

## Merchant Navy Ratings Pension Fund

### *Recovery Plan following the 31 March 2023 valuation*

#### **Status**

This Recovery Plan has been prepared by the Trustee of the Merchant Navy Ratings Pension Fund (the Fund) after obtaining the advice of Simon Eagle FIA, the Scheme Actuary appointed by the Trustee.

The actuarial valuation of the Fund as at 31 March 2023 revealed a funding shortfall (*technical provisions* minus value of assets) of £152 million.

#### **Steps to be taken to ensure that the *Statutory Funding Objective* is met**

To eliminate this funding shortfall, the Trustee has determined that contributions in addition to those arising from the 31 March 2014 and 31 March 2017 valuations will be paid to the Fund by or on behalf of the Participating Employers. The total value as at 31 March 2023 of deficit contributions to be paid will be £152m, of which an estimated £128 million will be received as the balance of deficit contributions required to meet the 31 March 2014 and 31 March 2017 deficits (as set out in the Recovery Plans dated 24 June 2015 and 14 June 2018 respectively) - this includes any deficit contributions paid to the Fund after 31 March 2023 (and excluded from the asset value at that date) and before the commencement date of this recovery plan. Based on this estimate, the additional contributions required arising from the 31 March 2023 valuation would therefore have a present value of £24 million as at 31 March 2023. The due date for the last payment under this Recovery Plan will be 31 March 2030.<sup>1</sup>

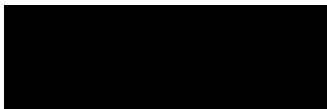
Contributions are also payable under Rule 5, being 2% of MNRPP Pensionable Salaries of those Employee Members who continue to be entitled to revaluation of benefits in line with Section 148 orders.

#### **Period in which the *Statutory Funding Objective* should be met**

The funding shortfall is expected to be eliminated by 31 March 2030. This expectation is based on the following assumptions:

- *technical provisions* calculated according to the method and assumptions set out in the statement of funding principles dated 18 June 2024;
- levels of each member's MNRPP Pensionable Salary for the relevant contributions required under Rule 5 will increase with the Section 148 assumptions used to calculate the *technical provisions* as set out in the statement of funding principles dated 18 June 2024, with an appropriate allowance for leaving Service; and
- the return on existing assets and the return on new contributions during the period in line with the discount rates over the recovery period set out in the statement of funding principles dated 18 June 2024 for the calculation of *technical provisions*.

Signed on behalf of the Trustee of the Merchant Navy Ratings Pension Fund:



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Doug Ross  
Chair, Merchant Navy Ratings Pension Fund Trustees Limited  
Date: 18 June 2024

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<sup>1</sup> The Trustee will decide the payment terms for each Participating Employer on a case by case basis.