

EXECUTIVE SUMMARY

Dyfed Pension Fund Budget 2024-2025

The expenditure budget for 2024-2025 is £133.6m and the income budget for 2024-2025 is £133.6m. This results in a net budget of zero. This provides the Fund with flexibility to utilise investment income based on budgetary requirements.

Expenditure:

Benefits payable is estimated at £118m which includes 6.7% pensions increase based on September 2023 CPI and 1.5% increase in pensioner and deferred members. An increase in budget has also been allocated to lump sum retirement benefits and payments to and account of leavers.

Management expenses is estimated at £11.9m, of which £9.4m is budgeted for investment manager fees.

Income:

Contributions is estimated at £104.5m. Employer contributions £76.1m and Employee contributions £28.4m. Contribution rates for employers have been amended to reflect the results of the 2022 triennial valuation. An additional 4% is factored in for pay awards for the year.

Investment income is estimated at £25.7m to maintain a net budget of zero so that the Fund is not holding surplus cash.