



Scheme funding report

Actuarial valuation of the University of Oxford Staff Pension Scheme at 31 March 2025

Prepared for: OSPS Trustee Limited
Prepared by: J M Harvey FIA

28 April 2026
Confidential





Introduction

Why bring you this report?

Legislation requires the Trustee to receive this formal report from me (as Scheme Actuary) setting out the results and conclusions from the actuarial valuation of your Scheme at 31 March 2025.

My report summarises the key aspects of the valuation process, including:

- The funding objectives and background details.
- The technical provisions.
- The corresponding future service costs.
- The agreed contributions.
- The results on the low dependency funding basis.
- The solvency position (statutory solvency estimate).
- The results of the section 179 valuation.

Some further information is provided for compliance purposes.

In the main part of this report, defined contribution (DC) benefits have been **excluded** from the valuation results because in my view this provides a clearer picture. In order to comply formally with the legislation, an alternative presentation of the valuation results (which includes DC benefits) is provided as an appendix.

I have set out the valuation results in this report in such a way that the employers may readily reference this report to assess whether the Scheme meets the alternative quality requirement in order to be a qualifying pension scheme for auto-enrolment purposes.

Note that further information required for the appendix of the statement of strategy submission to the Pensions Regulator will be provided separately to the Trustee.

A summary of any 'shorthand' legal references and a glossary of key valuation terms can be found at the back of this report.



Key deadlines

By 30 June 2026: All of the valuation documents need to be in place to complete the valuation by the statutory deadline. This includes this report, the certified schedule of contributions, the statement of funding principles and the statement of strategy. The details from the section 179 valuation certificate must also be submitted to the Pensions Regulator by this date.

By 30 September 2026: A summary funding statement setting out the results of the valuation must be provided to members within 18 months of the valuation date.

By 31 March 2028: The next actuarial valuation and section 179 valuation must be carried out no later than 31 March 2028 (i.e. three years after the effective date of this valuation).

In addition:

- A copy of this report must be provided to all participating employers **within 7 days** of the Trustee receiving it.
- Details of the valuation must be submitted to the Pensions Regulator within a "reasonable period" (generally **10 working days** from the completion of the valuation). This includes the statement of strategy, a copy of this report and the schedule of contributions.



At a glance...

As your Scheme Actuary, I have carried out an actuarial valuation of the Scheme at 31 March 2025.

Funding summary

The results of the valuation have revealed that the Scheme has a surplus relative to its liabilities on all the different bases considered.

Technical provisions	Low dependency	Solvency estimate	PPF section 179
£157M	£119M	£41M	£214M
Surplus	Surplus	Surplus	Surplus

Important

This report mainly focuses on the Scheme's financial position at the valuation date. As time moves on, the Scheme's finances will fluctuate. If you are reading this report some time after it was produced, the Scheme's financial position could have changed significantly. Although, the risk mitigation measures that are incorporated into the investment strategy aim to protect the funding position (see pages 9 and 21).



Contributions

Following discussions, it has been agreed that the employer contribution rate payable in respect of DB members will reduce from 16.5% of Pensionable Salary to **11.8% of Pensionable Salary** with effect from 1 October 2026 to reflect the new, lower, cost of future benefit accrual revealed at this valuation.

In addition, the following further changes have been agreed in light of the improved funding position:

- The employer contribution rates payable in respect of DC members will increase by 1.5% of Pensionable Salary for all cost plans with effect from 1 October 2026.
- The employee contribution rates payable by DB members will reduce by 0.5% of Pensionable Salary for all cost plans with effect from 1 April 2027.

Expenses

It has been agreed that the Scheme will continue to meet its own running costs from the Scheme's assets, including expenses relating to both the DB and DC Sections and the cost of Pension Protection Fund and other statutory levies. This arrangement will be subject to review at the next actuarial valuation, which is due to be carried out with an effective date of 31 March 2028.

Pension increases

In light of the improved funding position, it has been agreed that benefits accrued up to 31 March 2018, which are currently increased based on the average of the annual increase in RPI and the annual increase in CPI, will instead be increased based on the annual increase in RPI only (subject to any caps and floors as before). Again, this arrangement will be subject to review at the next actuarial valuation.

Fast Track applicability

The Scheme meets the Pension Regulator's Fast Track requirements. Actuarial confirmation of this is provided in the appendix.

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1

Background to your actuarial valuation

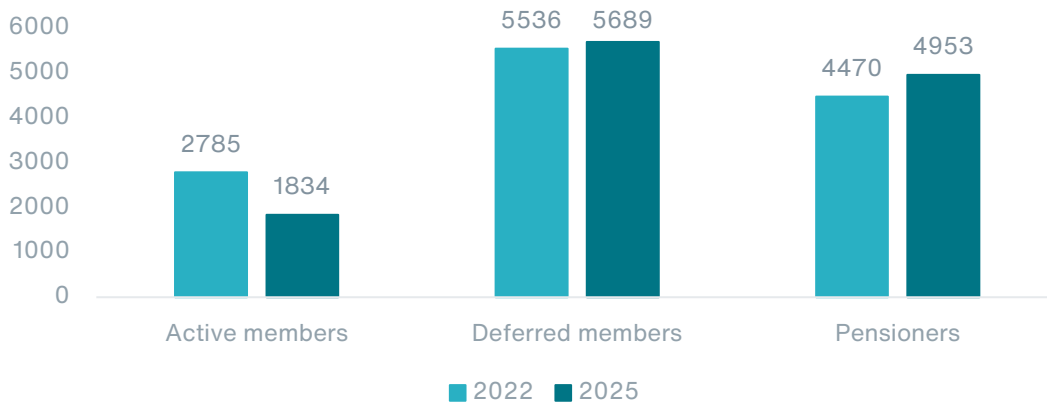


Data and benefits valued

Your actuarial valuation was based on a snapshot of member data at the valuation date and my understanding of the Scheme's benefits.

Member data

The DB Section of the Scheme has continued to mature with the number of active members reducing and the number of deferred and pension members increasing. The membership numbers are shown graphically below. Further details of the membership data used for the actuarial valuation calculations are provided in the appendix.



Benefits

Members are entitled to the benefits defined in the Rules. Note the results in this report reflect our understanding of the benefits due at the date of the report. Other than where stated, they make no allowance for any potential impact on benefits of recent case law. A summary of the benefits is included in the appendix. In valuing these benefits, I have applied some judgment in the following key areas, consistent with approach used at the previous valuation.

1 GMP equalisation

Schemes (like this one) that contracted-out of the State Earnings Related Scheme at any point during the period from 17 May 1990 to 5 April 1997 need to equalise benefits for the effects (if any) of unequal Guaranteed Minimum Pensions. I have not made an explicit allowance for GMP equalisation in the technical provisions, low dependency funding basis or solvency estimate at this valuation since the impact on the Scheme is expected to be negligible. Details of how I have allowed for GMP equalisation in the section 179 valuation are included later in this report.

2 Discretionary benefits

The Scheme has a history of allowing active members who joined the Scheme before 1 August 2004 to retire from age 60 on unreduced benefits. Allowance for this discretionary practice was made in the valuation. I am not aware of the Scheme having a history of paying any other discretionary benefits and no allowance was made in this valuation for any other discretionary benefits.

Funding objectives and investment strategy

The Trustee's funding objective is to hold assets which are at least equal to the technical provisions. Longer term, the aim is to provide benefits to members by running the Scheme on and meeting benefits from the DB Section's assets as they fall due.

Your funding targets

The Trustee's funding objective is to be fully funded on the technical provisions basis. This is the statutory funding objective and is set out in the Scheme's statement of funding principles. The Scheme currently meets this objective.

The Trustee and University have agreed that the long-term objective for the Scheme is to run-on, meeting benefits from the DB Section's assets as they fall due. To help achieve this, the aim is to be fully funded on the low dependency funding basis. Again, the Scheme currently meets this objective.

Employer covenant

A key factor in setting the level of the technical provisions and the associated journey plan is the Trustee's assessment of the employer covenant. The Trustee commissioned an independent review of the employer's covenant, which concluded that covenant is 'strong'.

The key covenant metrics are:

- **Covenant longevity** (how long the Trustee can be reasonably certain that the employers will be able to continue to support the Scheme) – at least 10 years.
- **Reliability period** (the period over which the Trustee can be reasonably certain of the employers' cash flow to fund the scheme) – 5 years.
- **Supportable risk** (broadly, the amount of funding/investment risk the covenant can support) – at least £331M.

The covenant strength rating is similar to the assessment from the previous valuation and this has been taken into account in the assumptions for the technical provisions, the contribution rates agreed with the University, and in the journey plan.



Low dependency

The low dependency funding basis is designed so that if the Scheme is fully funded on this basis, and its assets are invested in accordance with the corresponding low dependency investment allocation, then no further contributions from the employers would be expected to be needed (beyond those required to meet the ongoing cost of future accrual).

The low dependency funding basis must be consistent with the long-term objective and there needs to be a journey plan to move from the current funding position to the low dependency funding target by the relevant date.



Investment strategy

The Scheme's current assets are described in the appendix.

The Trustee's current investment strategy is set out in its statement of investment principles. In summary, the Trustee's strategy is to invest:

- 50% of the Scheme's assets in a diversified portfolio of growth assets to generate investment returns.
- 50% of the Scheme's assets in matching assets, the purpose of which is to reduce the risk of movements in market expectations of future interest rates and inflation having an adverse impact on the Scheme's funding position.

This is a change since the previous valuation, as the Scheme has reduced its exposure to growth assets (and increased the level of hedging provided by the matching to assets) in order to better protect the recent improvements in the funding position.

At the valuation date, the expected return of the current investment strategy was around 1.9% p.a. above 'gilts' (where 'gilts' is defined as a portfolio of fixed and index-linked government bonds which match the characteristics of the Scheme's liabilities).

In the longer-term, the Trustee intends to maintain the current broad 50:50 allocation between growth and matching assets but reduce the target level of investment return (and hence risk) to around 1.5% p.a. above 'gilts' by reducing its allocation to illiquid assets. The resulting portfolio is expected to meet the requirements of a low dependency investment allocation.



Method and assumptions

The Trustee and the University agreed the method and assumptions used to calculate the technical provisions, the cost of future benefit accrual and the liabilities on the low dependency funding basis.

Method

As for the previous valuation, the technical provisions have been calculated using the projected unit method. This method, with a three-year control period, has also been used to calculate the cost of future benefit accrual. This is the same control period as was adopted in the previous valuation and has also been used to calculate the liabilities on the low dependency funding basis.

The assets are valued at the audited value contained in the Scheme’s annual report and accounts for the year ended 31 March 2025. DC assets have been excluded in the main body of this report as the asset exactly matches the liability (an alternative presentation of the results including DC benefits is provided in the appendix).

Assumptions

The table below summarises the key assumptions used for the technical provisions, together with those used for the previous valuation, and the reasons for any change.

The same assumptions have been used for the low dependency funding basis, except for the discount rate where the assumption at 31 March 2025 has been set equal to the gilt yield curve plus 0.5% p.a. at all durations.

Further details of all the assumptions are set out in the statement of funding principles dated 28 April 2026.

Assumption	2022 technical provisions assumption	2025 technical provisions assumption	Rationale for change / description of variation
Discount rate	<p><i>Pre-retirement:</i> For calculations with effective dates up to 30 March 2023:</p> <ul style="list-style-type: none"> The gilt yield curve plus 2.25% p.a. at each term. <p>For calculations with effective dates on or after 31 March 2023:</p> <ul style="list-style-type: none"> The gilt yield curve plus 1.75% p.a. at each term. <p><i>Post-retirement:</i> The gilt yield curve plus 0.5% p.a. at each term.</p>	<p>The gilt yield curve plus:</p> <ul style="list-style-type: none"> 1.1% p.a. at 31 March 2025. Reducing linearly to 0.5% p.a. by 31 March 2057. 0.5% p.a. thereafter. 	<p>Updated to better reflect the Scheme’s notional journey plan for moving towards the low dependency investment allocation by the time at which it is expected to be ‘significantly mature’ (although in practice it is expected to get there materially sooner).</p>



Assumption	2022 technical provisions assumption	2025 technical provisions assumption	Rationale for change / description of variation
RPI inflation	<p>For calculations with effective dates up to 30 March 2023:</p> <ul style="list-style-type: none"> The “break-even” RPI inflation curve less 0.5% p.a. pre 2030 and 1.0% p.a. post 2030. <p>For calculations with effective dates on or after 31 March 2023:</p> <ul style="list-style-type: none"> The “break-even” RPI inflation curve. 	The “break-even” RPI inflation curve.	No change.
CPI inflation	<p>The RPI inflation assumption, less Aon’s best estimate of the long-term difference between RPI and CPI inflation.</p> <p>At 31 March 2022, this was 1.0% p.a. up to February 2030 and 0.1% p.a. thereafter.</p>	The RPI inflation assumption, less 0.8% p.a. up to February 2030 and 0% p.a. thereafter.	Updated for consistency with the Fast Track requirements under the new funding code.
Post-retirement mortality – base table	<p>105% of S3PMA_M tables for men.</p> <p>105% of S3PFA_M tables for women.</p>	<p>95% of S4PMA_M tables for men.</p> <p>95% of S4PFA_M tables for women.</p>	Updated to reflect the results of the Scheme’s latest postcode and experience analysis.
Post-retirement mortality – future improvements	CMI_2021 projections with Sk=7.0, A = 0.5% and a long-term improvement rate of 1.5% p.a.	CMI_2024 projections with H=1.0, A = 0.5% and a long-term improvement rate of 1.25% p.a.	Updated to reflect the latest mortality projection model published by the CMI and Aon’s latest views on long-term mortality improvements.
Expenses	No allowance.	2.5% of all future cashflows from 31 March 2025/7	Updated to meet the requirements of the new funding code.

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Valuation results





Technical provisions results

The Scheme's technical provisions and resulting funding position have been calculated at 31 March 2025.

Results

	Technical provisions basis (£M)
- Active	159
- Deferred	189
- Pensioner	321
- Expenses	2
Total liabilities	671
Assets	827
Surplus / (Deficit)	157
Funding level	123%

NB: Results may not sum due to rounding.

My formal certificate of your technical provisions is included in this report.

Sensitivity of the funding level

The key assumptions are the discount rate and the inflation and mortality assumptions. The sensitivity of the **funding level** to these key assumptions is as follows (ignoring any changes to the value of the assets):



Discount rate decreases by 0.25% p.a.

A 0.25% p.a. decrease in the discount rate is expected to reduce the funding level to around 119%.



RPI inflation increases by 0.25% p.a.

A 0.25% p.a. increase in the RPI inflation assumption (and the knock-on impact on the other assumptions derived from it) is expected to reduce the funding level to around 120%.



Members live longer than assumed

A shift in longevity expectations equivalent to an increase in life expectancy of around 1 year is expected to reduce the funding level to around 120%.



Future service results

The value of the benefits that active members will earn in the Scheme in future has been calculated at 31 March 2025.

Results

% of Pensionable Salaries	Technical provisions
Total cost of benefits	18.5%
Less member contributions	(6.7)%
Net cost to the employers	11.8%

The member contribution rate shown above is the weighted average rate payable based on members' cost plans at the valuation date, but allowing for the proposed 0.5% of Pensionable Salary reduction with effect from 1 April 2027.

The cost of ill-health and death-in-service benefits for DC members are not included in the above figures and are instead assumed to be met out of surplus assets.

Sensitivity of the cost of future benefit accrual

The key assumptions are the discount rate and the inflation and mortality assumptions. The sensitivity of the **cost of future benefit accrual** to these key assumptions is as follows:



Discount rate decreases by 0.25% p.a.

A 0.25% p.a. decrease in the discount rate is expected to **increase the cost of future benefit accrual** by around 0.9% of Pensionable Salaries.



RPI inflation increases by 0.25% p.a.

A 0.25% p.a. increase in the RPI inflation assumption (and the knock-on impact on the other assumptions derived from it) is expected to **increase the cost of future benefit accrual** by around 0.8% of Pensionable Salaries.



Members live longer than assumed

A shift in longevity expectations equivalent to an increase in life expectancy of around 1 year is expected to **increase the cost of future benefit accrual** by around 0.4% of Pensionable Salaries.



Low dependency results

The Scheme's funding position on the low dependency funding basis has been calculated at 31 March 2025.

Results

	Low dependency funding basis (£M)
- Active	169
- Deferred	203
- Pensioner	335
- Expenses	2
Total liabilities	709
Assets	827
Surplus / (Deficit)	119
Funding level	117%

NB: Results may not sum due to rounding.

The key reason for difference between the results on the technical provisions basis and the low dependency funding basis is that the value of the liabilities is higher on the low dependency funding basis due to the use of a more prudent discount rate.

Maturity and the relevant date

I have calculated the duration of the Scheme's liabilities at 31 March 2025 to be 19 years using the prescribed method for calculating duration based on the low dependency funding basis and economic conditions as at 31 March 2023.

The Scheme is deemed to reach 'significant maturity' at the point that the duration calculated using this method has reduced to 10 years. I have estimated this to be by around 31 March 2057 and the Trustee and the University have agreed to adopt this as the relevant date (i.e. the date by which the Scheme is required to be fully funded on its low dependency funding basis).



Solvency position

I have provided the Scheme's statutory solvency estimate.

Results

	Solvency basis (£M)
- Active	187
- Deferred	240
- Pensioner	342
- Expenses	18
Total liabilities	786
Assets	827
Surplus / (Deficit)	41
Funding level	105%

NB: Results may not sum due to rounding.

This statutory solvency estimate represents the estimated cost of purchasing annuities at the valuation date from an insurance company to meet the Scheme's benefits, including an estimate of the costs of winding-up the Scheme.

The assumptions used in this assessment are referred to as the solvency basis and are summarised in the appendix.

Why higher?

The liabilities are higher on the solvency basis than the technical provisions and low dependency funding basis.

Broadly, this is for the following reasons:

- Insurers may hold less risky assets which provide **lower investment returns** than are expected to be achieved on the Scheme's assets.
- Insurers typically hold **larger margins**, for example by assuming that members will live longer than is assumed in calculating the technical provisions and low dependency funding basis.
- Insurers need to cover costs, including administering the benefits, and also make a **profit**.
- Allowance is made for the cost of **winding-up** the Scheme.



In practice

Supply and demand factors mean that the actual cost of purchasing annuities may be different to that assessed on the solvency basis. There may also be some practical barriers to voluntarily winding up the Scheme.

If the Scheme were to be discontinued with no solvent employer, the assets may not be sufficient to provide the benefits in full. If this were the case, then:

- Benefits corresponding to those covered by the PPF would be met first (either through the PPF or, if there were sufficient funds, by securing these benefits with an insurance company).
- Any remaining assets would be used to secure part of the remaining benefits with an insurance company.





Developments since the valuation date

Since the valuation date, the Scheme's funding position is estimated to have improved slightly.

Over the period to 31 December 2025 (the most recent quarter-end for which estimated figures are readily available):

- The funding level on both the technical provisions and low dependency funding basis is estimated to have improved by around 2%.
- The cost of future benefit accrual is estimated to have reduced slightly.
- The funding level on the solvency estimate is expected to have improved by around 7% due to improvements in insurance pricing.

Since the start of 2026, the funding position will have experienced some further volatility, primarily due to the Middle East conflict. However, the recent changes to the Scheme's investment strategy mean that it is well-protected against significant falls in the funding level and, as at the time of writing, I expect it to remain comfortably in surplus on all measures.

Reflecting post-valuation experience

The Trustee and the University have agreed **not** to allow for any post-valuation experience when setting the contributions at this valuation.

Changes to contributions and pension increases

The strong funding position at the valuation date, together with the strength of the covenant supporting the Scheme, has allowed the Trustee and University to agree a package of measures that are to the benefit of both DB and DC members.

In summary, it has been agreed that:

The employee contribution rates payable by DB members will reduce by 0.5% of Pensionable Salary for all cost plans with effect from 1 April 2027.

Benefits accrued up to 31 March 2018, which are currently increased based on the average of the annual increase in RPI and the annual increase in CPI, will instead be increased based on the annual increase in RPI only (subject to any caps and floors as before), subject to review at the next actuarial valuation, with the additional expected cost of these increases to be funded from surplus assets.

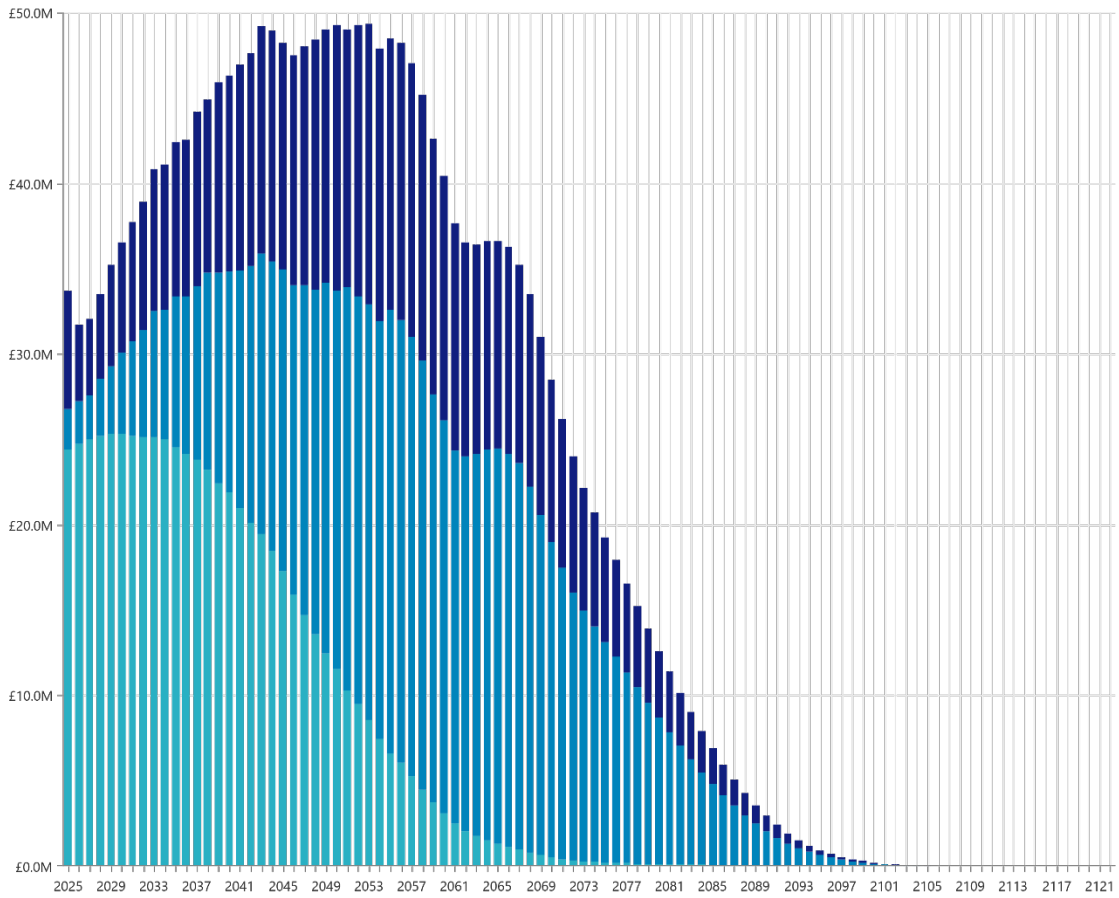
The employer contribution rates payable in respect of DC members will increase by 1.5% of Pensionable Salary for all cost plans with effect from 1 October 2026.



Funding and investment risks

The Scheme's funding level is likely to exhibit volatility.

The benefit payments from the Scheme are expected to be made for a very long period. The chart below shows the projected cashflows on the technical provisions basis for the Scheme.





Key risks

The Scheme faces a number of key risks which could affect its future cashflows and funding position, including:



Funding risk

The risk that the technical provisions and/or low dependency funding target are set too low and prove insufficient to meet the liabilities (e.g. in the event of unexpected discontinuance).



Investment risk

The risk that investment returns are lower than assumed in the valuation, and also that the assets are volatile and move out of line with the liabilities, so the funding position is volatile.



Liquidity risk

The risk that cashflows are higher than expected. For example, members commute more than is assumed or take transfer values, possibly leading to the sale of assets at inopportune times.



Longevity risk

The risk that Scheme members live for longer than assumed and that pensions would therefore need to be paid for longer.



Inflation risk

The risk that the relevant inflation metric is higher than assumed, increasing the pensions that need to be paid.



Sponsor risk

The risk that the sponsor is no longer willing or able to support the Scheme and fund any future losses that arise.



Legislative risk

The risk that new legislation, or clarification to existing legislation, increases the benefits due to members.



Climate change risk

The risk that the impact of climate change has a greater adverse impact on future investment returns, covenant support or liabilities than assumed.



Other risks

For example, long-term uncertainty around geopolitical, societal and technological shifts.



Risk mitigation

The Trustee takes an integrated approach to managing the Scheme's risks. The key actions taken to mitigate the risks include:

Investment

- Investing in matching assets, so that changes in the value of the liabilities will be partially broadly matched by changes in the asset values, thus reducing the funding volatility.
- Adopting a diversified strategy in respect of the Scheme's growth assets.
- Managing the risk of the Trustee having to disinvest to meet benefit outgo at times when the Scheme's asset values are depressed by the Trustee holding a significant proportion of its assets in highly liquid investments.

Covenant

- The Trustee commissions an independent third-party assessment of the covenant supporting the Scheme as part of each valuation. The Trustee also monitors the covenant between valuation dates.

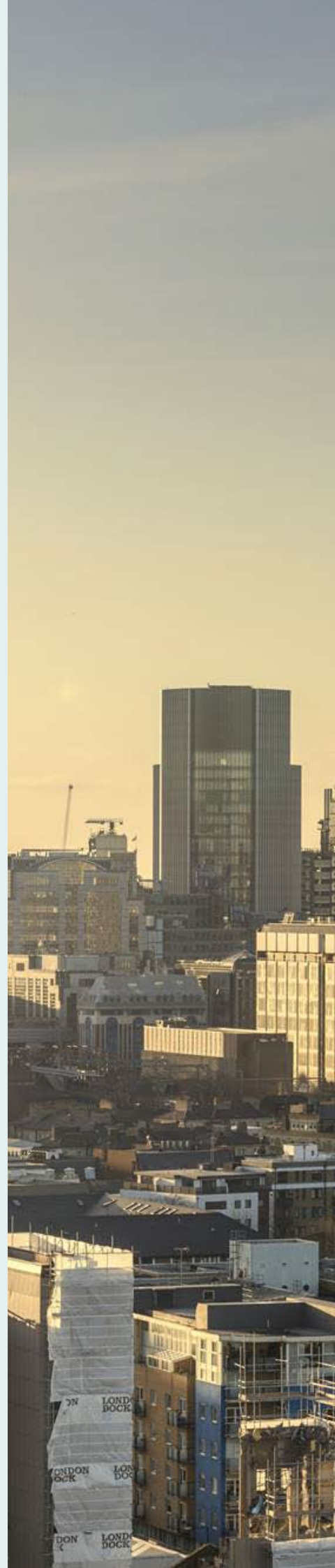
Funding

- Setting a funding and investment strategy under which the Scheme aims to reduce its dependence on the sponsor's continuing financial support over the period to the relevant date.
- Making prudent assumptions in calculating the technical provisions.

All of the above risks are further mitigated by the current strong funding level.

3

Future contributions





Agreed contributions

As a result of this valuation, the Trustee and the University have agreed a new contribution schedule.

Contributions

Following discussions, it has been agreed that the employer contribution rate payable in respect of DB members will reduce from 16.5% of Pensionable Salary to 11.8% of Pensionable Salary with effect from 1 October 2026 to reflect the new, lower, cost of future benefit accrual revealed at this valuation.

In addition, the following further changes have been agreed in light of the improved funding position:

- The employer contribution rates payable in respect of DC members will increase by 1.5% of Pensionable Salary for all cost plans with effect from 1 October 2026.
- The employee contribution rates payable by DB members will reduce by 0.5% of Pensionable Salary for all cost plans with effect from 1 April 2027.

Contributions are payable monthly, with the contributions due in respect of a particular month payable within 7 days of the end of the calendar month to which they relate. AVCs are payable in addition.

Expenses

It has been agreed that the Scheme will continue to meet its own running costs from the Scheme's assets, including expenses relating to both the DB and DC Sections and the cost of Pension Protection Fund and other statutory levies. This arrangement will be subject to review at the next actuarial valuation, which is due to be carried out with an effective date of 31 March 2028.

Schedule of contributions

The above arrangements are set out in detail in the schedule of contributions. As agreed, my certification of the schedule will be based on the position at the valuation date. A full review of the employers' contributions will be completed no later than following the next valuation, which is due to take place at 31 March 2028.



Projections

I have outlined below how I expect the Scheme's funding position to develop in the future.

Projected future funding levels

I estimate that, by the next valuation, which is due with an effective date of 31 March 2028:

- The technical provisions funding level will be around 129%.
- The funding level on the low dependency funding basis will be around 124%.
- The solvency level will be around 111%.

Assumptions

These estimates make no allowance for the estimated improvement in the funding position since the valuation date to date and assume that:

- Investment returns are in line with those expected under the current investment strategy at the valuation date (i.e. 1.9% p.a. above 'gilts').
- In all other respects, the experience of the Scheme is in line with the underlying assumptions for the relevant basis.
- The agreed contributions set out on the previous page are received on time.
- The assumptions underlying the liabilities remain unchanged.

Rationale

The main reasons for the expected improvement in the funding level on all three bases are:

- The investment returns exceeding the (prudent) discount rates.
- The investment growth on the surplus.

Although not illustrated, it is also reasonable to expect that actual experience will lead to further improvements in the solvency funding level to the extent that the other assumptions underlying the solvency estimate are prudent and due to how insurer pricing is expected to evolve as schemes mature.

Over the long-term, the technical provisions funding level is expected to converge to the funding level on the low dependency funding basis by 31 March 2057 because this is how the funding and investment strategy has been designed. In particular, the discount rate on the technical provisions basis trends towards the discount rate on the low dependency funding basis over the period to the relevant date.

4

Section 179 valuation





Background and method

I have carried out a section 179 valuation of the Scheme at 31 March 2025, at the request of the Trustee.

By law, pension schemes must submit a section 179 valuation to the Pension Protection Fund (PPF) at least once every 3 years. The PPF uses the information to calculate the Pension Protection Levy.

The section 179 valuation has been conducted in line with:

- The Pension Protection Fund (Valuation) Regulations 2005;
- Section 179 of the Pensions Act 2004; and
- Version number G10 of the section 179 guidance and version number A11 of the section 179 assumptions issued by the Board of the PPF.

For PPF purposes only

This section 179 valuation should not be used for other purposes, such as determining future contribution levels, assessing the overall solvency position of the Scheme or deriving pension costs for company accounting.

Benefits valued

The benefits that are protected under the PPF are restricted below the full Scheme benefit levels, and the section 179 valuation requires a proxy of the PPF benefits to be valued. The details are described in the appendix. The section 179 valuation results are therefore not representative of the cost of buying out the full benefits of the Scheme with annuity providers.

Valuation date

The valuation date of 31 March 2025 reflects the date of the Scheme's latest audited Trustee Report & Accounts.

Assets

I have used the same value of the assets as in the rest of this report.

This asset value does not reflect any reduction to allow for potential sale costs of assets on discontinuance.

Gilt yields vs assets held

For a section 179 valuation, the Scheme's liabilities are valued with reference to gilt yields.

Because the Scheme holds non-gilt assets too, the section 179 funding position may be volatile. For example, equity and property asset values are not directly affected by bond yield movements.



Approximations

It is common to make some approximations in a section 179 valuation to avoid disproportionate calculation complexity. The approximations used for this valuation are described in the appendix.

Please note that the PPF require that any approximations should be expected to overstate the liabilities. Accordingly, the PPF levies based on the results of this valuation are likely to be higher than if no approximations were made. I believe that the additional cost of valuing the benefits without these approximations would not be offset by the reduction in levies.

These approximations do not prevent me from certifying the valuation results for the PPF, as I am only required to confirm that the PPF liabilities have not, in my opinion, been understated.

Assumptions

The assumptions adopted for a section 179 valuation are prescribed by the PPF and the assumptions used for this valuation are provided in the appendix.

The key assumptions used are the discount rates (which are derived based on prevailing gilt yields) and the mortality rates.

Legal requirements

Legislation requires the liabilities to be valued as the estimated cost of securing the PPF level of benefits by means of an annuity purchased at the market rate at the valuation date.



Results and next steps

Results

	PPF section 179 (£M)
- Active	146
- Deferred	177
- Pensioner	278
- Expenses	12
Total liabilities	613
Assets	827
Surplus / (Deficit)	214
Funding level	135%



Compared to 31 March 2022

The Scheme's PPF section 179 funding ratio has **increased** from 98%.

I am not aware of any 'external liabilities' of the Scheme. (These are liabilities which 'do not fall due to the members of the scheme'.)



Key deadline: 30 June 2026

The Trustee will need to submit the information shown on the section 179 valuation certificate to the PPF, using the Pensions Regulator's Exchange system, within 15 months of the valuation date, i.e. by 30 June 2026.

I will submit this information on the Trustee's behalf.

5

Certificates





Certificate of technical provisions


Actuarial certificate given for the purposes of Regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme: University of Oxford Staff Pension Scheme

Calculation of technical provisions

I certify that, in my opinion, the calculation of the scheme's technical provisions as at 31 March 2025 is made in accordance with regulations under section 222 of the Pensions Act 2004.

The calculation uses a method and assumptions determined by the Trustee of the Scheme and set out in the statement of funding principles dated 28 April 2026.

Signature:	 <p>Signed by: A6D47AEB59834E0...</p>	Date: 28 April 2026
Name: J M Harvey		Qualification: Fellow of the Institute and Faculty of Actuaries
Address: 1 Redcliff Street Bristol BS1 6NP		Name of employer: Aon Solutions UK Limited



Actuarial confirmation for Fast Track submissions

Actuarial confirmation given for the purposes of Fast Track submission to The Pensions Regulator

Name of scheme: University of Oxford Staff Pension Scheme

I, J M Harvey, as Scheme Actuary to the above named scheme confirm to the Trustee that:

In respect of the assumptions underlying the scheme's low dependency funding basis, and, if relevant, the low dependency assumptions used to satisfy a Fast Track test:

- the discount rate is based on nominal gilt yields with an addition that is not greater than 0.5% p.a.
- the RPI assumption is derived from the difference between index linked and nominal gilts yields with no adjustment
- the CPI assumption follows the conditions set out in the 'Minimum Fast Track low dependency requirements' of the CPI inflation section of the Fast Track document
- mortality improvements have adopted a recent CMI core or extended model, or equivalent model from an industry recognised reputable longevity company
- scheme options, apart from cash commutation, have only been allowed for if they increase the value of the liabilities
- if the proportion with partners eligible for survivor pensions and/or age difference assumptions are not based on scheme-specific evidence, the assumptions used are at least as strong as that consistent with PPF guidance for section 179 purposes
- where there is not at least one statutory employer with a legal obligation to pay scheme expenses an expense reserve has been included. (For the avoidance of doubt this is a confirmation that a non-zero reserve is included and does not express an opinion as to the amount of that reserve)

Based on my calculation of the duration for the purposes of the relevant test I am satisfied that:

- the technical provisions are at least as high as the appropriate 'Minimum technical provisions percentage' derived from Table 1 of the Fast Track document
- the results of the funding and investment stress test show a lower or equal stress than the appropriate stress parameter derived from Table 2 of the Fast Track document

If applicable, in respect of the recovery plan:

- the length is not greater than three years if the effective date of the valuation is on or after the relevant date, or six years if the effective date of the valuation is before the relevant date. The length of the recovery plan is measured from the effective date of the valuation



- it makes no allowance for future investment outperformance in excess of the technical provisions discount rate
- it satisfies the prescribed conditions relating to increases in deficit repair contributions for Fast Track submissions as set out in the 'Increases to deficit repair contributions (DRCs)' section of the Fast Track document
- if relevant, the allowance for post valuation experience does not exceed the maximum positive favourable amount that could be determined under the first paragraph of the 'Post-valuation experience' section of the Fast Track document, and the submission also meets the other two paragraphs of that section

This confirmation states that the above tests and conditions are met, but only confirms this. In particular, it does not constitute an opinion on whether or not the legislation and principles in the Pension Regulator's defined benefit funding code of practice are being complied with. Neither does it provide an endorsement of any information provided by the trustees that has been used in satisfying the tests and conditions, for example the split of assets used in the funding and investment stress test.

References to the Fast Track document or parameters are to the Fast Track submission tests and conditions document dated 20 November 2024 and the parameters specified in it.

Signature:	 Signed by: A6D47AEB59834E0...	Date: 28 April 2026
Name:	J M Harvey	Qualification: Fellow of the Institute and Faculty of Actuaries
Address:	1 Redcliff Street Bristol BS1 6NP	Name of employer: Aon Solutions UK Limited



Section 179 valuation certificate

Scheme / Section details	
Full name of scheme	University of Oxford Staff Pension Scheme
Name of section, if applicable	Not applicable
Pension Scheme Registration Number	10009029
Address of scheme (or section, where applicable)	University Offices, University of Oxford, Wellington Square, Oxford
Postcode	OX1 2JD

Section 179 valuation	
Effective date of this valuation (dd/mm/yyyy)	31 March 2025

Guidance and assumptions	
s179 guidance used for this valuation	G10
s179 assumptions used for this valuation	A11

Assets	
Total assets (this figure should <u>not</u> be reduced by the amount of any external liabilities and should <u>include</u> the insurance policies referred to below)	£827,400,000
Date of relevant accounts (dd/mm/yyyy)	31 March 2025
Percentage of the assets shown above held in the form of a contract of insurance where this is <u>not</u> included in the asset value recorded in the relevant scheme accounts	0%

NOTE: This entry should reflect any difference between the value placed on contracts of insurance within the overall asset value above, and the value placed on them within the relevant scheme accounts. The entry will be positive if the value of the contracts within the overall asset value above is greater than the value shown in the relevant scheme accounts, and negative if the converse applies.



Liabilities	
Please show liabilities for:	
Active members (excluding expenses)	£146,000,000
Deferred members (excluding expenses)	£177,500,000
Pensioner members (excluding expenses)	£277,600,000
Estimated expenses of winding up	£3,000,000
Estimated expenses of benefit installation/payment	£9,100,000
External liabilities	£0
Total protected liabilities	£613,200,000


Please provide the percentage of the liabilities shown above that are fully matched by insured annuity contracts for:	
Active members	0%
Deferred members	0%
Pensioner members	0%

Proportion of liabilities			
Please show the percentage of liabilities which relate to each period of service for:			
	Before 6 April 1997	6 April 1997 to 5 April 2009 (inclusive)	After 5 April 2009
Active members	6%	21%	73%
Deferred members	10%	37%	53%
	Before 6 April 1997	After 5 April 1997	
Pensioner members	27%	73%	

Number of members and average ages		
For each member type, please show the number of members and the average age (weighted by protected liabilities) as at the effective date of this valuation. Average ages should be rounded to the nearest whole year.		
	Number	Average age
Active members	1,834	57
Deferred members	5,689	52
Pensioner members	4,953	72



I certify that this valuation has been carried out in accordance with the Pension Protection Fund (Valuation) Regulations 2005 and with the appropriate section 179 guidance and assumptions issued by the Board of the Pension Protection Fund. I also certify that the calculated value of the protected liabilities is, in my opinion, unlikely to have been understated.

Signature:	Signed by:  A6D47AEB59834E0...	Date: 28 April 2026
Name:	J M Harvey	Qualification:
		Fellow of the Institute and Faculty of Actuaries
Address:	1 Redcliff Street Bristol BS1 6NP	Name of employer:
		Aon Solutions UK Limited

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Appendix





Membership data

The results in this report are based on the membership data summarised below.

I have conducted high level checks on the membership data provided and I am satisfied with its adequacy for the purpose of this actuarial valuation.

The average ages shown in these tables are unweighted.

Active members	Number	Average age	Total pensionable salaries (£M p.a.)	Average pensionable salaries (£ p.a.)	Average service (years)
2022	2,785	49.6	70	25,117	11.8
2025	1,834	52.4	55	29,817	15.0

Note: Average service includes transferred-in service.

Deferred members	Number	Average age	Total pension (£M p.a.)	Average pension (£ p.a.)
2022	5,536	46.6	10	1,768
2025	5,689	48.1	13	2,242

Note: The deferred pension amounts include revaluations up to the valuation date and exclude 'suspended' members; an approximate allowance for whom has been included in the liabilities.

Pensioners	Number	Average age	Total pension (£M p.a.)	Average pension (£ p.a.)
2022	3,885	73.2	16	4,131
2025	4,283	73.6	22	5,054

Dependants	Number	Average age	Total pension (£M p.a.)	Average pension (£ p.a.)
2022	585	74.3	2	3,052
2025	670	74.4	2	3,691

Note (pensioners and dependants): The pension amounts shown above include the increase awarded on 1 April following the valuation date.



Benefits valued

A summary of the key details of the Scheme benefits considered in this valuation is set out below.

Benefit	University of Oxford Staff Pension Scheme
Normal Pension Age	<p>Pre 2013 pension: 31 July immediately preceding 66th birthday.</p> <p>Post 2013 pension: The later of the member's 65th birthday and the member's birthday immediately preceding their State Pension Age.</p>
Pensionable Salary	Basic salary or wages from the employer, including regular overtime and any other pensionable recurrent additions, but excluding other overtime and fluctuating emoluments.
Member Contributions	<p>Member contributions up to 31 March 2027/with effect from 1 April 2027:</p> <ul style="list-style-type: none"> • 5.6%/5.1% for Lower Cost Plan Members; • 6.6%/6.1% for Standard Cost Plan Members; and • 7.8%/7.3% for Higher Cost Plan Members.
Final Pensionable Salary	The highest Pensionable Salary in any period of 12 consecutive months in the 5 years before membership ceases (or 31 March 2018 if earlier).
Normal Retirement Benefits	<p>Pre 2013 pension: A pension of 1/80 of a member's Final Pensionable Salary for each year of Pensionable Service, plus a lump sum of 3/80 of Final Pensionable Salary for each year of Pensionable Service.</p> <p>Post 2013 pension: A CARE pension of either 1/80, 1/85 or 1/90 of a member's Pensionable Salary for each year of Pensionable Service, plus a lump sum of 3 times the CARE pension.</p>
Early Retirement Pension	With the employer's consent a pension and lump sum is provided on retirement after the age of 55. For members who joined the Scheme prior to 1 August 2004, this pension is payable unreduced if retirement is after age 60.
Incapacity and Ill Health Pensions	In the event of premature retirement due to serious ill health or incapacity, an immediate pension may be paid based on prospective Pensionable Service to Normal Pension Age plus a lump sum of three times the pension with no reduction being applied due to early payment.
Leaving Service	A deferred pension payable from Normal Pension Age; or



	<p>A transfer payment to either another employer’s scheme or a suitable insurance policy, equivalent in value to the deferred pension; or</p> <p>Members with less than three months of Pensionable Service are entitled to a return of their contributions; or</p> <p>Members with between three months and two years of Pensionable Service are entitled to either a return of their contributions, or a cash lump sum.</p>
Pension increases	<p>Pensions are increased both before and after retirement on an annual basis in line with the following:</p> <ul style="list-style-type: none"> • Pre 2013 pension: The average of the RPI and the CPI inflation*. • Post 2013 pension: The average of the RPI and the CPI inflation* capped at 8% p.a. (with the exception of members who joined OSPS before 1 February 2013, where pensions are increased in line with RPI inflation capped at 8% p.a. over the period to retirement) • Post 2018 pension: CPI inflation capped at 8% per annum.
Death Benefits	<p>If a member dies in service, the following benefits may be paid:</p> <ul style="list-style-type: none"> • Pre 2013 pension: A dependent’s pension of two-thirds of the member’s pension at date of death, or revalued to date of death if the member is in deferment, plus the member's revalued lump sum. • Post 2013 pension: A dependent’s pension of half of the member’s pension at the date of death, or revalued to date of death if the member is in deferment, plus the member's revalued lump sum. <p>If a member dies after retiring, the following benefits may be paid:</p> <ul style="list-style-type: none"> • Pre 2013 pension: If the member dies within five years of retiring, a lump sum equal to the balance of five years’ pension payments, plus a dependent’s pension of two-thirds of the member’s pension (before any commutation for an additional lump sum). • Post 2013 pension: If the member dies within five years of retiring, a lump sum equal to the balance of five years’ pension payments, plus a dependent’s pension of half of the member’s pension (before any commutation for an additional lump sum).
Children Benefits	<p>Children’s allowance of 25% of prospective pension for each child, up to a maximum of two at any one time. Allowances are paid until the attainment of age 18, or a higher age if the child remains in full-time education.</p>



* From 1 April 2026, increases on benefits accrued before 1 April 2018 will be based on RPI inflation only, instead of the average of RPI and CPI inflation, with the expected additional cost met out of surplus assets. This will be reviewed at the next actuarial valuation due to be carried out as at 31 March 2028.



Assets

Information on the assets used in this valuation is covered here.

The audited accounts for the Scheme for the year ended 31 March 2025 show the assets were £899M, of which:

- £2M related to DC AVCs and money purchase benefits in respect of DB members.
- £69M related to individual funds for DC members.

After allowing for net current assets and liabilities in respect of DC members (c. £1M in total) this results in a total asset value for the valuation of £827M.

The chart below shows how the balance of these assets is broadly invested at the valuation date.



If DC benefits were included...

The results shown elsewhere in this report **exclude** DC benefits. As required by legislation, the results with these **included are shown below**.

Defined contribution benefits amounted to £72M at the valuation date. If these benefits are included in the valuation:

- The value of the assets is £899M.
- The technical provisions are £742M (funding level of 121%).
- The value of the liabilities on the low dependency funding basis is £780M (funding level of 115%).
- The statutory solvency estimate is £858M (solvency ratio 105%).

The reported surpluses are unchanged in all cases.



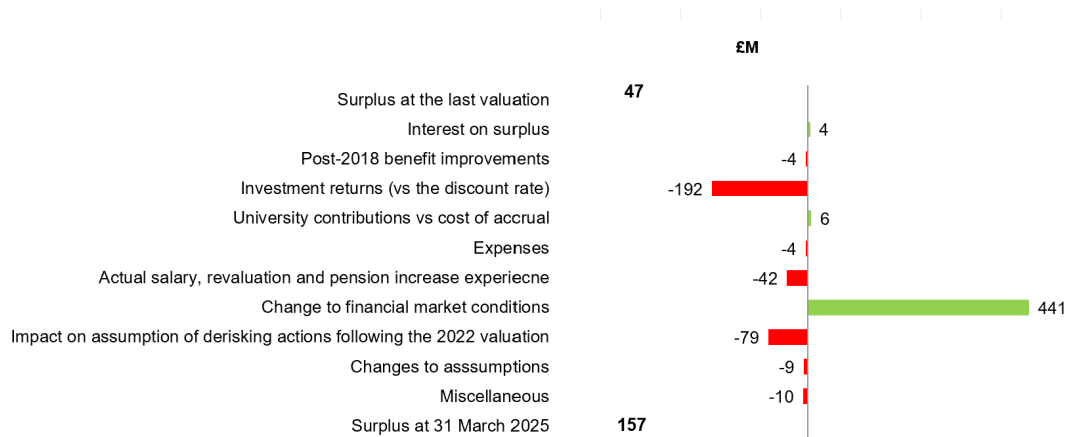
Analysis of the change since the previous valuation

I have analysed the change in past service liabilities and future service cost on the technical provisions basis from the previous valuation to this new one.

Change in past service position

The past service surplus of £47M relative to the technical provisions at the previous valuation has become a surplus of £157M at this valuation.

The chart below quantifies the key reasons for this change (numbers may not sum due to rounding):



Past service – key changes

The analysis shows that the main factors affecting the past service funding position since the previous valuation have been:

- The significant rise in gilt yields, which reduced the technical provisions.
- Whilst the assets also fell over the period, they reduced by a much lesser amount due to the lower level of hedging in place at the time.
- Part of the surplus generated was used to strengthen the technical provisions basis, meet expenses and improve member benefits, all of which acted as a drag on the funding position.



Change in future service position

The future service results show that the net cost to the Employers of future benefits has decreased since the previous valuation from 20.1% of Pensionable Salaries to 11.8% of Pensionable Salaries. This is primarily due to the significant rise in gilt yields over the period (although the impact of this was offset to a small extent by the reduction in the member contribution rates of 0.5% of Pensionable Salaries).



Solvency details

The calculation of the statutory solvency estimate is explained below.

Statutory solvency estimate

The estimate has been calculated in line with statutory requirements. I have taken into account the investment strategies that an insurer is likely to use to back its annuity business and the resulting pricing I would expect to see under the market conditions at the valuation date, taking into account the size of the Scheme.

Estimate vs actual cost

This estimate is only a guide. The true position can only be established by conducting a competitive buy-out auction and fully defining the scope and likely cost of a wind-up process for the Scheme.

The estimate considers the position if:

- The Scheme were discontinued on the valuation date.
- Member benefits were crystallised.
- Discretionary benefits were suspended permanently.
- The assets were used to buy immediate and deferred annuities from an insurer.

The statutory solvency estimate is a regulatory requirement and also provides a useful benchmark against which the Trustee and others can assess the relative prudence of other funding measures.

Solvency basis

The key assumptions used in the solvency basis are summarised below.

Assumption	Solvency Basis
Discount rate for current pensioners in payment	Aon Bulk Annuity Market Monitor yield curve for pensioners.
Discount rate for current non-pensioners (both before and after retirement)	Aon Bulk Annuity Market Monitor yield curve for non-pensioners.
RPI inflation	Term-dependent rates derived from the RPI swap markets.
CPI inflation	RPI inflation less 0.75% p.a. pre-2030 and 0.1% p.a. post-2030.
Pension increases	Derived from the price inflation assumptions with allowance for caps and floors and with the aim of approximately reflecting the cost of hedging these increases using LPI-linked swaps.
Post-retirement mortality	As for the technical provisions, except using CMI_2023 projections and a long-term rate of



	improvement of 1.5% p.a. for both men and women.
Withdrawals	All members assumed to leave active service immediately.
Commutation and discretionary benefits	No allowance.
GMP equalisation	The same percentage addition to the liabilities is included as in the technical provisions calculation (i.e. no allowance).
Expenses of winding-up	Allowance made to cover expenses and insurance company charges associated with winding-up and estimated PPF levies for the next two years.



Section 179 valuation: benefits, approximations and assumptions

The benefits that are valued in the section 179 valuation are summarised below, along with any approximations made and the assumptions used.

Benefits valued for section 179 purposes

Normal Retirement Pension

I have valued 100% of pension for members who:

- have reached the Scheme's NPA for section 179 purposes (as described on the right), or
- are receiving a dependant's pension, or
- retired due to ill-health.

For other members, I have valued 90% of the pension payable.

Normal Pension Age

Normal Pension Age (NPA) for section 179 purposes is determined as prescribed in paragraph 34 of Schedule 7 to the Pensions Act 2004, and is broadly the earliest age at which the pension normally becomes payable without actuarial reduction.

Different NPAs may apply to different parts of a member's pension.

Pension increases in payment

I have only allowed for future increases in payment on benefits accrued after 5 April 1997. The allowance reflects increases in line with CPI price inflation capped at 2.5% p.a. Actual past pension increases for pensioners have been allowed for in the benefits valued.

Pension increases in deferment

For members who have not yet retired, I have implicitly allowed for revaluation of benefits between the valuation date and NPA in line with CPI price inflation capped at 5% p.a. for service prior to 6 April 2009, and capped at 2.5% p.a. for service after that date. Past revaluation (up until the valuation date) has been allowed for at the levels that apply under the provisions of the Scheme.

Death after retirement

I have allowed for contingent spouses' pensions on death in retirement based on 50% of the pension in payment for current pensioners, rather than the level of spouses' pensions that would actually be payable under the Scheme, which are based on the member's pre-commutation pension.



Death after leaving but before retirement	I have allowed for contingent spouses' pensions on death before retirement based on 50% of the pension revalued with CPI price inflation from 31 March 2025 to the member's date of death, rather than the level of spouses' pensions that would actually be payable under the Scheme.
GMP equalisation	I have made an approximate allowance for the additional liabilities that would arise in your Scheme as a result of GMP equalisation in line with the PPF's guidance. See further information below.
AVCs and other money purchase benefits in payment	Benefits in respect of the conversion on retirement of AVCs and other money purchase benefits into a pension payable by the Scheme have been included in the assets and liabilities.
AVCs and other money purchase benefits NOT in payment	Assets in respect of money purchase benefits (including AVC funds not yet in payment) are not included within the assets or liabilities for a section 179 valuation.

Approximations

In carrying out the section 179 valuation I made the following approximations. The approximations are similar to the ones I made for the previous section 179 valuation except that the compensation cap no longer applies so no approximations are required for this.

- Where information was not provided in respect of members with an entitlement to a short service refund from the Scheme, I made a prudent estimate of their entitlement at the valuation date.
- As the scheme is yet to undertake detailed calculations in respect of GMP equalisation, I have made a prudent allowance for this in the calculations (see below).

Assumptions

I have summarised below the assumptions used in the section 179 valuation.

Financial assumptions	
Post-retirement discount rate – current pensioners	5.44% p.a., for non-increasing pensions (this is the pension accrued before 6 April 1997). 3.24% p.a. net of increase, for increasing pensions (this is the pension accrued after 5 April 1997, and the assumption allows for increases in payment in line with CPI price inflation limited to 2.5% p.a.).
Post-retirement discount rate – current non-pensioners	5.21% p.a., for non-increasing pensions (this is the pension accrued before 6 April 1997). 2.91% p.a. net of increase, for increasing pensions (this is the pension accrued after 5 April 1997, and the assumption allows for increases in payment in line with CPI price inflation limited to 2.5% p.a.).



Pre-retirement discount rate	<p>1.54% p.a. net of increases in deferment, for benefits accrued before 6 April 2009 (this allows for increases in deferment in line with CPI price inflation limited to 5% p.a.).</p> <p>2.20% p.a. net of increases in deferment, for benefits accrued after 5 April 2009 (this allows for increases in deferment in line with CPI price inflation limited to 2.5% p.a.).</p>
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Demographic assumptions	
Mortality before and after retirement	<p>For members: Standard tables S3PMA and S3PFA applicable for the member's year of birth.</p> <p>For contingent lives/dependants: Standard tables S3DMA and S3DFA applicable for the contingent life's assumed year of birth/the dependant's actual year of birth.</p> <p>In all cases: a scaling factor of 100% and an allowance for improvements in mortality from 2013 in line with the CMI 2021 projections with the smoothing parameter SK=7.0, the A parameter = 0.25%, weighting factors for the years 2020 and 2021 $w_{2020}=10%$ and $w_{2021}=10%$ and a long-term improvement rate of 1.5% p.a. for males and 1.25% p.a. for females.</p>
Family details	<p>Age difference between member and dependant: males are assumed to be three years older than females.</p> <p>85% of male members and 75% of female members are assumed to be married at retirement or earlier death.</p> <p>Children's pensions in payment are assumed to cease at age 18, or age 23 if currently aged over 18.</p>

Expenses											
Estimated wind-up expenses	<p>5% of liabilities (excluding benefit installation / payment expenses) up to £4M; plus</p> <p>1.5% of liabilities (excluding benefit installation / payment expenses) between £4M and £20M; plus</p> <p>0.8% of liabilities (excluding benefit installation / payment expenses) between £20M and £340M.</p> <p>(The estimated wind-up expenses will be no more than £3 million.)</p>										
Benefit installation / payment expenses	<p>Non-pensioners: an allowance of £750 per member.</p> <p>Pensioners:</p> <table border="1"> <thead> <tr> <th>Age</th> <th>Expense allowance per member</th> </tr> </thead> <tbody> <tr> <td>< 60</td> <td>£650</td> </tr> <tr> <td>60-70</td> <td>£550</td> </tr> <tr> <td>70-80</td> <td>£500</td> </tr> <tr> <td>80+</td> <td>£400</td> </tr> </tbody> </table>	Age	Expense allowance per member	< 60	£650	60-70	£550	70-80	£500	80+	£400
Age	Expense allowance per member										
< 60	£650										
60-70	£550										
70-80	£500										
80+	£400										



GMP equalisation

As your Scheme has not implemented GMP equalisation, and in line with the PPF's guidance, I have made an approximate allowance for the additional liabilities that will arise as a result of GMP equalisation.

It would have been disproportionate to carry out a detailed analysis for the Scheme. I have therefore assumed that the additional liabilities will be 1% of the unequalised total section 179 liabilities, which I believe to be prudent based on the Scheme's benefit structure.

The increase in the total section 179 liabilities as a result of allowing for GMP equalisation is c.£6M.

These additional liabilities include an allowance for equalising benefits paid prior to the valuation date as these are not included in the net asset value shown in the audited accounts used for this section 179 valuation.

In line with the PPF's guidance, this section 179 valuation does not include an allowance for the impact of the November 2020 Lloyds judgment, in relation to GMP equalisation for past transfers out.



Legal framework and compliance

Legal framework

This report is produced in compliance with:

- Clause 22 of the Scheme's Rules.
- Section 224 of the Pensions Act 2004.
- The terms of the Scheme Actuary Agreement between the Trustee and me, on the understanding that it is solely for the benefit of the addressee.

TAS compliance

This document, and the work relating to it, complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) and Technical Actuarial Standard 300: Pensions (TAS 300).

The compliance is on the basis that OSPS Trustee Limited is the addressee and the only user and that the document is only to be used as a summary of the outcome of the valuation and to submit the section 179 valuation information to the PPF, using The Pensions Regulator's Exchange system. If you intend to make any decisions after reviewing this document, please let me know and I will consider what further information I need to provide to help you make those decisions.

This document should be read in conjunction with:

- My report "Actuarial valuation at 31 March 2025 – Initial advice on assumptions and the new funding regime", dated 22 May 2025.
- My report "Actuarial valuation at 31 March 2025 – Initial thoughts on new funding regime", dated 10 June 2025.
- My report "Actuarial valuation at 31 March 2025 – Formal advice on assumptions", dated 14 August 2025.
- My report "Actuarial valuation at 31 March 2025 – Initial results for discussion with the FIC", dated 5 September 2025.
- My report "Actuarial valuation at 31 March 2025 – Initial results for sharing with the University", dated 29 September 2025.
- My report "Actuarial valuation at 31 March 2025 – Considering the University's proposals", dated 23 January 2026.
- The minutes of the Funding & Investment Committee meetings on 5 June 2025, 19 September 2025, 28 November 2025 and 6 March 2026.

Shorthand to this report

Scheme: The University of Oxford Staff Pension Scheme

Trustee: OSPS Trustee Limited

University: The University of Oxford

Employers: The University of Oxford and other participating employers

Rules: The Scheme's Trust Deed and Rules dated 25 April 2014, and amending legal documents

Pensionable Salary: As defined in the Rules

Pensionable Service: As defined in the Rules



- The minutes of the Trustee Board meetings on 10 June 2025, 2 October 2025 and 15 January 2026.
- The Statement of Funding Principles, dated 28 April 2026.
- The Statement of Strategy, dated 28 April 2026.

If you require further copies of any of these documents, please let me know.



Glossary

This glossary explains some key terms used in this report. Not all of them are used in this report.

Consumer Prices Index (CPI)	A measure of UK price inflation published monthly by the Office of National Statistics. It is the Government's preferred measure of inflation. It is based on different items and weightings to the Retail Prices Index (RPI) and is also calculated using a different formula.
Control period	This is the period of time from the valuation date that is considered when calculating the future service cost for schemes which are still open to accrual. The control period is commonly set to cover the next year, the 3-year period to the next valuation or the expected future working lifetime of the active membership.
Covenant longevity	How long trustees can be reasonably certain (based on information available at the time) that the sponsoring employer will be able to continue to support a scheme.
Discount rate	This is used to place a present value on a future payment. A 'risk-free' discount rate is usually derived from the investment return achievable by investing in government gilt-edged stock. A discount rate higher than the 'risk-free' rate is often used to allow for some of the extra investment return that is expected from investing in assets other than gilts.
Duration	The duration of a scheme's liabilities represents the average term to payment of the liabilities. In broad terms, if a scheme has a duration of 20 years, then it will respond to changes in discount rate in the same way that a single cashflow which is payable in 20 years' time would. The technical definition has been defined by the Pensions Regulator.
Forward rate	A forward rate is a rate which is expected to apply over a future time period. For example, to discount a single payment from one future date (say, five years from now) back to a closer future date (say, three years from now).
Funding and investment strategy	This sets out how trustees intend a scheme to provide benefits over the long term (their long-term objective). It must specify details of the low dependency funding target and journey plan to get there by the relevant date.
Future service contribution rate	Only relevant for schemes still open to accrual; this is the cost of benefits accruing, expressed as a percentage of the members' pensionable pay. It considers the present value of the benefits expected to accrue to members and the pensionable pay expected to be paid to members over a given period (referred to as the control period). If the membership remains broadly stable, and if all the other assumptions are borne out, the calculated contribution rate can be expected to remain stable. However, for schemes that are closed to new entrants, the average age will increase over time, and the contribution rate can be expected to rise or fall depending respectively upon whether the discount rate is higher or lower than the salary increase or CARE revaluation assumption.



Gilt yield curve	The term-dependent yields on gilts derived from fixed-interest gilts. This may be based on either yields published by the Bank of England, which are then extended by Aon for years beyond those published, or derived wholly by Aon based on gilt prices.
Guaranteed Minimum Pension (GMP)	Most schemes that were contracted out of the State Earnings Related Pension Scheme (SERPS) before April 1997 have to provide a pension for service before that date at least equal to the Guaranteed Minimum Pension (GMP). This is approximately equal to the SERPS pension that the member would have earned had a scheme not been contracted out. GMPs ceased to build up on 6 April 1997, when the legislation changed.
Journey plan	This sets out how trustees intend that a scheme will move from the current funding position to the low dependency funding target by the relevant date.
Limited Price Indexation (LPI)	A minimum level of annual increase to pensions in payment, required under legislation. For pensions earned between 6 April 1997 and 5 April 2005, it is the lower of 5% and the increase in inflation*, and for pensions earned after 5 April 2005, it is the lower of 2.5% and inflation*. *Until 2010, inflation for the purpose of this minimum was defined with reference to changes in the Retail Prices Index. From 2011, inflation was defined with reference to changes in the Consumer Prices Index.
Long-term objective	This is a trustee's strategy for how they intend a scheme to provide benefits over the long term.
Low dependency funding basis	This is a set of assumptions such that, if a scheme is fully funded when these assumptions are used to calculate the liabilities, and if the assets are invested in line with the low dependency investment allocation, then no further contributions from the sponsor would be required in the future.
Low dependency funding target	This is the funding level that a trustee intends a scheme to have reached on the low dependency funding basis, by the relevant date.
Low dependency investment allocation	This is a notional investment strategy that is designed to be highly resilient to short term adverse changes in market conditions – meaning that no further contributions from the sponsor are expected to be required in the future.
Mortality future improvements	This is the assumption about how the number of people dying each year will reduce in the future. A higher rate of improvement will lead to a higher life expectancy. Also referred to as future longevity improvements.
Mortality rate	This measures the likelihood that an individual will die between one birthday and the next.
Mortality table	This summarises mortality rates across all ages.



Pension Protection Fund (PPF)	The PPF was established with effect from 6 April 2005. The PPF will normally take over the assets of a pension scheme in the event of its sponsor becoming insolvent and the scheme having insufficient assets to provide the PPF benefits. The PPF will not provide benefits in full. The PPF is financed by a levy on most defined benefit pension schemes. The PPF benefits are broadly 100% of benefits for pensioners over normal retirement age and 90% of benefits up to a cap for all other members. Pension increases granted on benefits are at lower levels than apply in many schemes, in particular, benefits earned before 6 April 1997 would not be given any pension increases within the PPF.
Present value	Actuarial valuations involve projections of pay, pensions and other benefits into the future. To express the value of the projected benefits in terms of a cash amount at the valuation date, the projected amounts are discounted back to the valuation date by a discount rate. This value is known as the present value. For example, if the discount rate was 6% a year and if we had to pay a lump sum of £1,060 in one year's time the present value would be £1,000.
Projected unit method	This is one of the common methods used by actuaries to calculate actuarial liabilities and contribution rates. This method allows for full projected future increases to pay through to retirement or withdrawal.
Recovery plan	Where a valuation shows a funding shortfall against the technical provisions, trustees must prepare a recovery plan setting out how they plan to meet the statutory funding objective.
Relevant date	This is a date, set by a trustee, that is around the point a scheme reaches significant maturity. For schemes that are already significantly mature at the valuation date, the relevant date is the effective date of the valuation.
Reliability period	The period over which a trustee can be reasonably certain of the sponsoring employer's cashflow to fund a scheme.
Retail Prices Index (RPI)	A measure of UK price inflation published monthly by the Office of National Statistics. It is no longer the Government's preferred measure of inflation. As well as being based on different items and weightings to the Consumer Prices Index (CPI), it is also calculated using a different formula. However, it is the index that pension benefits have historically tended to be linked to and is the measure used to determine the returns on index-linked gilts.
RPI inflation curve	The term-dependent RPI inflation expectations derived from fixed-interest and index-linked gilts published by the Bank of England which are extended by Aon for years beyond those published.
Scaling factor	Differences in life expectancy are typically allowed for by multiplying the chance of dying at each age by a scaling factor. Scaling factors of less than 100% mean that people are assumed to live longer than under the standard tables. For example, a scaling factor of 90% means that a member has a 10% less chance of dying each year than is assumed in the standard mortality tables. Similarly, scaling factors of more than 100% mean that people are assumed to live for less time than under the standard tables.
Schedule of contributions	This shows the dates and amounts of contributions due from the sponsor and members. Trustees are required to prepare and maintain



	the schedule, and it must be put in place within 15 months of the valuation date.
Section 179 valuation	An actuarial valuation that is used by the Pension Protection Fund to calculate a scheme's PPF levy. It is based on PPF level benefits rather than full scheme benefits, and the assumptions are prescribed by the PPF.
Significant maturity	This is the point when a scheme reaches a duration of 10 years or less (8 years for cash balance schemes) calculated on the low dependency funding basis but using economic assumptions at 31 March 2023.
Sponsor covenant	A sponsoring employer's 'covenant' is their legal obligation and financial ability to support a pension scheme, both now and in the future.
Spot rate	A rate which is expected to apply between now and a future date. For example, to discount a single payment at a future date (say, five years from now) all the way back to time 0.
Statement of funding principles	This is a written statement of a trustee's policy for ensuring the statutory funding objective is met. Trustees are required, under legislation to prepare and maintain such a statement.
Statement of strategy	This a written statement of the funding and investment strategy in part 1, and supplementary matters (including how well the funding and investment strategy is being implemented, the main risks to the strategy and how they are being managed, and reflections on significant decisions and lessons learned) in part 2.
Statutory funding objective	Every scheme is subject to the statutory funding objective, which is defined in legislation as having sufficient and appropriate assets to cover its technical provisions.
(Statutory) solvency estimate	This represents an estimate of the cost of buying out a scheme's benefits with an insurance company at the valuation date, using assumptions set by the Scheme Actuary (the solvency basis).
Swap yield curve	The term-dependent yields on fixed-interest swaps derived by Aon from market data.
Technical provisions	This is the present value of the benefits members are entitled to, assessed using the assumptions agreed between a trustee and a sponsor (the technical provisions basis).
Withdrawal	Members may leave a pension scheme before their normal retirement age (typically because they leave employment with the sponsor). When they do so, their accrued benefits will no longer be linked to future salary increases (where applicable), and will instead be linked to future inflation. Benefits will still be payable at normal retirement age.



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