

Merchant Navy Ratings Pension Fund (“MNRPF”) Summary Funding Statement as at 31 March 2020

This gives you an update of the MNRPF’s funding position.

The last formal funding valuation

The last formal funding valuation showed that on **31 March 2020** the funding position of the MNRPF was as follows:

Assets	£1,333 million
Amount needed to provide benefits (value of liabilities)	£1,429 million
Shortfall	£96 million
Funding level (assets divided by liabilities)	93%

The Trustee has set a deficit recovery plan under which the Employers will continue to pay the remaining contributions that are already due, to meet the 2014 and 2017 deficits. This is expected to be sufficient to remove the £96 million deficit by 31 March 2027.

Change in funding position

For comparison, the funding position on 31 March 2019 is also shown below:

	31 March 2019	31 March 2020
Assets	£1,217 million	£1,333 million
Amount needed to provide benefits (value of liabilities)	£1,389 million	£1,429 million
Shortfall	£172 million	£96 million
Funding level (assets divided by liabilities)	88%	93%

This shows that the funding position improved from 31 March 2019 to 31 March 2020. This is mainly due to the assets achieving higher returns than targeted, a reduction in member life expectancy, and the deficit contributions paid by Employers. These gains were partially offset by an increase in the value placed on the liabilities due to reduced expectations of future investment returns and inclusion of a reserve in respect of potential additional ill-health early retirement benefits that could arise from legal investigations which remain ongoing.



The position on wind up

As part of each funding update, an estimate is made of the financial position of the MNRPF if it were to be wound up. This is based on an estimate of the price that an insurer would charge to guarantee the pensions amounts. The Trustee is required by law to provide you with this information - it does not mean that there is any intention of winding up the Fund at the current time.

If the MNRPF had been wound up on **31 March 2020**, the Fund's assets would have been **82%** of the estimated amount needed to ensure that all members' benefits could have been paid in full by an insurer. At the last full funding valuation on **31 March 2017**, this figure was **73%**.

Payments to the Employers

There have not been any payments to employers from the Fund's assets since we sent you the last Summary Funding Statement (again, the Trustee is required by law to provide you with this information).

If you have any queries regarding your benefits you can contact the Administration Team in one of the following ways:

By email: mnrpf@mercer.com

By phone: 01372 200 385

In writing: Mercer Limited, Post Handling Centre U,
St James's Tower, 7 Charlotte Street, Manchester, M1 4DZ

