AVC/Shared Cost AVC monies (including life assurance monies) are to be paid on death of the member	In the event of a member's death, Gwynedd Pension Fund will normally pay any AVC or Shared Cost AVC (including life assurance) benefits in accordance with the member's most recent Expression of Wish form. This form provides important guidance to the administering authority when exercising its discretion over the distribution of death benefits. If the Expression of Wish form is not up to date, is incomplete, or has not been provided, the Fund will use its discretion to determine the most appropriate recipient. In such cases, where no clear beneficiary can be identified, the Fund may decide to pay the benefits to the member's estate. The administering authority will consider all relevant information available at the time of the member's death to ensure that benefits are paid promptly, fairly, and in accordance with the LGPS Regulations.
22(3)(c) of the LGPS Regulations 2013	Pension account may be kept in such form as is considered appropriate	Gwynedd Pension Fund currently uses Altair, the industry's leading pension administration platform, to store pension account details. The arrangement is kept under regular review and is monitored particularly as the contract approaches its end, to ensure continued suitability, performance, and value.

10(9) of the LGPS (Transitional Provisions and Savings) Regulations 2014	Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment)	The administering authority might choose to combine the deferred concurrent record with the ongoing record which based on evidence available at the time appears to be most beneficial to the member.
68(2) of the LGPS Regulations 2013	Whether to require employers to pay for pension strain when benefits are drawn early or with a reduced reduction.	Under Regulation 68(2) of the Local Government Pension Scheme Regulations 2013, the administering authority has discretion to require employers to meet the cost of pension strain arising when a member draws benefits early or with a reduced actuarial reduction. The Fund applies this discretion by requiring employers to pay genuine strain costs, normally through a single lump-sum payment. In cases of financial hardship, the Fund may consider allowing payment to be spread over an agreed period, with interest applied to any outstanding balance, in line with the principles set out in the Funding Strategy Statement. In some cases, the administration system may generate a strain cost for members taking flexible retirement at age 60 or above. These amounts arise due to limitations in the system's calculation methodology rather than representing a genuine actuarial cost. In such cases, the Fund disregards the system-generated strain cost. Invoices for genuine strain costs are issued to employers on a quarterly basis once the member's benefits have been processed, ensuring transparency and timely recovery of costs.
Schedule 2, para 2(3) of the LGPS (Transitional	Whether to require any strain on Fund costs to be paid "up front" by employing authority if the employing authority "switches on" the	Employers typically meet pension strain costs through a single lump-sum payment. However, in cases of financial hardship, the Fund may consider allowing the employer to

Provisions and Savings) Regulations 2014	85 year rule for a member voluntarily retiring (other than flexible retirement) prior to age 60, or waives actuarial reductions.	spread the payment over an agreed period. Where this is permitted, interest will be applied to the outstanding balance. Invoices for strain costs are issued to employers on a quarterly basis once the member's benefits have been processed, ensuring transparency and timely recovery of costs.
32(7) of the LGPS Regulations 2013	Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement	Gwynedd Pension Fund will not normally require members to give three months' notice of early retirement, nor will it require an election to be made within one month in cases of flexible retirement. In most cases, once a valid request has been submitted and all necessary information has been received, the administering authority will aim to bring the pension into payment at the next available payroll run.
34(1)(a) of the LGPS Regulations 2013	Decide whether to commute small pensions under section 166 of the Finance Act 2004	Where the member satisfies the criteria set out by HMRC, the Fund may choose to pay a lump sum if requested by the member.
34(1)(b) of the LGPS Regulations 2013	Decide whether to commute small dependants' pensions under section 168 of the Finance Act 2004	Where a dependent of a deceased member satisfies the criteria set out by HMRC, the Fund may choose to pay a lump sum if requested by the member.
34(1)(c) of the LGPS Regulations 2013	Decide whether to commute small pensions under section regulations 6 (payment after relevant accretion), 11 (de minimis rule for pension schemes) or 12 (payments by larger pension schemes) of the Registered Pension Schemes (Authorised Payments) Regulations 2009	Where a member meets the criteria set by HMRC, the Fund may, at the member's request, commute their benefits to a lump sum. If no request is made, the Fund may still exercise its discretion to pay a trivial commutation lump sum instead of putting an ongoing pension into payment.
36(3) of the LGPS Regulations 2013	Approve medical advisors used by employers (for ill health benefits)	Gwynedd Pension Fund maintains a list of approved independent registered medical practitioners who are authorised to provide medical opinions for ill-health retirement assessments. This list is jointly shared with the Clwyd Pension Fund to ensure consistency, quality, and resilience across both administering authorities.

		The list is reviewed and updated on a regular basis. As part of this process, all doctors are checked against the General Medical Council (GMC) register to confirm that they hold the appropriate qualifications, are in good standing, and meet the regulatory requirements to provide medical advice for LGPS ill-health determinations. Only practitioners who satisfy these criteria are permitted to appear on the approved list. Employers must use a doctor from this approved list when obtaining the medical certification required under Regulation 36.
12(6) of the LGPS Transitional Provisions and Savings Regulations) 2014	Whether to use a certificate produced by an IRMP under the 2008 scheme for the purpose of making an ill health determination under the 2014 Scheme in cases where the member's former employer is no longer a scheme employer.	Gwynedd Pension Fund will accept and use an IRMP certificate issued under the LGPS 2008 Scheme to determine entitlement to ill health benefits under the LGPS 2014 Scheme where the member's former employer is no longer a Scheme employer, provided sufficient evidence exists to support the determination. The Fund reserves the right to obtain further medical advice where necessary.
38(3) of the LGPS Regulations 2013	Decide whether a deferred beneficiary meets the criteria required to qualify for ill-health retirement in cases where the member's former employer is no longer a scheme employer.	Gwynedd Pension Fund will apply the standard LGPS ill-health retirement processes when determining whether a deferred member meets the regulatory criteria. For cases where the former employer is no longer a scheme employer, Gwynedd Pension Fund will use Cyngor Gwynedd's Occupational Health team to undertake the required medical assessment. This ensures that all decisions are supported by an independent registered medical practitioner and are consistent, robust, and compliant with the LGPS Regulations.
38(5) of the LGPS Regulations 2013	Decide whether a suspended ill health tier 3 member meets the criteria for ill health retirement in cases where the member's former employer is no longer a scheme employer	Gwynedd Pension Fund will apply the standard LGPS ill-health retirement processes when determining whether a suspended ill health tier 3 member meets the regulatory criteria. For cases where the former employer is no longer a scheme employer, Gwynedd Pension Fund will use Cyngor Gwynedd's Occupational Health team to undertake the

		required medical assessment. This ensures that all decisions are supported by an independent registered medical practitioner and are consistent, robust, and compliant with the LGPS Regulations.
38(6) of the LGPS Regulations 2013	Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before NPA because of ill health (where Employer has become defunct)	Gwynedd Pension Fund will apply the standard LGPS ill-health retirement processes when determining whether a suspended ill health tier 3 member meets the regulatory criteria. For cases where the former employer is no longer a scheme employer, Gwynedd Pension Fund will use Cyngor Gwynedd's Occupational Health team to undertake the required medical assessment. This ensures that all decisions are supported by an independent registered medical practitioner and are consistent, robust, and compliant with the LGPS Regulations.
40(2), 43(2) and 46(2) of the LGPS Regulations 2013 17(5) to (8) of the LGPS Transitional Provisions and Savings Regulations) 2014	Decide to whom a death grant should be paid	Gwynedd Pension Fund exercises its discretion when determining the payment of death grants, using the member's most recent Expression of Wish form as the primary guide to their intentions. Where the nomination is clear and up to date, the Fund will normally follow it. If no valid or current nomination exists, the Fund will consider all relevant circumstances and may decide to pay the death grant to the member's estate or another appropriate beneficiary. A separate policy document sets out the Fund's full approach and guiding principles in detail.
49(1)(c) of the LGPS Regulations 2013	Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership	Gwynedd Pension Fund will choose to award the benefit which, based on evidence available at the time, appears to be most beneficial to the member.

54(1) of the LGPS Regulations 2013	Whether to set up a separate admission agreement fund	Gwynedd Pension Fund has not established a separate admission agreement fund under Regulation 54(1)(b) of the Local Government Pension Scheme Regulations 2013. All admission bodies participate within the main Fund, and no separate admission agreement fund is offered.
64(2ZA) of the LGPS Regulations 2013	Whether to extend the period beyond 3 months from the date an Employer ceases to be a Scheme Employer, by which to pay an exit credit.	The Fund's policy on the application of this regulation is set out in full within the Fund's Cessation Policy.
64(2A) of the LGPS Regulations 2013	Whether to suspend, for up to 3 years, an employer's obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension.	The Fund's policy on the application of this regulation is set out in full within the Fund's Cessation Policy.
64(4) of the LGPS Regulations 2013	Whether to obtain revision of employer's contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer	The Fund's policy on the application of this regulation is set out in full within the Fund's Funding Strategy Statement.
64B of the LGPS Regulations 2013	Where the funding strategy statement mentioned in regulation 58 (funding strategy statements) sets out the administering authority's policy on spreading exit payments, that administering authority may obtain a revision of the rates and adjustments certificate under regulation 62 (actuarial valuations of pension funds) to show the proportion of the exit payment to be paid by the exiting Scheme employer in each year after the exit date over such period as the administering authority considers reasonable. (2) In revising the certificate, an administering authority must- (a) consult the exiting Scheme employer; and (b) have regard to the views of an actuary appointed by the administering authority	The Fund's policy on the application of this regulation is set out in full within the Fund's Funding Strategy Statement.

69(1) of the LGPS Regulations 2013	Decide frequency of payments to be made over to Fund by employers and whether to make a charge for the administration of the fund.	The Fund's policy on the application of this regulation is set out in full within the Fund's Administration Strategy Statement.
69(4) of the LGPS Regulations 2013	Decide form and frequency of information to accompany payments to the Fund	The Fund's policy on the application of this regulation is set out in full within the Fund's Administration Strategy Statement.
70 of the LGPS Regulations 2013 And regulation 22(2) of the Transitional Provisions and Savings Regulations 2014	Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance	The Fund's policy on the application of this regulation is set out in full within the Fund's Administration Strategy Statement.
71(1) of the LGPS Regulations 2013	Whether to charge interest on payments by employers which are overdue	The Fund's policy on the application of interest is set out in full within the Fund's Administration Strategy Statement.
76(4) of the LGPS Regulations 2013	Decide procedure to be followed by admin authority when exercising its stage two IDRP functions and decide the manner in which those functions are to be exercised	The Internal Dispute Resolution Procedure (IDRP) provides a two-stage process for members who disagree with a decision made by their employer or the Gwynedd Pension Fund. At Stage 1, the member must submit a written complaint within six months of the issue to the party they believe is at fault, either their employer or the Pension Fund. The complaint is then reviewed and a decision is made by the employer or by the Pensions Manager on behalf of the Pension Fund, with a response issued within two months or an explanation provided for any delay. If the member remains dissatisfied, they may appeal to Stage 2 within six months of the Stage 1 decision, or sooner in certain cases where no response has been received. At this stage, the appeal is reviewed by the appointed adjudicator, Gwynedd Council's Head of Legal Services, who considers

		the case independently and issues a decision within two months of receiving the complaint.
79(2) of the LGPS Regulations 2013	Whether admin. authority should appeal against employer decision (or lack of a decision)	Gwynedd Pension Fund will consider this on a case by case basis.
80(1)(b) of the LGPS Regulations 2013 And regulation 22(1) of the Transitional Provisions and Savings Regulations 2014	Specify information to be supplied by employers to enable admin. authority to discharge its functions	Under Regulation 80(1)(b) of the Local Government Pension Scheme Regulations 2013, and Regulation 22(1) of the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014, Gwynedd Pension Fund specifies the information that scheme employers must supply to enable the administering authority to discharge its statutory functions. This includes all data required for the administration of both post-2014 CARE benefits and pre-2014 final-salary benefits. Employers are required to provide accurate, complete and timely information in the format and timescales set out by the Fund. This requirement is formally recorded within the Fund's Administration Strategy Statement.
82(2) of the LGPS Regulations 2013	Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in s6 of the Administration of Estates (Small Payments) Act 1965	Gwynedd Pension Fund will make the payment on the basis of an indemnity form in situations where a death grant is payable to the personal representatives, or to an individual who appears to be beneficially entitled to the estate, without requiring a grant of probate or letters of administration. This applies only where the payment falls below the threshold specified in section 6 of the Administration of Estates (Small Payments) Act 1965.
83 of the LGPS Regulations 2013 52A of the LGPS (Administration) Regulations 2008	Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.	The Gwynedd Pension Fund ensures that all pension benefits and lump sum payments are made securely and accurately by requiring members to provide verified bank account details at retirement. Payments are only made to accounts held in the member's

		name, or to an account held by an individual with valid Power of Attorney. A separate policy document sets out the Fund's full approach and guiding principles in detail.
98(1)(b) of the LGPS Regulations 2013	Agree to bulk transfer payment	Gwynedd Pension Fund will consider requests for a bulk transfer payment on a case by case basis. A bulk transfer will only be agreed where the Fund Actuary has certified that the proposed transfer terms are no less favourable than the value of the liabilities being transferred, and where the participating employer has confirmed in writing that they understand and accept any funding implications arising from the transfer. In determining whether to agree to a bulk transfer, the Fund will have regard to its Funding Strategy Statement, the interests of all employers within the Fund, and the need to ensure that the transfer does not adversely affect the Fund's overall solvency or risk profile.
100(6) of the LGPS Regulations 2013	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS (in agreement with the employer)	Gwynedd Pension Fund will only agree to extend the 12-month deadline for transferring previous pension rights in exceptional circumstances. An extension will be granted solely where the Fund is at fault for not providing the member with the necessary information to begin the transfer process within the statutory 12-month period.
100(7) of the LGPS Regulations 2013	Allow transfer of non-club pension rights into the Fund	Gwynedd Pension Fund will accept the transfer of non-Club pension rights into the Fund, subject to the usual regulatory requirements and completion of the standard transfer-in process.
3(6), 4(6)(c), 8(4), 10(2)(a),17(2)(b) of the LGPS (Transitional Provisions	Where a member to whom regulation 10 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 applies (use of average of 3 years pay for final	Where regulation 10 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 applies, and a member dies before making an election to use the best of the last three years' pay for final

and Savings) Regulations 2014 10 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007	pay purposes) dies before making an election, whether to make that election on behalf of the deceased member.	pay purposes, Gwynedd Pension Fund will determine whether to make that election on the member's behalf. The Fund will make this decision solely on the basis of the member's best interests, taking into account the information available and the impact on the benefits payable to their beneficiaries.
Schedule 1 of the LGPS Regulations 2013 17(9)(a) of the Transitional Provisions and Savings Regulations 2014	Decide to treat child as being in continuous education or vocational training despite a break	Gwynedd Pension Fund supports dependent children aged 18 to 23 who remain eligible for an LGPS child's pension while undertaking full-time education or vocational training. The fund's policy allows a break of up to one academic year, provided the dependent confirms in writing their intention to return to study and later supplies evidence of re-enrolment. Pension payments are suspended during the break and reinstated - backdated where appropriate - once full-time study is confirmed. If the dependent does not return within the permitted period, the pension will cease in line with LGPS regulations. A separate policy document sets out the Fund's full approach and guiding principles in detail.
Schedule 1 of the LGPS Regulations 2013 & Regulation 17(9)(b) of the Transitional Provisions and Savings Regulations 2014	Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member	Gwynedd Pension Fund requires clear evidence that a cohabiting partner was financially dependent on, or financially interdependent with, the deceased member for at least the two years before death in order to be considered for an LGPS survivor's pension. The Fund will normally request documents demonstrating shared financial responsibilities - such as joint bank accounts, tenancy or mortgage agreements, utility bills, or other proof of shared household costs - alongside confirmation of shared residence and relationship status.

		Where standard documentation is limited, the Fund may consider written statements and supporting evidence. All cases are assessed individually and in accordance with LGPS Regulations. A separate policy document sets out the Fund's full approach and guiding principles in detail.
15(1)(c) of the LGPS (Transitional Provisions and Savings) Regulations 2014 And Schedule 1 of the LGPS (Transitional Provisions) Regulations 2008 And 83(5) of the LGPS Regulations 1997	Extend time period for capitalisation of added years contract	Gwynedd Pension Fund may, at its discretion, extend the time period allowed for a member to capitalise an added years contract where the member leaves employment before completing the original contract. Extensions will only be granted where there is a valid reason - such as administrative delay, employer error, or short-term financial difficulty - and will normally be limited to a short, reasonable period. Each case will be considered individually to ensure fairness and consistency with LGPS Regulations.
105(2) of the LGPS Regulations 2013	Decide whether to delegate any administering authority functions under the Regulations	Under Regulation 105(2) of the Local Government Pension Scheme Regulations 2013, the administering authority has the power to determine whether any of its functions under the Regulations should be delegated. The authority's delegation arrangements are set out in its Constitution and Scheme of Delegation as approved by Cyngor Gwynedd.
106(3) of the LGPS Regulations 2013	Decide whether to establish a joint local pension board once approval has been granted by the Secretary of State	Gwynedd Pension Fund has established its own Local Pension Board and has not created, nor sought to create, a joint local pension board under Regulation 106(3) of the Local Government Pension Scheme Regulations 2013.
106(6) of the LGPS Regulations 2013	Decide procedures applicable to the local pension board	The procedures applicable to the Local Pension Board, as required under Regulation 106(6) of the Local Government Pension Scheme Regulations 2013, are fully set out in the

		Local Pension Board Terms of Reference document approved by Cyngor Gwynedd Full Council.
107(1) of the LGPS Regulations 2013	Decide appointment procedures, terms of appointment and membership of local pension board	The process for determining the appointment procedures, terms of appointment, and membership of the Local Pension Board, as required under Regulation 107(1) of the Local Government Pension Scheme Regulations 2013, is fully contained within the Local Pension Board Terms of Reference document approved by Cyngor Gwynedd Full Council.
2 of the Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011	Decide whether to allow members who have accrued an annual allowance charge which cannot be discharged by means of mandatory scheme pays to pay any tax due through voluntary scheme pays.	Gwynedd Pension Fund will consider requests from members to use voluntary scheme pays to meet an annual allowance tax charge that does not qualify for mandatory scheme pays. Each request will be assessed on a case-by-case basis. The Fund will only agree to voluntary scheme pays where it is satisfied that doing so is in the member's best interests, that the tax charge relates to LGPS benefits within the Fund, and that all HMRC conditions for voluntary scheme pays are met. The Fund will also ensure that the resulting pension debit is applied correctly and transparently to the member's benefits. The Fund reserves the right to decline a voluntary scheme pays request where it would be inappropriate, administratively impractical, or inconsistent with regulatory requirements.

For members who left on or after 1 April 2008 and before 1 April 2014

Relevant Legislation

- The Local Government Pension Scheme (Administration) Regulations 2008
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
- The Local Government Pension Scheme Regulations 2013
- The Local Government Pension Scheme Regualtions1997 (as amended)

Administering Authority Discretions – Mandatory	Description	Policy
3(13) of the LGPS (Transitional Provisions and Savings) Regulations 2014 And 70(1) and 71(4)(c) of the LGPS (Administration) Regulations 2008	Decide policy on abatement of pensions in payment following re-employment	Gwynedd Pension Fund will not apply abatement to pensions. The Fund has determined that pensions in payment will not be reduced or suspended on account of a member returning to local government employment or employment with another scheme employer.
Schedule 2 para 1(2) and 1(1)(c) of the LGPS (Transitional Provisions and Savings) Regulations 2014	Where a member is voluntarily retiring between the ages of 55 and 60 and has a period of service which is covered by the rule of 85, the rule does not automatically apply. **Where the employer no longer exists,** the administering authority has the discretion to allow for the rule of 85 to be "switched on".	Waiving actuarial reductions will normally result in a pension strain cost. Where the member's former employer is no longer an active scheme employer within the Fund, this cost is effectively absorbed by all remaining employers participating in the Gwynedd Pension Fund. Given these considerations, Gwynedd Pension Fund will generally not agree to waive actuarial reductions where the member's former employer is no longer a scheme employer. However, the Fund retains discretion to consider exceptional circumstances, and may approve a waiver where it is satisfied that the justification clearly outweighs the additional cost and is in the overall interests of the Fund and its employers.

Regulation	Description	Policy
30(5) of The Local Government Pension (Benefits, Membership and Contributions) Regulations 2007 and Schedule 2 para 2(1) of the LGPS (Transitional Provisions and Savings) Regulations 2014	In the event that a deferred member is drawing benefits early and that member's **former employer is no longer a scheme employe**r, to determine whether to waive any reductions that would apply on compassionate grounds.	No definition of compassionate grounds is given in the LGPS regulations. The term is sometimes interpreted as referring to a situation when a scheme member is required to give up work in order to be a full time, long term carer for a member of their family. Waiving actuarial reductions will normally result in a pension strain cost. Where the member's former employer is no longer an active scheme employer within the Fund, this cost is effectively absorbed by all remaining employers participating in the Gwynedd Pension Fund. Given these considerations, Gwynedd Pension Fund will generally not agree to waive actuarial reductions where the member's former employer is no longer a scheme employer. However, the Fund retains discretion to consider exceptional circumstances, and may approve a waiver where it is satisfied that the justification clearly outweighs the additional cost and is in the overall interests of the Fund and its employers.

Schedule 2 para 1(2) & 1(1)(c) of the LGPS (Transitional Provisions and Savings) Regulations 2014	Where a pensioner member is voluntarily retiring between the ages of 55 and 60 and has a period of service which is covered by the rule of 85, the rule does not automatically apply. **Where the employer no longer exists,** the administering authority has the discretion to allow for the rule of 85 to be "switched on".	Waiving actuarial reductions will normally result in a pension strain cost. Where the member's former employer is no longer an active scheme employer within the Fund, this cost is effectively absorbed by all remaining employers participating in the Gwynedd Pension Fund. Given these considerations, Gwynedd Pension Fund will generally not agree to waive actuarial reductions where the member's former employer is no longer a scheme employer. However, the Fund retains discretion to consider exceptional circumstances, and may approve a waiver where it is satisfied that the justification clearly outweighs the additional cost and is in the overall interests of the Fund and its employers.

Regulation	Description	Policy
30A(5) of The Local Government Pension (Benefits, Membership and Contributions) Regulations 2007 and Schedule 2 para 2(1) of the LGPS (Transitional Provisions and Savings) Regulations 2014	In the event that a pensioner member is drawing benefits early and that member's **former employer is no longer a scheme employe**r, to determine whether to waive any reductions that would apply on compassionate grounds.	A pensioner member is a member who has been in receipt of tier 3 ill health benefits which have then ceased. No definition of compassionate grounds is given in the LGPS regulations. The term is sometimes interpreted as referring to a situation when a scheme member is required to give up work in order to be a full time, long term carer for a member of their family. Waiving actuarial reductions will normally result in a pension strain cost. Where the member's former employer is no longer an active scheme employer within the Fund, this cost is effectively absorbed by all remaining employers participating in the Gwynedd Pension Fund. Given these considerations, Gwynedd Pension Fund will generally not agree to waive actuarial reductions where the member's former employer is no longer a scheme employer. However, the Fund retains discretion to consider exceptional circumstances, and may approve a waiver where it is satisfied that the justification clearly outweighs the additional cost and is in the overall interests of the Fund and its employers.

Administering Authority Discretions – Non-mandatory

Regulation	Description	Policy
15(1)(c) of the LGPS (Transitional Provisions and Savings) Regulations 2014 And Schedule 1 of the LGPS (Transitional Provisions) Regulations 2008 And 83(5) of the LGPS Regulations 1997	Extend time period for capitalisation of added years contract	Gwynedd Pension Fund will only consider extending the time period for the capitalisation of an added years contract in very limited and exceptional circumstances. An extension will be granted solely where the delay was caused by the Fund, such as where required information was not issued to the member in sufficient time to allow them to act within the original deadline. The Fund will not extend the time period where the delay arises from member oversight or circumstances outside the Fund’s control.

Regulation	Description	Policy
45(3) of the LGPS (Administration) Regulations 2008	Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits	Under Regulation 45(3) of the Local Government Pension Scheme (Administration) Regulations 2008, the administering authority has discretion to recover outstanding employee pension contributions either as a simple debt or by deduction from the member's benefits. Gwynedd Pension Fund exercises this discretion by recovering unpaid contributions in the most appropriate and equitable manner, taking account of the circumstances of each case. Where the shortfall has arisen—most commonly due to employer payroll error—the Fund may recover the outstanding contributions through one of the following methods: • Issuing an invoice to the member for repayment, where this is reasonable and proportionate. • Arranging for the employer to deduct the outstanding amount from the member's wages, where both the employer and the member agree to this approach. • Deducting the outstanding amount from the member's LGPS benefits when they become payable, where this is administratively suitable and does not disadvantage the member. This framework ensures that member benefits are calculated correctly, that contribution requirements are met, and that recovery is handled fairly and transparently while protecting the financial integrity of the Fund.

52(2) of the LGPS (Administration) Regulations 2008	Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in s6 of the Administration of Estates (Small Payments) Act 1965.	Gwynedd Pension Fund will make the payment on the basis of an indemnity form in situations where a death grant is payable to the personal representatives, or to an individual who appears to be beneficially entitled to the estate, without requiring a grant of probate or letters of administration. This applies only where the payment falls below the threshold specified in section 6 of the Administration of Estates (Small Payments) Act 1965.

Regulation	Description	Policy
56(2) of the LGPS (Administration) Regulations 2008	Approve medical advisors used by employers (for ill health benefits)	Gwynedd Pension Fund maintains a list of approved independent registered medical practitioners who are authorised to provide medical opinions for ill-health retirement assessments. This list is jointly shared with the Clwyd Pension Fund to ensure consistency, quality, and resilience across both administering authorities. The list is reviewed and updated on a regular basis. As part of this process, all doctors are checked against the General Medical Council (GMC) register to confirm that they hold the appropriate qualifications, are in good standing, and meet the regulatory requirements to provide medical advice for LGPS ill-health determinations. Only practitioners who satisfy these criteria are permitted to appear on the approved list. Employers must use a doctor from this approved list when obtaining the medical certification required under Regulation 36.

10(2) of the LGPS (Benefits, Membership and Contributions) Regulations 2007	Where a member to whom regulation 10 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member.	Where regulation 10 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 applies, and a member dies before making an election to use the best of the last three years' pay for final pay purposes, Gwynedd Pension Fund will determine whether to make that election on the member's behalf. The Fund will make this decision solely on the basis of the member's best interests, taking into account the information available and the impact on the benefits payable to their beneficiaries.
27(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007	To pay the whole or part of an eligible child's pension benefits to another person for their benefit.	Gwynedd Pension Fund may be willing to exercise this discretion, but shall take whatever steps it considers reasonable and appropriate to ensure that the money is used solely for the benefit of the child.
52A of the LGPS (Administration) Regulations 2008	Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.	The Gwynedd Pension Fund ensures that all pension benefits and lump sum payments are made securely and accurately by requiring members to provide verified bank account details at retirement. Payments are only made to accounts held in the member's name, or to an account held by an individual with valid Power of Attorney. A separate policy document sets out the Fund's full approach and guiding principles in detail.

Schedule 2, para 2(3) of the LGPS (Transitional Provisions and Savings) Regulations 2014	Whether to require any strain on Fund costs to be paid "up front" by employing authority if the employing authority switches on" the 85-year rule for a member voluntarily retiring prior to age 60, or waives an actuarial reduction on compassionate grounds	Employers typically meet pension strain costs through a single lump-sum payment. However, in cases of financial hardship, the Fund may consider allowing the employer to spread the payment over an agreed period. Where this is permitted, interest will be applied to the outstanding balance. Invoices for strain costs are issued to employers on a quarterly basis once the member's benefits have been processed, ensuring transparency and timely recovery of costs.
Regulation	Description	Policy
31(4) of The LGPS (Benefits, Membership and Contributions) Regulations 2007	Decide whether a deferred beneficiary meets the criteria required to qualify for ill-health retirement in cases where the member's former employer is no longer a scheme employer.	Gwynedd Pension Fund will apply the standard LGPS ill-health retirement processes when determining whether a deferred member meets the regulatory criteria. For cases where the former employer is no longer a scheme employer, Gwynedd Pension Fund will use Cyngor Gwynedd's Occupational Health team to undertake the required medical assessment. This ensures that all decisions are supported by an independent registered medical practitioner and are consistent, robust, and compliant with the LGPS Regulations.
31(7) of The LGPS (Benefits, Membership and Contributions) Regulations 2007	Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health (where Employer has become defunct)	Gwynedd Pension Fund will apply the standard LGPS ill-health retirement processes when determining whether a suspended ill health tier 3 member meets the regulatory criteria. For cases where the former employer is no longer a scheme employer, Gwynedd Pension Fund will use Cyngor Gwynedd's Occupational Health team to undertake the required medical assessment. This ensures that all decisions are supported by an independent registered medical practitioner and are consistent, robust, and compliant with the LGPS Regulations.

23(2), 32(2), 35(2) of The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 Sch1 of the LGPS (Transitional Provisions and Savings) Regulations 2014 155(4) of the LGPS Regulations 1997	Decide to whom a death grant should be paid	Gwynedd Pension Fund exercises its discretion when determining the payment of death grants, using the member's most recent Expression of Wish form as the primary guide to their intentions. Where the nomination is clear and up to date, the Fund will normally follow it. If no valid or current nomination exists, the Fund will consider all relevant circumstances and may decide to pay the death grant to the member's estate or another appropriate beneficiary. A separate policy document sets out the Fund's full approach and guiding principles in detail.

Regulation	Description	Policy
Schedule 1 of the LGPS Regulations 2013 Regulation 17(9)(b) of the Transitional Provisions and Savings Regulations 2014	Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member	Gwynedd Pension Fund requires clear evidence that a cohabiting partner was financially dependent on, or financially interdependent with, the deceased member for at least the two years before death in order to be considered for an LGPS survivor's pension. The Fund will normally request documents demonstrating shared financial responsibilities - such as joint bank accounts, tenancy or mortgage agreements, utility bills, or other proof of shared household costs - alongside confirmation of shared residence and relationship status. Where standard documentation is limited, the Fund may consider written statements and supporting evidence. All cases are assessed individually and in accordance with LGPS Regulations. A separate policy document sets out the Fund's full approach and guiding principles in detail.
Schedule 1 of the LGPS Regulations 2013 17(9) of the Transitional Provisions and Savings Regulations 2014	Decide to treat eligible child as being in continuous education or vocational training despite a break	Gwynedd Pension Fund supports dependent children aged 18 to 23 who remain eligible for an LGPS child's pension while undertaking full-time education or vocational training. The fund's policy allows a break of up to one academic year, provided the dependent confirms in writing their intention to return to study and later supplies evidence of re-enrolment. Pension payments are suspended during the break and reinstated - backdated where appropriate - once full-time study is confirmed. If the dependent does not return within the permitted period, the pension will cease in line with LGPS regulations. A separate policy document sets out the Fund's full approach and guiding principles in detail.

39(1)(a) LGPS (Benefits, Membership and Contributions) Regulations 2007 14(3) of LGPS (Transitional Provisions) Regulations 2008	Decide whether to commute small pensions under section 166 of the Finance Act 2004	Where the member satisfies the criteria set out by HMRC, the Fund may choose to pay a lump sum if requested by the member.
39(1)(b) LGPS (Benefits, Membership and Contributions) Regulations 2007	Decide whether to commute small dependants’ pensions under section 168 of the Finance Act 2004	Where a dependent of a deceased member satisfies the criteria set out by HMRC, the Fund may choose to pay a lump sum if requested by the member.
Regulation	Description	Policy
39(1)(c) LGPS (Benefits, Membership and Contributions) Regulations 2007	Decide whether to commute small pensions under section regulations 6 (payment after relevant accretion), 11 (de minimis rule for pension schemes) or 12 (payments by larger pension schemes) of the Registered Pension Schemes (Authorised Payments) Regulations 2009	Where the member satisfies the criteria set out by HMRC, the Fund may choose to pay a lump sum if requested by the member.
42(1)(c) LGPS (Benefits, Membership and Contributions) Regulations 2007	Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership	Where a member is entitled to more than one type of benefit in respect of the same period of scheme membership and has not made an election, Gwynedd Pension Fund will determine which benefit is to be paid. Each case will be considered individually, using the evidence available at the time, and the Fund will normally award the benefit that appears to be most advantageous to the member.

Schedule 1 to the LGPS (Transitional Provisions) Regulations 2008 and Regulation 23(9) to the LGPS Regulations 1997	Where a member has a certificate of protection in place in respect of a pay cut or restriction prior to April 2008 and dies before making an election to make an election on behalf of the member.	Where a member held a certificate of protection in respect of a pre-April 2008 pay reduction or restriction and dies before making an election, Gwynedd Pension Fund will exercise this discretion in the member's best interests. The Fund will consider the available information and make an election on the member's behalf where this would provide a more favourable outcome for the member's beneficiaries.

For members who left on or after 1 April 1998 and before 1 April 2008

Relevant Legislation

- The Local Government Pension Scheme Regulations 1997
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
- The Local Government Pension Scheme (Administration) Regulations 2008
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
- The Local Government Pension Scheme Regulations 2013

Administering Authority Discretions – Mandatory

Regulation	Description	Policy
1(2), 1(1)(f) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014	Where a member is voluntarily retiring between the ages of 55 and 60 and has a period of service which is covered by the rule of 85, the rule does not automatically apply. **Where the employer no longer exists,** the administering authority has the discretion to allow for the rule of 85 to be "switched on".	Waiving actuarial reductions will normally result in a pension strain cost. Where the member's former employer is no longer an active scheme employer within the Fund, this cost is effectively absorbed by all remaining employers participating in the Gwynedd Pension Fund. Given these considerations, Gwynedd Pension Fund will generally not agree to waive actuarial reductions where the member's former employer is no longer a scheme employer. However, the Fund retains discretion to consider exceptional circumstances, and may approve a waiver where it is satisfied that the justification clearly outweighs the additional cost and is in the overall interests of the Fund and its employers.

Regulation	Description	Policy
31(5) of the LGPS Regulations 1997 Sch 2, para 2(1) of the LGPS (Transitional Provisions and Savings) Regulations 2014	**Where the employer no longer exists,** whether to waive upon the voluntary early payment of benefits, any actuarial reduction on compassionate grounds	No definition of compassionate grounds is given in the LGPS regulations. The term is sometimes interpreted as referring to a situation when a scheme member is required to give up work in order to be a full time, long term carer for a member of their family. Waiving actuarial reductions will normally result in a pension strain cost. Where the member's former employer is no longer an active scheme employer within the Fund, this cost is effectively absorbed by all remaining employers participating in the Gwynedd Pension Fund. Given these considerations, Gwynedd Pension Fund will generally not agree to waive actuarial reductions where the member's former employer is no longer a scheme employer. However, the Fund retains discretion to consider exceptional circumstances, and may approve a waiver where it is satisfied that the justification clearly outweighs the additional cost and is in the overall interests of the Fund and its employers.
3(13) of the LGPS (Transitional Provisions and Savings) Regulations 2014 70(1) and 71(4)(c) of the LGPS (Administration) Regulations 2008	Decide policy on abatement of pensions in payment following re-employment	Gwynedd Pension Fund will not apply abatement to pensions. The Fund has determined that pensions in payment will not be reduced or suspended on account of a member returning to local government employment or employment with another scheme employer.

Administering Authority Discretions – Non-mandatory

Regulation	Description	Policy
38(1) & 155(4) of the LGPS Regulations 1997	Decide to whom a death grant should be paid	Gwynedd Pension Fund exercises its discretion when determining the payment of death grants, using the member's most recent Expression of Wish form as the primary guide to their intentions. Where the nomination is clear and up to date, the Fund will normally follow it. If no valid or current nomination exists, the Fund will consider all relevant circumstances and may decide to pay the death grant to the member's estate or another appropriate beneficiary. A separate policy document sets out the Fund's full approach and guiding principles in detail.
Schedule 1 of the LGPS Regulations 2013 17(9) of the Transitional Provisions and Savings Regulations 2014	Decide to treat child as being in continuous education or vocational training despite a break	Gwynedd Pension Fund supports dependent children aged 18 to 23 who remain eligible for an LGPS child's pension while undertaking full-time education or vocational training. The fund's policy allows a break of up to one academic year, provided the dependent confirms in writing their intention to return to study and later supplies evidence of re-enrolment. Pension payments are suspended during the break and reinstated - backdated where appropriate - once full-time study is confirmed. If the dependent does not return within the permitted period, the pension will cease in line with LGPS regulations. A separate policy document sets out the Fund's full approach and guiding principles in detail.

Regulation	Description	Policy
47(1) of the LGPS Regulations 1997	Apportionment of children's pensions	Gwynedd Pension Fund will consider each case where more than one eligible child qualifies for a children's pension on its own merits. However, the Fund's general policy is to apportion the pension equally between all eligible children, unless specific circumstances justify an alternative distribution.
47(2) of the LGPS Regulations 1997	To pay the whole or part of an eligible child's pension benefits to another person for their benefit.	Gwynedd Pension Fund may be willing to exercise this discretion, but shall take whatever steps it considers reasonable and appropriate to ensure that the money is used solely for the benefit of the child.
49(1) of the LGPS Regulations 1997	Decide whether to commute small pensions under section 166 of the Finance Act 2004	Where the member satisfies the criteria set out by HMRC, the Fund may choose to pay a lump sum if requested by the member.
49(1) of the LGPS Regulations 1997	Decide whether to commute small dependants' pensions under section 168 of the Finance Act 2004	Where a dependent of a deceased member satisfies the criteria set out by HMRC, the Fund may choose to pay a lump sum if requested by the member.
50 and 157 of the LGPS Regulations 1997	Commute benefits due to exceptional ill health	Gwynedd Pension Fund will only consider the commutation of benefits on the grounds of exceptional ill health where strong and clear medical evidence confirms that the member's life expectancy is severely limited and meets HMRC's definition of serious ill health. Any decision to commute will be made solely in the member's best interests, following a request from the member or an authorised representative, and only where all regulatory and tax requirements are satisfied.

Regulation	Description	Policy
80(5) of the LGPS Regulations 1997	Whether to require any strain on Fund costs to be paid “up front” by employing authority if the employing authority grants early payment of pension.	This is a matter that would normally be covered in the Funding Strategy statement
Schedule 2, para 2(3) of the LGPS (Transitional Provisions and Savings) Regulations 2014	Whether to require any strain on Fund costs to be paid “up front” by employing authority if the employing authority “switches on” the 85 year rule for a member voluntarily retiring prior to age 60, or waives actuarial reductions on compassionate grounds.	This is a matter that would normally be covered in the Funding Strategy statement
89(3) of the LGPS Regulations 1997	Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits	Gwynedd Pension Fund will consider each case of outstanding employee contributions on its own merits. The Fund may seek to recover the outstanding amount either by deduction from the member’s scheme benefits or by issuing an invoice for the balance, whichever is considered most appropriate in the circumstances.
91 (6) of the LGPS Regulations 1997	Timing of pension increase payments by employers to the fund	Under Regulation 91(6) of the Local Government Pension Scheme Regulations 1997, employers are required to reimburse the Fund for the annual pension increase applied to any employer-funded enhancements, such as compensatory added years awarded under historic regulations. Gwynedd Pension Fund issues an annual invoice each April, once the pension increase has been applied, and employers must pay the amount due within the standard payment terms. This ensures the Fund is fully reimbursed for the cost of these legacy enhancements.
95 of the LGPS Regulations 1997	Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment	Gwynedd Pension Fund will make the payment on the basis of an indemnity form in situations where a death grant is payable to the personal representatives, or to an individual who appears to be beneficially entitled to the estate, without

Regulation	Description	Policy
	is less than amount specified in s6 of the Administration of Estates (Small Payments) Act 1965	requiring a grant of probate or letters of administration. This applies only where the payment falls below the threshold specified in section 6 of the Administration of Estates (Small Payments) Act 1965.
97(10) of the LGPS Regulations 1997	Approve medical advisors used by employers (for ill health benefits)	Gwynedd Pension Fund maintains a list of approved independent registered medical practitioners who are authorised to provide medical opinions for ill-health retirement assessments. This list is jointly shared with the Clwyd Pension Fund to ensure consistency, quality, and resilience across both administering authorities. The list is reviewed and updated on a regular basis. As part of this process, all doctors are checked against the General Medical Council (GMC) register to confirm that they hold the appropriate qualifications, are in good standing, and meet the regulatory requirements to provide medical advice for LGPS ill-health determinations. Only practitioners who satisfy these criteria are permitted to appear on the approved list. Employers must use a doctor from this approved list when obtaining the medical certification required under Regulation 36.
106A(5) of the LGPS Regulations 1997	Date to which benefits shown on annual deferred benefit statement are calculated.	Gwynedd Pension Fund will calculate the benefits shown on the annual deferred benefit statement to the Pension Increase date for the appropriate year.
118 of the LGPS Regulations 1997	Retention of Contributions Equivalent Premium (CEP) where members transfers out	Transfers will normally be fully paid and protected rights will not normally remain in the fund.
147 of the LGPS Regulations 1997	Discharge Pension Credit liability	Under Regulation 147 of the Local Government Pension Scheme Regulations 1997, Gwynedd Pension Fund will discharge its liability for a Pension Credit once the Pension

Regulation	Description	Policy
		Credit benefits have been calculated, awarded and the Pension Credit member has been formally notified. At that point, the Fund is treated as having fully discharged its responsibility for the Pension Credit. Each case will be considered on an individual basis to ensure the correct application of the regulations and the appropriate discharge of liability.

For members who ceased active membership before 1 April 1998

Relevant Legislation

- The Local Government Pension Scheme Regulations 1995
- The Local Government Pension Scheme (Transitional Provisions) Regulations 1997
- The Local Government Pension Scheme Regulations 1997
- The Local Government Pension Scheme (Administration) Regulations 2008
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
- The Local Government Pension Scheme Regulations 2013

Administering Authority Discretions – Mandatory

Regulation	Description	Policy
3(5A)(vi) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 4 of the LGPS (Transitional Provisions) Regulations 1997 106(1) of the LGPS Regulations 1997 D11(2)(c) of the LGPS Regulations 1995	Where the employer is now defunct, grant application for early payment of deferred benefits on or after age 50 on compassionate grounds	Where the former employer is defunct, Gwynedd Pension Fund will consider applications for the early payment of deferred benefits on or after age 50 on compassionate grounds on a case-by-case basis. It is recognised that this discretion exists largely due to a regulatory loophole that has never been closed. The Fund will take into account that any benefits paid before age 55 may give rise to unauthorised payment charges under the Finance Act 2004, some of which fall on the member and some on the Fund, in addition to any pension strain cost payable by the Fund.
3(13) of the LGPS (Transitional Provisions and Savings) Regulations 2014 And 70(1) and 71(4)(c) of the LGPS (Administration) Regulations 2008	Decide policy on abatement of pensions in payment following re-employment	Gwynedd Pension Fund will not apply abatement to pensions. The Fund has determined that pensions in payment will not be reduced or suspended on account of a member returning to local government employment or employment with another scheme employer.
45(3) of the LGPS (Administration) Regulations 2008	Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits	Gwynedd Pension Fund will consider each case of outstanding employee contributions on its own merits. The Fund may seek to recover the outstanding amount either by deduction from the member's scheme benefits or by issuing

Regulation	Description	Policy
And 89(3) of the LGPS Regulations 1997		an invoice for the balance, whichever is considered most appropriate in the circumstances.

Administering Authority Discretions – Non-mandatory

Regulation	Description	Policy
E8 of the LGPS Regulations 1995	Decide to whom a death grant should be paid	Gwynedd Pension Fund exercises its discretion when determining the payment of death grants, using the member's most recent Expression of Wish form as the primary guide to their intentions. Where the nomination is clear and up to date, the Fund will normally follow it. If no valid or current nomination exists, the Fund will consider all relevant circumstances and may decide to pay the death grant to the member's estate or another appropriate beneficiary. A separate policy document sets out the Fund's full approach and guiding principles in detail.
F7(1) of the LGPS Regulations 1995	Suspension of spouses' pensions during remarriage or cohabitation	Gwynedd Pension Fund will not apply the historic discretion to suspend a spouse's pension where the survivor remarries or cohabits. Survivor pensions will continue to be paid in all such cases, reflecting the Fund's policy that these benefits are payable for life.
Schedule 1 of the LGPS Regulations 2013 17(9)(a) of the Transitional Provisions and Savings Regulations 2014	Decide to treat child as being in continuous education or vocational training despite a break	Gwynedd Pension Fund supports dependent children aged 18 to 23 who remain eligible for an LGPS child's pension while undertaking full-time education or vocational training. The fund's policy allows a break of up to one academic year, provided the dependent confirms in writing their intention to return to study and later supplies evidence of re-enrolment. Pension payments are suspended during the break and reinstated - backdated where appropriate - once full-time study is confirmed. If the dependent does not return within the permitted period, the pension will cease in line with LGPS

		regulations. A separate policy document sets out the Fund’s full approach and guiding principles in detail.
G11(1) of the LGPS Regulations 1995	Apportionment of children's pensions	Gwynedd Pension Fund will consider each case where more than one eligible child qualifies for a children’s pension on its own merits. However, the Fund’s general policy is to apportion the pension equally between all eligible children, unless specific circumstances justify an alternative distribution.
G11(2) of the LGPS Regulations 1995	To pay the whole or part of an eligible child’s pension benefits to another person for their benefit.	Gwynedd Pension Fund may be willing to exercise this discretion, but shall take whatever steps it considers reasonable and appropriate to ensure that the money is used solely for the benefit of the child.