



# **BBC PENSION SCHEME**

## **Report and Financial Statement 2020**

This is a summary of the information contained in the 2019 full actuarial valuation, the 2020 interim actuarial valuation and the Scheme accounts as at 31 March 2020. Full details can be seen at [bbc.co.uk/mypension](http://bbc.co.uk/mypension)

# BBC PENSION SCHEME

## Report and Financial Statement 2020

Every three years occupational pension schemes must, by law, carry out a full actuarial valuation. This gives a snapshot of the cost of providing benefits to be paid to members (the liabilities) and how that compares with the value of the assets. Some schemes, including the BBC Pension Scheme, also choose to carry out an interim valuation for each intervening year.

The Trustees of the BBC Pension Scheme recently published the results of the 2019 full actuarial valuation, the 2020 interim valuation and the Scheme accounts as at 31 March 2020. This article takes a look at the published information

### Membership

The total number of Scheme beneficiaries as at 31 March 2020 was 47,764\* excluding dependants; 1.5% less than last year.

Membership	2019	2020
Contributing members	9,337	8,776
Deferred members	28,430	27,944
Pensioners	24,273	24,597
<b>Total</b>	<b>62,040</b>	<b>61,317</b>

\* Membership numbers in the table above are higher as members can hold more than one record. For example, existing members who joined the Career Average Benefits 2011 section from another section of the Scheme may have a deferred pensioner record for their benefits built up in the Old Benefits, New Benefits or Career Average Benefits 2006 sections and a contributing record for their Career Average Benefits 2011 benefits.

The BBC Pension Scheme was closed to new entrants on 1 December 2010.

### Contributions

The total contributions to the Scheme during the year to 31 March 2020 was £161.6m, of which the BBC contributed £132.7m (excluding members' contributions paid by salary sacrifice).

### Payment of Benefits

The following Table shows the value of the benefits paid during the year:

Payment of benefits	2019 £m	2020 £m
Pensions	401.2	412.1
Lump sum retirement benefits	8.7	8.7
Lump sum death benefits	2.6	2.4
Lump sum AVC benefits	4.1	7.2
<b>Total</b>	<b>416.6</b>	<b>430.4</b>

## Funding level

The following Table sets out the assets compared with the liabilities under the Scheme and the resulting deficits as at the 2016 and 2019 full actuarial valuations and the latest 2020 interim actuarial valuation.

	<b>2016 valuation (1 April 2016)</b>	<b>2019 valuation (1 April 2019)</b>	<b>2020 interim valuation (1 April 2020)</b>
Assets	£12.9bn	£17.3bn	£17.3bn
Liabilities	£14.7bn	£18.4bn	£19.2bn
Shortfall (Deficit)	£ 1.8bn	£ 1.1bn	£ 1.9bn
Funding level	88%	94%	90%

At the 2019 full actuarial valuation the Scheme was 94% funded, but at 31 March 2020 this had deteriorated to 90%, mainly due to the effects of Covid-19. However, investment markets had recovered significantly since March 2020. Markets may well remain volatile, but following their recent improvement, the Scheme's funding level is not significantly different from what it was before the crisis.

The Trustees and the BBC have agreed a revised funding plan to address the shortfall so that, if the funding position develops as projected, the Scheme would be fully funded (that is, a funding level of 100%) by 31 December 2028.

The next full actuarial valuation will take effect on 31 March 2022.

## 10 Largest Holdings

The 10 largest holdings of the Scheme are set out in the Table below.

<b>1</b>	Alibaba Group Holdings Ltd	<b>6</b>	FaceBook Inc
<b>2</b>	Amazon.com Inc	<b>7</b>	Illumina Inc
<b>3</b>	Tencent Holdings Ltd	<b>8</b>	Microsoft Corporation
<b>4</b>	Alphabet Inc	<b>9</b>	Apple Inc
<b>5</b>	Tesla Motors Inc	<b>10</b>	Taiwan Semiconductor Ltd

## Changes to the Trustee Board

On 1 April 2019 Peter Johnston took over from Anne Bulford when she stepped down as a BBC Trustee.

On 1 January 2020 Leslie Huss-Smickler was re-elected as a Pensioner Nominated Trustee.

On 13 January 2020 Rostam Kilgour stepped down as a Member Elected Trustee and Kristina Block was elected as Rostam's replacement from 1 June 2020.

## Further information

The full actuarial report and Scheme accounts, as well as more information on the Scheme's investments can be found at: [bbc.co.uk/mypension](http://bbc.co.uk/mypension).

