

**Annual Report**

**and Accounts**

**For the Year Ended 31<sup>st</sup> March**

**2006**

---

**Pension  
Fund**

**ANNUAL REPORT FOR 2005/06**  
**LINCOLNSHIRE COUNTY COUNCIL**  
**LOCAL GOVERNMENT PENSION SCHEME**  
**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2006**

<b>CONTENTS</b>	<b>Page</b>
Management arrangements	1
Report of the Pensions Committee	2
Management Report of the Administering Authority	4
Fund Account	8
Audit Opinion	9
Actuarial Statement	10
Investment Background	11
Summary of Benefits	15
Participating Employers	16

## MANAGEMENT ARRANGEMENTS

**Administering Authority** Lincolnshire County Council

### **Pensions Committee Members at 31 March 2006**

#### **County Councillors**

D R Dickinson (Chairman)

A M Bakewell

E R Chapman

A Davidson

G J Ellis

C Farrar (Vice Chairman)

N I Jackson

R J Phillips

P S Przyszlak

Mrs S E Roy

O R Snell

Mrs J A Taylor

M Tinker

A H Turner

Mrs P F Watson

#### **Lincolnshire Local Government Association**

D Hill

K Whaley

#### **Representatives of Other Employers**

M J Scott

#### **Trade Union representative**

J Sharman

### **Professional Advisers**

#### **County Council Officers**

**Director of Resources**

**Assistant Director of Resources**

P Moore BA CPFA

D C Forbes BSc CPFA

#### **Independent Adviser**

Neil Dunford

#### **Consulting Actuary**

Hymans Robertson, Glasgow

#### **Voting Adviser**

Manifest Voting Agency

### **Investment Managers of Segregated Portfolios**

INVESCO Asset Management

Bank of Ireland Asset Management

New Star Asset Management

Martin Currie Investment Management

Morley Investment Management Ltd

#### **Auditors**

District Audit Service

#### **Investment Custodian**

JP Morgan Chase & Co

## REPORT OF THE PENSIONS COMMITTEE

### Introduction

The Lincolnshire County Council Pensions Committee approves the investment policy of the Fund and monitors its implementation during the year. The Committee meets, as a minimum, on a quarterly basis and special meetings are convened if considered necessary. No special meeting were held in the twelve months ended 31 March 2006.

Members of the Committee at 31 March 2006 are listed on page 1.

Following changes to the County Council's Constitution the four co-opted members of the Committee have been granted voting rights.

### Implementation of new investment management arrangements

In June, a number of changes to the Fund's investment management arrangements were implemented.

The allocation to UK and international equities was adjusted with the intention of achieving an equal balance between the holdings of domestic and overseas equities.

Two new UK active equity portfolios were established, managed respectively by Martin Currie and New Star. A new global enhanced index portfolio of international equities, managed by Invesco, was established at the same time.

The new portfolios were funded in part by the transfer of UK, US and Pan European equity portfolios, managed respectively by Deutsche Asset Management, Invesco and the in-house investment team.

### Private Equity Allocation

Following advice from the Actuary, the Committee increased the strategic allocation to investments in unquoted equity from 3% to 5% of the Fund. The Fund invests in private equity mainly through various 'Fund of Funds' investment vehicles. To reach the revised target allocation over the medium term, the Committee approved commitments totaling £85m to seven new 'Fund of Funds' and a European Clean Energy Fund.

### Commercial Property Investments

The Fund has a relatively large allocation to property achieved through holdings in various pooled investment funds that are recommended and monitored by the County Council's investment team. The Committee continues to diversify the portfolio with new allocations of €10m to a European property fund and £8m to a Private Finance Initiative investment partnership.

### Fixed Interest Benchmark

Morley manage an active portfolio of government and company bonds for the Fund. Company bonds have performed very well in recent years and the Committee, following advice from Morley and the Actuary, approved changes to the manager's benchmark to reduce the Fund's exposure to company debt. The manager will increase the allocation to government and index-linked bonds.

### Statement of Investment Principles

The Fund is required to publish and regularly update a Statement of Investment Principles (SIP). In October the Committee approved a revised Statement to reflect the various investment management changes outlined above.

The Statement also included, after consultation, a revision to the limit on contributions to investment partnerships. The regulations governing the Fund's investments limit overall partnership contributions to 5% of the Fund. The rules allow the Committee to increase the partnership limit up to 15% of the Fund, after consultation and publication of the SIP.

To allow increased investment in private equity and property assets the Committee increased the overall limit on contributions to partnerships to 10% of the Fund.

### **Active Global Equity Mandate**

The Committee decided to invite tenders in respect of an active global equity mandate with a view to interviewing a shortlist of candidates in May 2006.

### **Independent Advisor**

Neil Dunford had advised the Fund since January 2003. The Committee was pleased that he agreed to continue in this capacity for a further three years from January 2006.

### **Corporate Governance**

The Fund routinely votes its shareholdings in all UK listed companies and in a limited number of overseas markets. The Fund's equity voting template was updated during the year in line with corporate governance best practice. The Committee also joined the Local Authority Pension Fund Forum that brings together over thirty similar funds to consider issues which could influence the value of their investments.

## **Funding Strategy Statement**

As required by statute, the Committee published a Funding Strategy Statement after consultation with the Actuary and Scheme employers. The document sets out how the County Council has balanced the conflicting aims of affordability of contributions, transparency of processes, stability of employers' contributions, and prudence in the funding basis.

### **Investment Performance**

The year ended 31 March 2006 was the third year where world equity markets have delivered good returns, following on from three years of negative performance.

Given the degree of changes within the Fund during the year, it is pleasing to report that the Fund performed in line with its strategic benchmark with a return of 24.4%.

The Fund's investments are managed in accordance with the Statement of Investment Principles (SIP).

Copies of the SIP, and any other relevant statements may be obtained from Ralph Gould, Investment Manager– Lincolnshire County Council, County Offices, Newland, Lincoln, LN1 1YL (Tel: 01522 553641) (email: [ralph.gould@lincolnshire.gov.uk](mailto:ralph.gould@lincolnshire.gov.uk)).

Alternatively the statements can be viewed on the County Council's website [www.lincolnshire.gov.uk](http://www.lincolnshire.gov.uk).

**D DICKINSON  
CHAIRMAN  
PENSIONS COMMITTEE**

## MANAGEMENT REPORT OF THE ADMINISTERING AUTHORITY

The Local Government Pension Scheme (LGPS) is a national scheme administered on a local basis by Lincolnshire County Council, providing current and future benefits for over 40,000 scheme members.

### Local Government Pension Scheme membership

Year ended 31 March	2002	2003	2004	2005	2006
Contributors	16,817	16,547	18,596	19,803	20,442
Pensioners	9,266	9,486	9,780	10,102	10,426
Deferred Beneficiaries	8,079	8,789	9,800	10,528	12,472
<b>Total</b>	<b>34,162</b>	<b>34,822</b>	<b>38,176</b>	<b>40,433</b>	<b>43,340</b>

*(Note: The numbers disclosed in the table above reflect individual pension records within the County Council's database. Current and past members of the LGPS may have more than one pension record as a result, for example, of having more than one part time contract of employment with a Scheme employer.)*

### Investment policy

The Fund is managed with regard to a strategic asset allocation benchmark. The actual allocation at any point in time reflects the decisions and views of the Fund's investment managers.

### Strategic Asset Allocation Benchmark

Asset class	Strategic Benchmark as at 31 March 2006 %	Actual Asset Allocation 31 March 2006 %
UK Equities	32.5	38.7
Global Equities	30.9	30.2
Emerging markets	1.6	2.2
Private Equity	5.0	2.1
<b>Total Equities</b>	<b>70.0</b>	<b>73.2</b>
Index Linked Gilts	5.0	3.5
Overseas Fixed Interest	1.5	1.6
UK Conventional Gilts	2.0	2.7
UK Corporate Bonds	10.0	6.7
Liquidity	0	0.2
<b>Total Fixed Interest</b>	<b>18.5</b>	<b>14.7</b>
<b>Property</b>	<b>11.5</b>	<b>11.1</b>
<b>Cash</b>	<b>0</b>	<b>1.0</b>
<b>Total</b>	<b>100</b>	<b>100</b>

## Investment performance

The twelve months period ended 31 March 2006 saw the value of the Fund increase by £221.3m to £1,062.4 million. The investment return of 24.4% was slightly ahead of the increase in the Fund's specific benchmark of 24.1%. Over the last ten years an annualised investment performance of 8% by the Fund has marginally exceeded the benchmark return of 7.9%.

Annual investment performance over the previous ten years is set out in the table below. The Fund's annual return of 8% compares to increases in both consumer prices of 2.6% and public sector earnings of 4%.

### Investment performance of the Fund 1 April 1996 to 31 March 2006

	Lincolnshire Fund Return	Comparative Benchmark Return	Retail Price Inflation	Public Sector Increase in earnings
	%	%	%	%
1996/97	10.4	11.7	2.6	2.2
1997/98	27.4	26.3	3.5	3.0
1998/99	7.8	9.9	2.1	4.3
1999/00	16.1	15.0	2.6	3.7
2000/01	-8.0	-9.3	2.3	4.4
2001/02	-0.8	-1.2	1.3	4.4
2002/03	-19.3	-22.3	3.1	5.0
2003/04	21.0	23.9	2.6	4.6
2004/05	11.0	11.9	3.2	4.3
2005/06	24.4	24.1	2.4	4.4
<b>10 years annualised</b>	8.0	7.9	2.6	4.0

## Investment Management Arrangements

The arrangements for segregated management of the Fund's assets, in place at 31 March 2006, are set out below.

### Segregated Investment Management Mandates

Asset Class	Manager	Portfolio Market value £m's	Portfolio as a % of the Fund %
Fixed Interest	Morley	127.4	12.0
Fixed Interest	Lincolnshire County Council	27.9	2.6
	<b>Total Fixed Interest</b>	<b>155.3</b>	<b>14.6</b>
UK Equities	Lincolnshire County Council	222.4	20.9
UK Equities	Martin Currie	119.3	11.2
UK Equities	New Star	66.2	6.2
Global Equities	Bank of Ireland	143.3	13.5
US Equities	INVESCO	176.5	16.6
	<b>Total Equities</b>	<b>727.7</b>	<b>68.4</b>

The Fund invests in Emerging Equity Markets, UK Commercial Property and Private Equity by means of collective investment funds.

### Property, Private Equity and Emerging Markets Collective Investment Vehicles

Asset Class	Manager	Market value of holding £m's	Holding as a % of the Fund %
Property	Innisfree Private Finance Initiative Fund	0.7	0.1
	Franklin Templeton European Property Fund	0.4	0
	Standard Life Corporate Property Fund	47.0	4.4
	Standard Life European Property Fund	5.0	0.5
	RReef UK Property Fund	28.6	2.7
	Royal London Property Unit Trust	13.4	1.3
	Morley Property Fund	22.7	2.1
	<b>Total UK Property</b>	<b>117.9</b>	<b>11.1</b>
Emerging Markets	Pictet Emerging Markets Fund	23.8	2.2
	<b>Total Emerging Markets</b>	<b>23.8</b>	<b>2.2</b>
Private Equity	Standard Life	3.1	0.3
	Capital Dynamics Private Equity	10.4	1.0
	Pantheon Private Equity	7.8	0.7
	<b>Total Private Equity</b>	<b>21.3</b>	<b>2.0</b>



## Actuarial position

The employers' contribution rates applying in the year ended 31 March 2006, for employers with more than 100 employees participating in the LGPS, are set out below.

### Employers' contribution rates 2005/2006

Employer	Rate as a % of pay
Lincolnshire County Council	17.6
Boston Borough Council	22.7
East Lindsey District Council	20.2
Lincoln City Council	20.9
North Kesteven District Council	18.5
South Holland District Council	17.8
South Kesteven District Council	21.2
West Lindsey District Council	12.7
Lincolnshire Police Authority	16.0
Lincolnshire Probation and After Care Committee	20.1
Boston College	14.3
Lincoln College	14.3
Grantham College	14.3
Stamford College	14.3
New Linx Housing Trust	19.3

*(West Lindsey District Council pay additional lump sum contributions which are not expressed as a percentage of payroll)*

### Administration of benefits

Lincolnshire County Council has contracted with HBS to administer LGPS benefits and other services.

### The principal points of contact in respect of questions about the LGPS are:

**Investments** David C Forbes, Assistant Director of Resources – Lincolnshire County Council, County Offices, Newland, Lincoln, LN1 1YL. (Tel: 01522 553642)  
(email : dcf@lincolnshire.gov.uk)

**Pensions** David Vickers, Pensions Manager – HBS, Mill House, Brayford Wharf North, Lincoln, LN1 1YT (Tel: 01522 836462)  
(email: dave.vickers@hbs.uk.com)

**P Moore BA CPFA**  
**Director of Resources**

**LINCOLNSHIRE COUNTY COUNCIL PENSION FUND ACCOUNT & NET ASSETS  
STATEMENT FOR THE YEAR ENDED 31 MARCH 2006**

	<b>2005/2006</b>	<b>2004/2005</b>
	<b>£000</b>	<b>£000</b>
<b>FUND ACCOUNT</b>		
<b>CONTRIBUTIONS &amp; BENEFITS</b>		
Contributions receivable	57,823	51,964
Transfers in	11,315	7,024
	<u>69,137</u>	<u>58,988</u>
Benefits payable	41,855	39,707
Leavers	8,672	5,547
Administrative expenses	817	887
	<u>51,344</u>	<u>46,141</u>
<b>NET ADDITIONS (WITHDRAWALS) FROM DEALINGS WITH MEMBERS</b>	17,793	12,847
<b>RETURNS ON INVESTMENTS</b>		
Investment management expenses	(2,087)	(1,578)
Investment income	23,225	23,898
Change in market value of investments	182,361	59,608
<b>NET RETURNS ON INVESTMENTS</b>	<u>203,499</u>	<u>81,928</u>
<b>NET CHANGE IN THE FUND VALUE</b>	<b>221,292</b>	<b>94,775</b>
<b>NET ASSETS OF THE SCHEME</b>		
<b>OPENING NET ASSETS AS AT 1st APRIL</b>	841,107	746,332
<b>CLOSING NET ASSETS AS AT 31st MARCH</b>	1,062,399	841,107
<b>NET ASSET STATEMENT</b>		
<b>INVESTMENTS</b>		
FIXED INTEREST SECURITIES	114,999	93,078
EQUITIES	721,286	529,255
INDEX LINKED SECURITIES	38,861	37,880
MANAGED FUNDS AND UNITISED TRUSTS	163,578	143,731
CASH DEPOSITS	8,447	7,808
<b>TOTAL INVESTMENTS</b>	<u>1,047,171</u>	<u>811,752</u>
<b>CURRENT ASSETS &amp; LIABILITIES</b>	15,227	29,355
<b>CLOSING NET ASSETS AS AT 31st MARCH</b>	<u>1,062,399</u>	<u>841,107</u>

## EXTRACT OF AUDIT OPINION AND ACTUARIAL STATEMENT

### Opinion on the financial statements

I have audited the financial statements and pension fund accounts of Lincolnshire County Council for the year ended 31 March 2006 under the Audit Commission Act 1998. The financial statements comprise the Consolidated Revenue Account, the Consolidated Balance Sheet, the Statement of Total Movements in Reserves, the Cash Flow Statement and the related notes. The pension fund accounts comprise the Fund Account, the Net Assets Statement, and the related notes. The financial statements and pension fund accounts have been prepared under the accounting policies set out within them.

This report is made solely to Lincolnshire County Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

### Basis of audit opinion

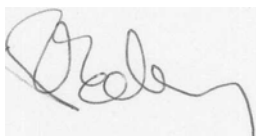
I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In my opinion:

- The pension fund accounts present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005, the financial transactions of the Pension Fund during the year ended 31 March 2006, and the amount and disposition of the fund's assets and liabilities as at 31 March 2006, other than liabilities to pay pensions and other benefits after the end of the scheme year.



Neil Bellamy  
District Auditor

1<sup>st</sup> Floor  
Bridge Business Park, Bridge Park Road  
Thurmaston, Leicester, LE4 8BL

(Extract from the County Council's Report and Accounts)

## ACTUARIAL STATEMENT

Actuarial Statement for the purposes of Regulation 77 of the Local Government Pension Scheme Regulations 1997.

Name of Scheme : Lincolnshire County Council Pension Fund  
Effective Date of Valuation : 31 March 2004

### *Security of Prospective Rights*

In my opinion, the resources of the Scheme are likely in the normal course of events to meet the liabilities of the Scheme, as required by the Regulations. In giving this opinion I have assumed that the following amounts will be paid to the Scheme:-

Contributions to be paid by the members in accordance with the Local Government Pension Scheme Regulations 1997, at the rate of 6% of pensionable pay for all members, except manual staff who joined before 1 April 1998 and contribute at the rate of 5% of pensionable pay.

Contributions to be paid by the employers for the three years commencing 1 April 2005 as specified in the certificate contained in our report dated March 2005 on the valuation of the Fund as at 31 March 2004.

### *Summary of Methods and Assumptions Used*

The valuation method and assumptions are described fully in our valuation report dated March 2005.

My opinion on the security of the prospective rights is based on the projected unit valuation method. This assesses the cost of benefits accruing to existing members during the year following the valuation, allowing for future salary increases. The resulting contribution rate is adjusted to allow for any difference in the value of accrued liabilities (allowing for future salary increases) and the assessed value of assets.

A "market-related" approach was used to determine the financial assumptions. The resulting key financial assumptions adopted as at the 31 March 2004 were:-

Financial Assumptions	Mar 2004	
	% p.a. Nominal	% p.a. Real
Discount Rate	6.3%	3.4%
Pay Increases	4.4%	1.5%
Price Inflation/Pension Increases	2.9%	-

The 2004 valuation revealed that the Fund's assets, which at 31 March 2004 were valued at £746.7million, were sufficient to meet approximately 79% of the liabilities accrued up to that date.

Copies of the actuarial valuation report as at 31 March 2004 are available on request from the Finance Department of Lincolnshire County Council Pension Fund. The next actuarial valuation is due with an effective date of 31 March 2007.

**Peter Summers**  
Fellow of the Faculty of Actuaries

July 2006

Hymans Robertson LLP  
20 Waterloo Street  
GLASGOW  
G2 6DB

## INVESTMENT BACKGROUND

### Returns for major markets

Equity markets produced exceptionally strong returns over the twelve months ended March 2006. Japan was the leading developed market performer with a return of almost 50%. Sterling investors saw returns ranging from 37% in the Far Eastern markets, to 24% in North America.

As global interest rates and inflation concerns were generally increasing, bond markets produced relatively low returns of 3.7%. The UK bond market benefited from a reduction in interest rates and strong demand from pension and insurance funds for long dated conventional and index linked stocks. In the UK, Bond returns ranged from 8% for Corporate Bonds to 11% for long dated Government Bonds.

Commercial Property in the UK produced a high return of 20% as investor demand remained strong, despite the reduction in yield from this asset class.

### Investment Returns to sterling based investors 1 April 2005 to 31 March 2006

Asset Class	Index	Index return to sterling investors %
<b>Equities</b>		
United Kingdom	FTSE All Share	28.0
Global Equities	MSCI World	29.8
United States	FTSE North America	24.4
Europe	FTSE Europe (ex UK)	37.2
Japan	FTSE Japan	49.0
Far East	FTSE Pacific (ex Japan)	36.8
<b>Fixed Interest</b>		
UK Index Linked Gilts	FTSE Index – Linked All Stocks	8.4
UK Gilts over 15 yrs	FTSE All Stocks Over 15 years	10.7
Overseas Bonds	JP Morgan World ex UK	3.7
UK Corporate Bonds	ML UK Non Gilts All Stocks	7.9
<b>Property</b>	IPD Index	20.9
<b>Cash</b>	Seven Day Rate	4.6

## MARKETS OVER THE REPORTING PERIOD

### World Equity Markets

- World equity markets reached their highest for five years, responding to strong growth in company profits in an environment of subdued economic growth.
- Japan was the best performing major equity market on the back of signs of economic growth returning and increased share buying by foreign investors.
- The prices of oil and other commodities rose sharply in response to increasing demand from the rapidly developing Chinese economy, the impact of the US hurricane season and political concerns in the middle and far east.
- The inflation in commodity prices benefited the share prices of resource companies and the economies of the producing countries such as Russia, South Africa and the oil states.
- The UK economy saw a reduction in interest rates in August in response to a weakening retail and housing sector. Europe and the US saw interest rate increases to curtail inflationary pressures.
- The series of interest rate rises in the US supported the dollar which gained in value relative to other major currencies despite the significant government funding and trade deficits.
- Equity markets were characterised by increasing levels of mergers and acquisitions. The UK, in particular, saw a large number of household names being acquired or the subject of offers, such as O2, BAA, BOC, Pilkington, P&O and Associated British Ports.

- In Europe, a weaker euro benefited the exporting companies in particular.
- Emerging markets benefited from accelerating economic growth and record inflows of money from foreign investors.

### Fixed Interest Markets

- Global Bond markets produced low returns in an environment where interest rates are likely to increase further.
- In the UK there was a big difference between the return from Bonds with maturity dates under five years, 4.8%, and the 11% achieved from stocks with maturity dates over 15 years.
- Demand for the longer dated Bonds has been maintained at a high level by regulatory requirements on insurance companies and pension funds to match their liabilities appropriately.

### Commercial Property

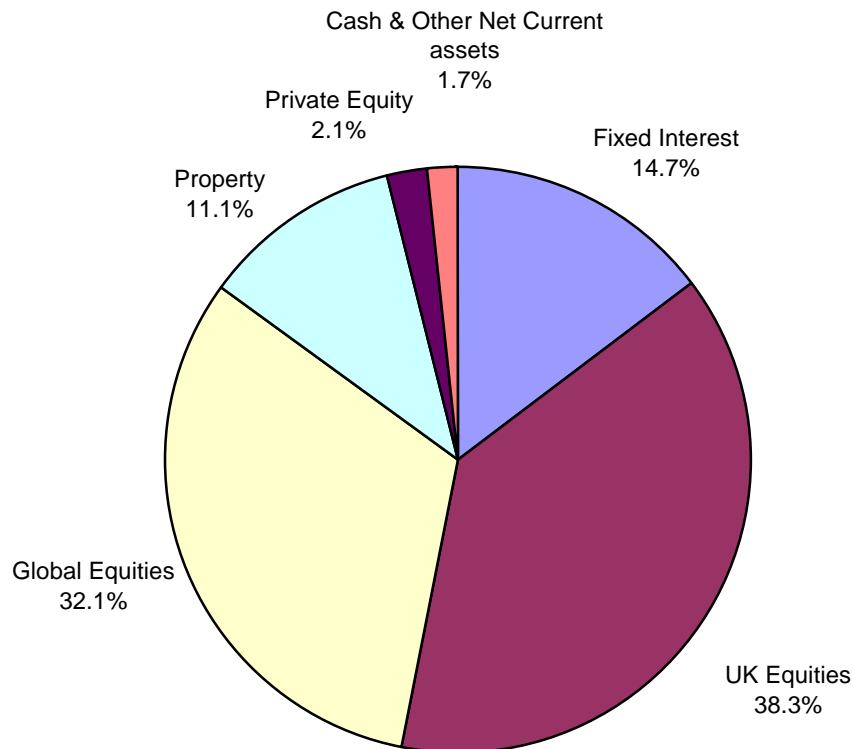
- Commercial Property in the UK delivered a very strong overall return of 20.9%. The returns from the different sectors were quite similar with offices, retail and industrial properties returning 21.7%, 21.1% and 19.4% respectively.
- Investor demand for property remained very strong and the important London office market saw a stabilisation in rents and an increase in the take up of vacant space.

## ASSET DISTRIBUTION AT 31 MARCH 2006

Asset class	Market Value £000	31/3/06 %	31/3/05 %
Fixed Interest	155,852	14.7	15.6
UK Equity Portfolios	407,134	38.3	42.6
Global Equity Portfolios	341,345	32.1	23.9
Property	117,936	11.1	11.4
Private Equity	21,838	2.1	2.0
Cash & Other Net Current assets	18,294	1.7	4.4
<b>Total</b>	<b>1,062,399</b>	<b>100</b>	<b>100</b>

## INVESTMENT DISTRIBUTION

### ASSET ALLOCATION AS AT 31 MARCH 2006



**TWENTY LARGEST HOLDINGS IN THE FUND AS AT 31 MARCH 2006**

	Market Value	Proportion of Fund %
	£000	
Standard Life UK Property Fund	47,083	4.4
RREEF UK Managed Property Fund	28,572	2.7
BP	27,146	2.6
Pictet Emerging Markets Fund	23,805	2.2
Morley Pooled Property	22,673	2.1
Glaxo Smithkline	19,465	1.8
HSBC	17,810	1.7
Royal Dutch Shell	16,381	1.5
Royal London Exempt Property Unit Trust	13,428	1.3
Barclays	13,427	1.3
Royal Bank of Scotland	13,013	1.2
HBOS	11,809	1.1
Vodafone Group	11,236	1.1
Astrazeneca	11,137	1.0
BG Group	10,306	1.0
Treasury 4.25% 2032	9,501	0.9
Prudential Corporation	9,142	0.9
Xstrata	9,106	0.9
BHP Billiton	8,567	0.8
British American Tobacco	8,016	0.8
<b>Total</b>	<b>338,275</b>	<b>31.2</b>



## **SUMMARY OF LGPS CONTRIBUTIONS AND BENEFITS**

Membership of the LGPS is available to all contracted employees of participating employers whether whole time, part time or casual. While membership of the Scheme is not compulsory for employees, new employees are deemed to have joined the Scheme unless they specifically opt out.

National legislation and regulation cover the LGPS including the benefit entitlements of Scheme participants and their families. Such benefits are not linked to the investment performance of the Fund. Key features of the contributions payable and the benefits available are outlined below:

### **Contributions**

Employees contribute 6% of their pensionable pay towards their pension, the exception being manual workers who were Fund members before 1 April 1998 who pay 5%.

### **Benefits**

The normal retirement age for Scheme members is 65 but employees in the Scheme prior to 1 April 1998 can retire at 60 provided they have 25 years service. Retirement before these ages, other than on ill-health grounds, is not possible without the permission of the employer.

### **Annual Pensions**

Pensions are calculated at a rate of  $\frac{1}{80}$ th of the employee's pensionable pay in their last twelve months of employment for each year of service up to a maximum of 40 years. Pensions for persons aged 55 and over are linked to the movement in the Retail Price Index.

### **Lump Sum Payments**

A retiree receives a lump sum payment upon ceasing work equating in general, to three times the annual pension.

### **Ill Health Retirement**

Benefits are as for normal retirement but with additional years added dependent on the length of service.

### **Death-benefits**

Death in service attracts a lump sum grant equivalent to up to twice final pensionable pay. An annual pension is payable to the surviving spouse and any eligible children. For death after retirement a single payment is made of five times the member's annual pension (less any pension paid since retirement). The surviving spouse is entitled to an annual pension of up to 50% of the member's pension for the rest of their life.

### **Supplementary Pensions**

Scheme members may purchase additional service within the Scheme provided that they would not normally be able to achieve 40 years service by their normal retirement age. As an alternative, Scheme members may increase their benefits by paying Additional Voluntary Contributions, up to limits imposed by the Inland Revenue, to a private pension provider under an arrangement sanctioned by the County Council.

## LIST OF PARTICIPATING EMPLOYERS

Employing authorities who are participating members of the Fund at 31 March 2006

### **Scheduled Authorities**

Aubourn & Haddington Parish Council  
Black Sluice Internal Drainage Board  
Boston Borough Council  
Boston College  
Bourne Town Council  
Branston & Mere Parish Council  
Cherry Willingham Parish Council  
City of Lincoln Council  
Crowland Parish Council  
Deeping St James Parish Council  
East Lindsey District Council  
Grantham College  
Heighington Parish Council  
Horncastle Town Council  
Ingoldmells Parish Council  
Langworth Parish Council  
Lincoln College  
Lincolnshire County Council  
Lincolnshire Magistrates Courts  
Committee  
Lincolnshire Police Authority  
Lincolnshire Probation Service  
Lincolnshire Valuation Tribunal  
Lindsey Marsh Drainage Board  
Louth Town Council  
Mablethorpe and Sutton Town Council  
Market Deeping Town Council  
Nettleham Parish Council  
North East Lindsey Internal Drainage  
Board  
North Hykeham Town Council  
North Kesteven District Council  
Skegness Town Council  
South Holland District Council  
South Holland Internal Drainage Board  
South Kesteven District Council  
Stamford College  
Stamford Town Council  
Sudbrook Parish Council

Upper Witham Internal Drainage Board  
Washingborough Parish Council  
Welland and Deeping Internal Drainage  
Board  
West Lindsey District Council  
Witham First Internal Drainage Board  
Witham Fourth Internal Drainage Board  
Witham Third Internal Drainage Board

### **Admitted Authorities**

ACIS Group  
Adults Supporting Adults  
Bishop Grosseteste College  
Boston Mayflower  
Centre for British Teachers  
City of Lincoln Archaeological Unit  
Community Leisure Services  
Heritage Trust for Lincolnshire  
Lincolnshire Enterprise  
Lincolnshire Sports Partnership  
Lincolnshire Tourism  
Lincolnshire Trust for Nature  
New Linx Housing Trust  
National Child Minding Association  
Sleaford Development Group