



## **The Staff Superannuation Fund of The London Library (SSF) Background notes for prospective SSF trustees**

The London Library sponsors a defined benefit pension scheme known as the Staff Superannuation Fund (SSF) with about 80 members and assets of about £8m. The scheme was first established in 1939 but the main governing document is a Deed of Trust dated 5 February 1997, as subsequently amended. A guide to the key aspects is available for scheme members.

The SSF is governed by a board of six trustees of whom two-thirds (four) are appointed by the employer (the Library) and one-third (two) by the members of the scheme. Member-nominated trustees (MNTs) serve three-year terms but employer-nominated trustees (ENTs) are not subject to specific terms. Trustee meetings are held four times per year at the Library, and normally commence at 3pm.

By agreement between the Library and the SSF trustees the scheme closed to further benefit accrual from 1 April 2011. The link with final salary was broken and benefits accrued up to the closure date are thereafter revalued in line with inflation. No further employee contributions are now payable and the Library's own contributions are applied only towards the clearance of actuarial deficits related to benefits accrued from past service. All scheme expenses, including regulatory levies and actuarial fees, are paid directly by the Library.

The actuarial valuation at 1 April 2016 revealed a past service deficit of £2.1m on the Statutory Funding Objective basis. The SSF trustees and the Library have agreed a Recovery Plan whereby Deficit Reduction Contributions are payable at the rate of £235,500 per annum from 2016-2017 escalating at 3%pa thereafter, projected to clear the deficit by March 2025.

The scheme's main funds are invested in a blend of pooled funds via a pension policy issued by Legal & General. The current allocation is around 50% equities and alternatives, 15% corporate bonds and 35% matching assets including Liability Driven Investment (LDI) funds. The trustees are pursuing a gradual programme of de-risking with the active support of the Library, and both bodies are keen to explore possible insurance-based solutions during the coming year. There is also a small AVC section with funds invested via a group policy with Standard Life.

The scheme employs no staff of its own. Day to day administration (including pension payments) is dealt with by the Library while consultants Broadstone Ltd maintain detailed member data and employ the Scheme Actuary, as well as providing periodic updates and guidance on regulatory issues. The Library's Finance Director acts as secretary to the SSF trustees.

The scheme is regulated by The Pensions Regulator (TPR) and the TPR website <http://www.thepensionsregulator.gov.uk/trustees.aspx> provides further details about the role and responsibilities of pension scheme trustees. Trustees are encouraged to undertake the e-learning programme set out in TPR's *Trustee Toolkit*.