States of Jersey

PEPF
Public Employees
Pension Fund

Annual Report & Accounts 2017

Public Employees Pension Fund

PEPF
Public Employees
Pension Fund

Final Salary
Scheme

Career Average
Scheme

Contents

Introduction

Welcome to the Annual Report and Financial Statements for the Public Employees Pension Fund ("PEPF").

The PEPF is the pension fund for the Final Salary Scheme and the Career Average Scheme which provides pension benefits to public servants, excluding teachers, in Jersey. PEPF is "the Fund" as defined under Article 5 of the Public Employees (Pension) (Jersey) Law 2014. For the purpose of this report the pension fund shall be referred to as the "PEPF" or the "Fund". The Fund covers the final salary pension benefits provided by the Final Salary Scheme (also called Public Employees Contributory Retirement Scheme (PECRS)) and the career average revalued earnings (CARE) pension benefits provided by the Career Average Scheme (also called the Public Employees Pension Scheme (PEPS)).

On 31 December 2015 the Final Salary Scheme was closed to new entrants and since this date new entrants have been admitted to the Career Average Scheme. The Regulations require members of the Final Salary Scheme to transfer to the Career Average Scheme on 1 January 2019 with the exception of scheme members within 7 years of their normal retirement age on 31 December 2018 or on a 1/45th accrual who have the option to remain in the Final Salary Scheme.

Overview

Total Fund value as at 31 December 2017	Fund value Increase in 2017	Investment Return in 2017	Benchmark Return in 2017
£2.159 billion	**£224 million**	**9.9 %**	**4.0%**

During the year the PEPF increased in value by £224 million to £2.159 billion. The Fund increased in value by 9.9% over the year and outperformed its benchmark by 5.9%. The strong Fund performance was largely due to equity markets performing strongly throughout the year.

The Fund had positive investment returns in all asset classes during the year. The strongest returns were experienced in global equities managed by Baillie Gifford where the Fund's investments increased in value by a notable 41%. Throughout the year the Committee of Management regularly took profits from Baillie Gifford, trimming the investment back to its strategic allocation. The Fund's other equity managers produced returns in excess of 15%. The Fund has also achieved positive returns in all asset classes it invests in.

The Committee of Management appoints investment managers with different investment styles and approaches. By appointing a range of different investment managers across a range of different asset classes the Fund is able to diversify risk. At an overall Fund level, diversification is expected to deliver the required investment returns over the long term at a lower level of risk. The Committee does not expect all its investment managers to outperform in all market environments but aims to meet the long term investment target at the total Fund level. Over the last 5 years the Fund has delivered returns of 55.9% outperforming Jersey RPI, which is used to revalue pensions, and has increased by 10.0% over the period.

The Committee of Management undertakes thorough monitoring of the Fund's investment managers reviewing the performance of portfolios, the investment processes employed and the people managing portfolios. During 2017, following advice from its Investment Advisor, the Committee of Management decided to terminate the contract with Odey Asset Management who managed a long/short hedge fund. This followed a period of underperformance during which the Committee undertook monthly performance monitoring and enhanced due diligence. Following the termination of the Odey Asset Management investment mandate in August 2017 the Committee of Management appointed two hedge fund managers, Rokos Capital Management and Capula Investment Management, to manage allocations to alternatives. These managers were appointed with the aim of providing growth like returns from assets uncorrelated to equities. Appointing two investment managers to replace Odey Asset Management has provided further manager diversification in the Fund.

The Committee of Management establishes the investment strategy of the Fund. This outlines the proportion of assets that the Fund invests in growth assets and bond-like assets. This is the most important decision that the Committee makes because it has the biggest impact on the long term returns of the Fund. The Committee reviews the investment strategy annually. During 2017 the Committee maintained a 55% allocation to growth assets and 45% allocation to bond-like investments.

Following the closure of the Final Salary Scheme to new entrants the future de-risking of the investments relating to the Public Employees Contributory Retirement Scheme (PECRS) has been considered. It is assumed within the 2016 actuarial valuation that PECRS will gradually be de-risked over the period between 2021 and 2041. This reflects that some existing Final Salary Scheme members will continue to pay into the mid 2020's whilst recognising that the Scheme membership and liabilities will mature over time.

During 2017, the scheme membership of the Career Average Scheme increased to over 1,000 members. As at 31 December 2017, there were 15,274 employees and former employees with benefits in the Final Salary and Career Average Schemes. During the year pensions benefits of £65.2 million were paid to pensioners living in Jersey and 26 other jurisdictions.

The Fund undergoes an actuarial valuation at least every three years. The last valuation was conducted as at the end of December 2016. At the end of 2016 the Fund Actuary determined that Final Salary Scheme had a funding level (the relationship between estimated future pension payments and the funds held to pay for those pensions) of 97%. This was within the "funding corridor" of 95% to 105% and it was agreed that no adjustments to benefits were required. The Career Average Scheme had a small deficit of £0.44 million, which arose due to the initial administration costs of setting up the scheme, and is equivalent to a funding level of 73.5%. The Scheme Actuary confirmed that on the date of signing the Actuarial Valuation in February 2018 the funding level of the Final Salary Scheme was estimated to be around 100% and the Career Average Scheme was estimated to be over 100%.

The Public Employees Pension Team ("PEPT"), formerly known as the Dedicated Pensions Unit (DPU), has worked hard during the year to consolidate the Career Average Scheme and to ensure that the membership has been kept up-to-date with the changes to public service pensions in Jersey. During 2017, the Fund's pensioners were successfully migrated to a modern payroll system for the payment of their pensions.

These topics are explained in more detail throughout this Annual Report.

Members, Managers and Advisors

Members of the Committee of Management ("COM")

Chairman	
Mr G Pollock	
Employer Representatives	Member Representatives
Mr S Laing Mr TA Le Sueur OBE Mr SA Lusby Mr J Mills CBE Dr E Sallis OBE^ Mr S Warner	Mr G Birbeck Mr JR Fosse Mr M Johnson Mr T Querns Mr MAQ Richardson Miss B Ward

^Admitted Body Representative

Committee members are appointed by the Chief Minister on a recommendation from the Minister for Treasury & Resources for terms of up to five years; which can be extended for a second term of up to five years. The Chairman is appointed by the Chief Minister on the recommendation of the Minister for Treasury & Resources (with the agreement of the majority of the employer and members representatives) for separate five-year terms; his current term ends on 30 June 2019.

Advisors to the COM

Actuary	Aon Hewitt Ltd	Independent Auditors	PricewaterhouseCoopers LLP
Custodian	Northern Trust	Investment Consultants	Mercer Ltd
Bankers	HSBC Plc	Legal Advisors	Carey Olsen & DLA Piper
Secretary	J Ward		

Fund Administrator - The Treasurer of the States

Investment Managers

Arrowgrass Capital Partners LLP
Baillie Gifford & Co
BlackRock Investment Management (UK) Limited
Capula Investment Management – Appointed Oct 2017
CQS
Hayfin Capital Management
Legal and General Investment Management
Lansdowne Partners Limited
Odey Asset Management LLP – Terminated Aug 2017
Park Square Capital – Appointed Oct 2017
PGIM Real Estate
Rokos Capital Management LLP - Appointed Dec 2017
Veritas Asset Management (UK) Limited

Participating Employers

The principal employer is the States of Jersey. Permanent employees of the States of Jersey prior to 31 December 2015 were automatically admitted to Final Salary Scheme from age 20. From 1 January 2016 all new permanent employees of the States of Jersey are admitted into the Career Average Scheme. In addition to the States, there are other organisations which participate in the Schemes known as Admitted Bodies, who join the Schemes with the consent of the Chief Minister.

Scheme Employer
States of Jersey
Admitted Bodies
Andium Homes Limited
Beaulieu Convent School Limited
Brig-y-Don Children's Home
Comité des Connétables
Office of the Information Commissioner
Family Nursing & Home Care (Jersey) (Incorporated FNHC)
Jersey Gambling Commission
Jersey Advisory and Conciliation Service (JACS)
Channel Island Competition & Regulatory Authority (CICRA)
Jersey Employment Trust (JET) (including Workforce Solutions Limited)
Jersey Financial Services Commission (JFSC)
Jersey Heritage Trust
Jersey Post Limited
Jersey Overseas Aid Commission (JOAC)
JT (Jersey) Limited
Les Amis Limited
Parish of St Brelade (including Maison St Brelade)
Parish of St Clement
Parish of Grouville
Parish of St Helier
Parish of St Lawrence
Parish of St Martin
Parish of St Ouen
Parish of St Saviour
Ports of Jersey Limited
States of Jersey Development Company Limited

Governance Arrangements

Summary of Governance Arrangements

The Fund is governed by Regulations made under the Law. Under these Regulations the Committee of Management has responsibility which extends to establishing the investment strategy of the Fund, appointing and instructing the Fund actuary and investment managers, and ensuring benefits are paid to members in accordance with the Regulations. Under Public Employees (Pension Scheme) (Administration) (Jersey) Regulations 2015, the Committee of Management appoint and terminate investment managers with the approval of the Minister for Treasury and Resources. A number of Subcommittees are charged with particular aspects of work and report to the Committee of Management.

The table below sets out the Subcommittees and their membership as at the year end. Each Subcommittee is assisted by the Secretary, Officers of the States of Jersey and Advisors as appropriate.

Committee member	Investments	Ill Health and Death Benefits	Communications	Audit
Mr G Pollock (Chairman)	●			
Mr G Birbeck	●			
Mr M Johnson		●	Chairman	
Mr S Laing	●			
Mr TA Le Sueur OBE				●
Mr S Lusby				Chairman
Mr J Mills CBE	Chairman	●		
Mr J R Fosse			●	
Mr MAQ Richardson	●			
Miss B Ward				●
Mr S Warner		Chairman	●	
Mr T Querns		●		
Dr E Sallis OBE				
Number of meetings in 2017	6	As required	As required	3

Committee of Management (COM)

The Committee of Management is responsible for the governance of the Fund in accordance with the powers, authorities and discretions vested in it by the Regulations.

Review of the Year

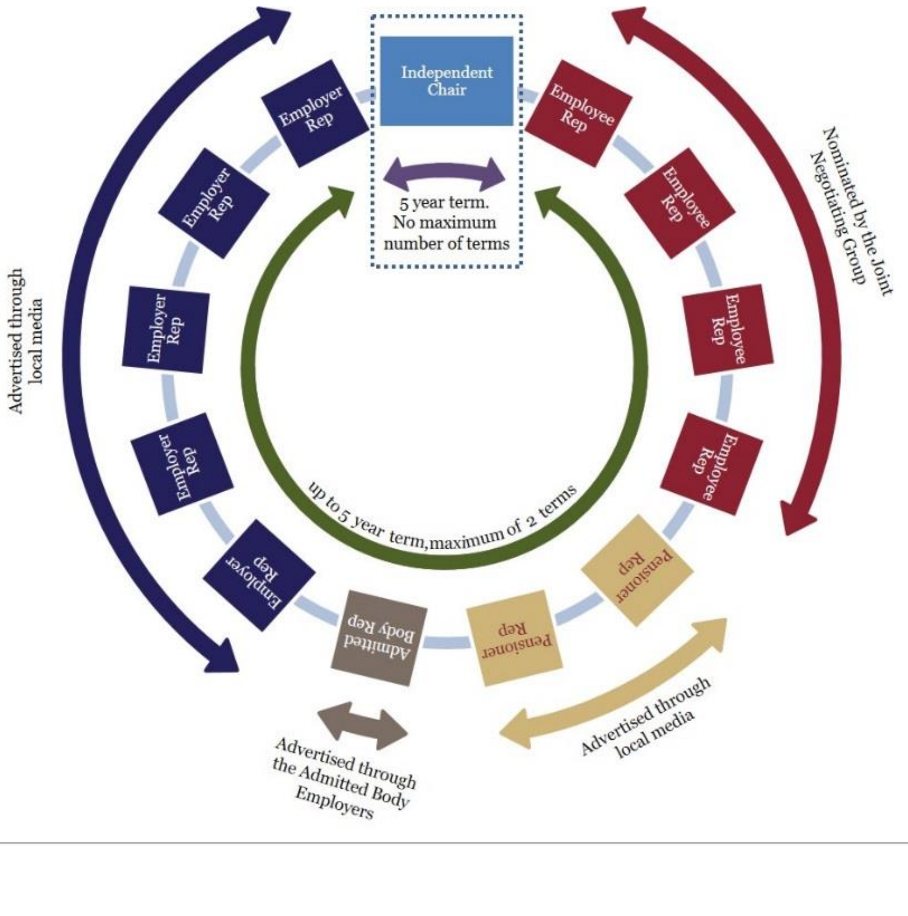
Fund changes

During 2017 the arrangements for administering the Career Average Scheme, which was introduced for new employees in 2016, have continued to be developed as the membership has increased. The introduction of a Career Average Scheme where pensions are based on an individual's pensionable average salary over their career rather than their final-salary has required the development of systems and processes. In 2017, members of the Career Average Scheme received their first annual benefit statement.

The membership of the Career Average Scheme is expected to increase significantly in 2019 when over 4,800 Final Salary Scheme members will move into the Career Average Scheme for future accrual. Members who move from the Final Salary Scheme to the Career Average Scheme will have their accrued rights protected including the link to final salary at the end of their career for any service up to the date of change. Scheme members within 7 years of their normal retirement age on 31 December 2018 or on a 1/45ths accrual will have the option to remain in the Final Salary Scheme.

The introduction of the Public Employees (Pension Scheme) Regulations has also formalised some of the governance arrangements that have been practiced for many years as well as introducing some new requirements that ensure the governance of the Schemes in Jersey meet best practice. The administrative responsibilities of the Admitted Bodies, Administrator and the Committee have been documented in a Pension Administration Strategy.

Changes to the Committee of Management were approved with the introduction of Career Average Scheme. As members resign new members will be appointed to move towards a structure with 4 employee representatives, 2 pensioner representatives, 5 employer representatives and 1 Admitted Body employer representative. Pensioner representatives will be appointed following the resignation of an employee representative.



Actuarial Valuation

An actuarial valuation is completed by the Fund actuary at least every three years. A valuation shows the relationship between the liabilities, i.e. pensions and other benefits, and the assets held to pay for the benefits. The actuary uses a range of assumptions in order to assess the financial position of each Scheme including the average life expectancy of Scheme members, investment returns, inflation and interest rates.

A Funding Strategy Statement was agreed in 2017 which sets out the framework for action to be taken at an actuarial valuation. The most recent valuation was completed in accordance with the agreed Funding Strategy Statement.

The 2016 actuarial valuation assumes that Final Salary Scheme will gradually be de-risked over the period between 2021 and 2041. This reflects that some existing Final Salary Scheme members will continue to pay into the mid 2020's whilst recognising that the Scheme membership and liabilities will mature over time. The following table includes the key financial assumptions used in the valuation.

	Final Salary Scheme %	Career Average Scheme %
Discount rate*	For the period to 31 December 2021: 5.0 % per annum. Then gradually declining over the following 20 years to 3.8% per annum	5.0% per annum
Jersey inflation	2.85	2.85
Rate of salary increase	3.85	3.85
Management expense	0.6	0.6
Mortality assumption	SAPS S2 "All lives" tables with 105% scaling factor and allowance for future improvements in mortality, with a long-term rate of improvement of 1.5% p.a.	

* The discount rate is the rate used to value the current cost of future pension obligations

The main conclusions from the actuarial valuation as at 31 December 2016 were that:

- In the Final Salary Scheme there was a past service deficit of £68.5 million, corresponding to a funding level of 97.0%.
- The valuation of the Final Salary Scheme is within the "funding corridor" of 95% to 105% and it has been agreed that it is acceptable for there to be no adjustments to benefits.
- In the Career Average Scheme there was a small past service deficit of £0.44 million, corresponding to a funding level of 73.5%. In accordance with the transitional arrangements set out in the Funding and Valuation Regulations, the Career Average Scheme actuarial valuation at 31 December 2016 has no impact on the benefits payable.

Since the valuation date the funding position of both the Final Salary Scheme and the Career Average Scheme has improved and **at the time of signing the Actuarial Valuation in February 2018 the funding level of the Final Salary Scheme was estimated by the Actuary to be around 100% and the Career Average Scheme was estimated to be over 100%.**

The next actuarial valuation will be undertaken as at 31 December 2018 as required by the regulations due to moving the majority of Final Salary Scheme members to the Career Average Scheme. The results of the next actuarial valuation results will be presented by the Committee of Management to the Chief Minister within 15 months of the valuation date. Pensions in payment will continue to be increased in line with Jersey RPI until at least the end of 2020, when the results of the next valuation will be known.

Pension increases and constraints

Final Salary Scheme & Career Average Scheme pensions and deferred pensions are increased in line with the Jersey RPI provided that the Fund's financial position remains satisfactory. The Fund has been able to continue paying increases in line with Jersey RPI.

Pension increases for the last 4 years have been:

1st January	Jersey RPI %	PECRS Pension Increase %	PEPS Pension Increase %
2015	1.3	1.3	n/a
2016	0.9	0.9	n/a
2017	2.0	2.0	2.0
2018	3.1	3.1	3.1

Pension increases are subject to the financial position of the respective Schemes remaining satisfactory and are thus not guaranteed.

Administration

The Fund is administered by the PEPT on behalf of the Treasurer of the States (the Administrator of the Schemes). This service is provided to the Committee of Management within the service standards set out in a Pension Administration Strategy. The PEPT reports to the Committee of Management quarterly on how it is performing against target service standards.

In order to administer benefits, the PEPT is reliant on the information provided by the States of Jersey and the 26 Admitted Bodies. During the year, PEPT officers visited Admitted Bodies and provided training.

Fund members are increasingly aware of the value of their pension benefits and over the last year work has progressed to ensure that literature and letters meet members' requirements. Increased use of modern communication channels is being made to provide information in a manner requested by Fund members. Delivering communications digitally is also much more cost effective for the Fund, enabling more of employee and employer contributions to be invested to fund future benefits.

The PEPT use the States of Jersey Tell Us Once service to receive notifications of Fund member deaths. This enables the PEPT to deal sensitively with any death and to put in place any survivor benefits that are due. In 2017 the PEPT once again made use of the UK Audit Commission's National Fraud Initiative which is able to confirm the continued benefit entitlement of UK resident pensioners. Using this service together with the Tell Us Once Initiative has enabled the PEPT to provide reassurance to the Committee of Management that Fund benefits are being correctly paid to eligible Fund members.

The Public Employees (Pension Scheme) (Administration) (Jersey) Regulations 2015 introduced a requirement for a Pension Administration Strategy to be produced to outline the policies and procedures governing the administration of the Fund. In 2016, the Pension Administration Strategy was agreed following consultation with Employers. The Pension Administration Strategy outlines the target service standards for the Administrator.

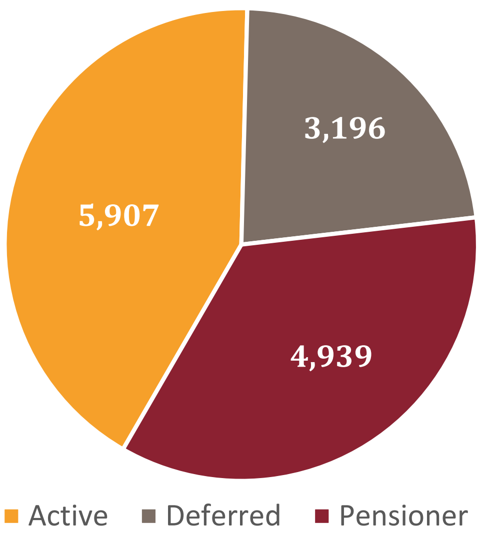
In 2017, the PEPT processed 87% of tasks within 5 days marginally behind the target to complete 90% of tasks within 5 days following the receipt of complete information. During the year the States of Jersey awarded backdated pay awards to employees which meant the PEPT had to recalculate all benefits put into payment during the preceding year. This additional workload impacted on the PEPT's ability to achieve its targeted service standards.

In August 2017, the payment of pensions to over 4,900 pensioners was migrated to a new industry-standard payroll system implemented by the States of Jersey. Following 3 months of parallel running the payment of pensioners was seamlessly migrated to the new system.

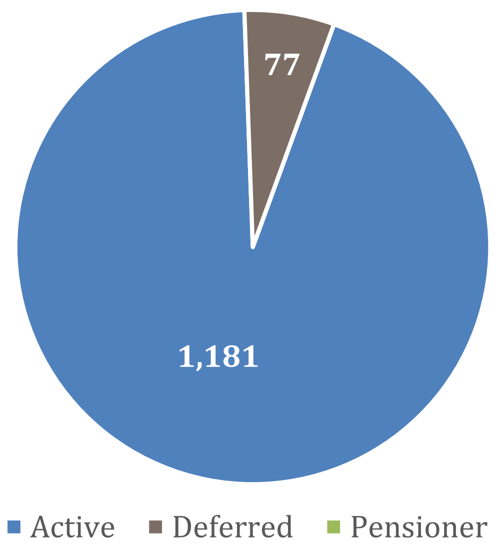
During 2017, the Treasury have administered processes to manage and monitor the assets of the Career Average Scheme. The assets of the Final Salary Scheme and the Career Average Scheme are invested together through the Fund so as to minimise costs. The split of assets between the Final Salary Scheme and the Career Average Scheme is administered by the Treasury, using an approach agreed by the Committee of Management. This process includes monitoring the monthly cash flow of the Career Average Scheme and investing any excess of income over expenditure on a monthly basis in the Fund on a pro rata basis across all investment managers. This process has been reviewed by the auditors completing an agreed upon procedure assignment with no issues noted. In the financial statements the assets, liabilities, contributions and expenses are stated on a combined basis, with the split due to the Career Average Scheme detailed in note 16.

Membership

Total membership of the PEPF has increased and the proportion of pensioners and deferred members continues to increase. As at the end of December 2017 the Fund (split across the two Schemes) had 7,088 active members, 3,273 deferred members and 4,939 pensioners and dependants (with pension in payment), making 15,300 in total (2016: 14,786).

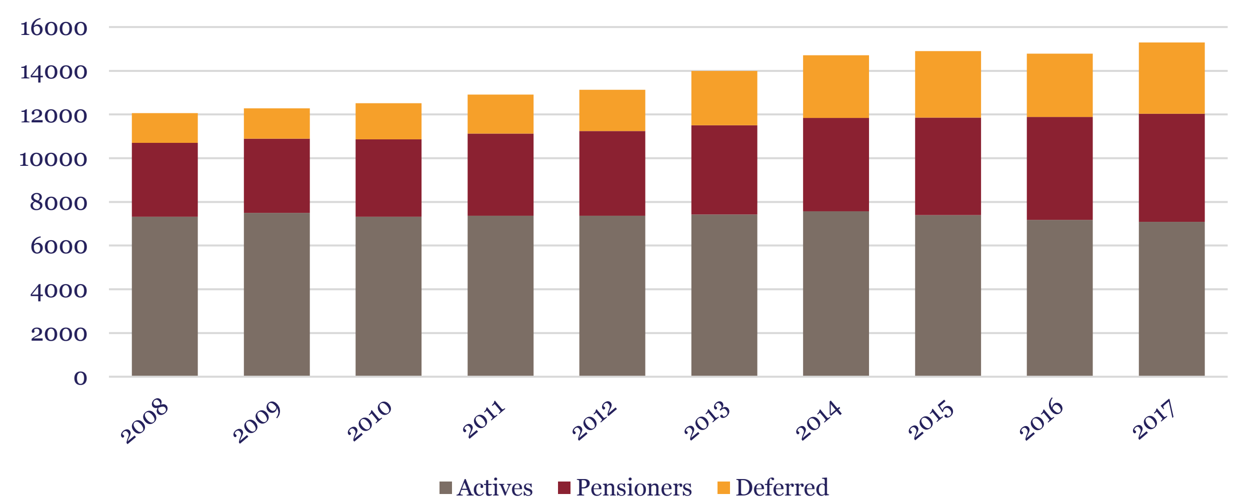


Final Salary Scheme Total Membership
14,042

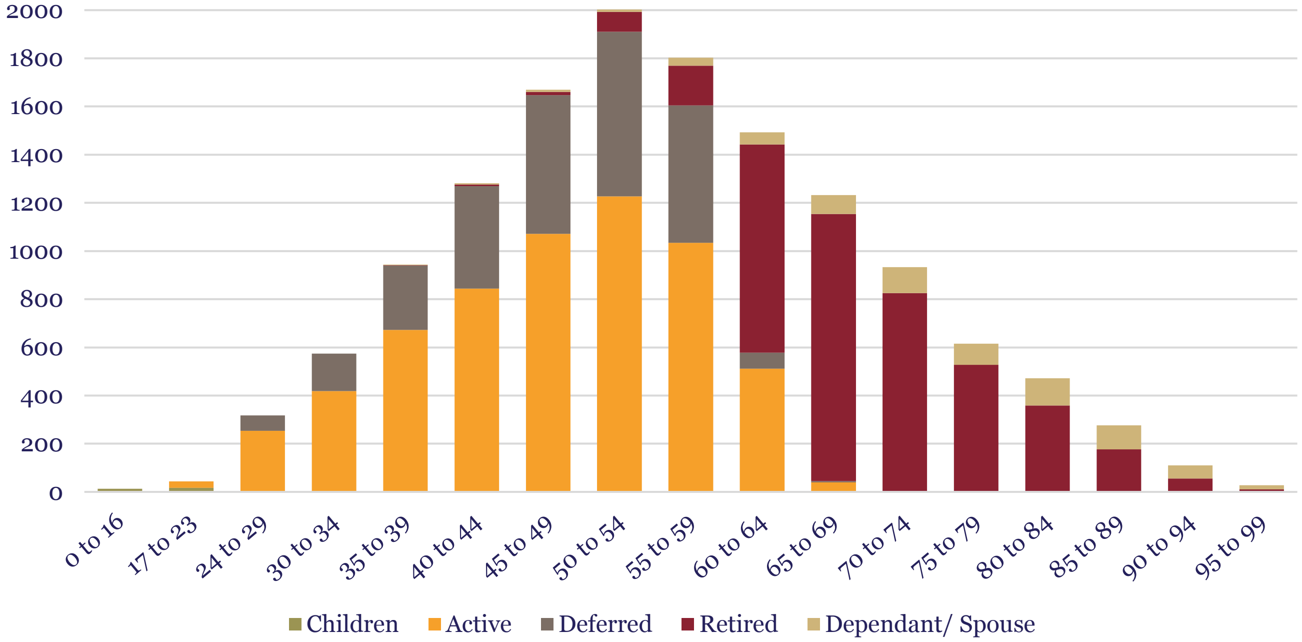


Career Average Scheme Total Membership
1,258

Overall membership of the PEPF over the last 10 Years



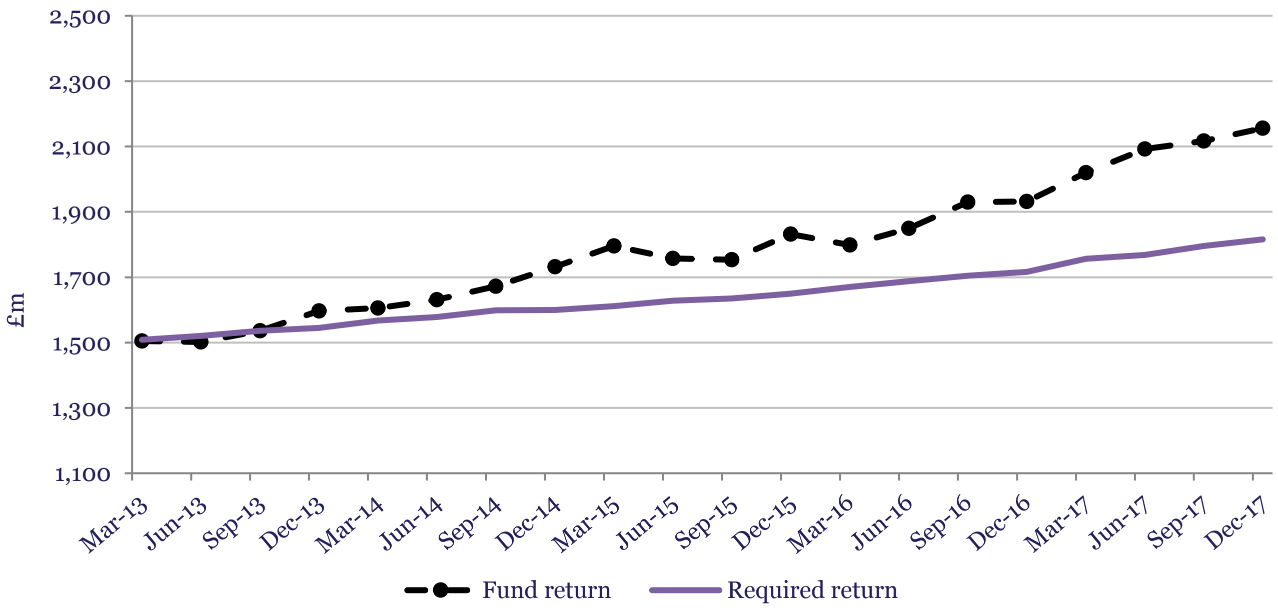
Age Profile of the Final Salary Scheme Membership in 2017



Investment Performance

During 2017 the Fund has increased in value by £224 million to £2.159 billion. Due to market volatility the Committee of Management does not expect the Fund to achieve positive investment returns every year but through diversification of asset class, investment managers and investment approaches it aims to deliver the investment returns required to meet pension payments in the long term. Even with a diverse portfolio there is a risk of the value of the Fund decreasing over a period. Pensions are a long term investment and it is important to monitor the long term investment performance.

The 2016 actuarial valuation includes a long term required return of Jersey RPI plus 2.15% per annum. Over the last five years the Fund has remained above this required return even when returns have fluctuated in the short term. This shows the importance of monitoring the returns over the long run.



The Fund currently has £2.159 billion of assets under management (2016: £1.935 billion), split between 12 investment managers. The Fund has a fund level benchmark which is a weighted composite of the benchmarks for the asset classes within the Fund's strategic asset allocation. This benchmark provides a useful comparison against how the Fund has performed against its strategic asset allocation as detailed on page 18.

During the year the Fund delivered investment returns of 9.9% compared to the fund level benchmark of 4.0%. The table below shows that the Fund has outperformed both the fund level benchmark and the required return as determined by the actuary over all periods.

Time period	Performance Actual %	Benchmark return %	Required return %
1 Year	9.9	4.0	5.8
3 Years	7.5	7.1	4.3
5 Years	9.3	8.3	4.1
10 years	6.0	5.9	4.5

The performance of individual managers is monitored against appropriate benchmarks that are determined, on advice of the Investment Advisor, when the manager is appointed. These are based on national and global market indices, or appropriate performance objectives. Absolute return investment managers are typically allocated a cash benchmark as advised by the Investment Advisor.

The Fund had positive investment returns in all asset classes during the year. The strongest returns were experienced in global equities managed by Baillie Gifford where the Fund's investments increased in value by a notable 41%. Investments in strongly performing technology stocks have contributed to outperformance against the benchmark. Throughout the year the Committee of Management regularly took profits from Baillie Gifford, trimming the investment back to its strategic allocation.

The Fund's other equity managers, Legal and General and Veritas, produced returns in excess of 15%. Legal and General manage an index fund with a value bias which has underperformed the general index benchmark because of this styles bias. The equity managers have differing investment approaches and can be expected to perform differently in different market environments.

The Fund has also achieved positive returns in alternatives with Lansdowne and Arrowgrass providing returns uncorrelated to equity markets. During the year equity markets rallied and in this market environment it is expected that alternative investment managers that are able to take both long and short positions would deliver lower returns than equity managers. These investments provide diversification and at an overall Fund level support the delivery of the long term investment target.

The Investment Subcommittee has made the defensive tactical decision to invest in total return bonds (managed by CQS) and emerging market debt (managed by BlackRock) as opposed to UK Gilts and UK Corporate bonds due to concerns over potential rises in interest rates. During 2017 BlackRock delivered a return of 13.8% broadly in line with its emerging market debt index benchmark. The total returns bonds manager, CQS, delivered returns of 6.2%, outperforming its cash benchmark.

The Fund's property exposure is obtained through investment in residential and commercial ground leases. During 2017 the Funds property investments have continued to deliver positive returns with commercial ground leases delivering a return of over 16%, however it is not expected that this asset class will continue to provide such strong returns in future.

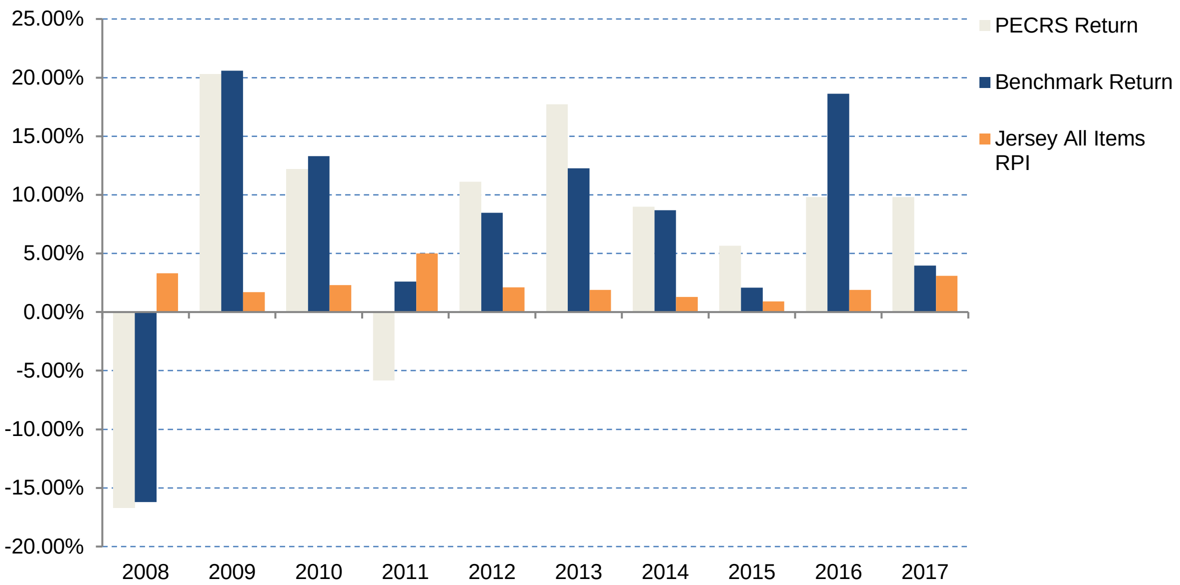
The Investment Subcommittee continues to see opportunities in private debt and through its investments with Hayfin. The Hayfin Capital Management I Fund is maturing and delivered returns of over 6% as investments are being realised. The Hayfin Capital Management II Fund is still in the investment stage of the cycle and therefore has delivered lower returns as expected.

			2017 performance		
	Fund Manager	Value of Fund (£m)	Performance %	Benchmark Performance %	Over / (under) performance %
Equity	Baillie Gifford & Co[2]	293.8	41.2	13.8	27.4
Equity	Legal and General Investment Management	307.0	15.2	18.3	(3.1)
Equity	Veritas Asset Management (UK) Ltd[2]	286.9	15.6	13.8	1.8
Alternatives	Arrowgrass Capital Partners LLP	136.5	3.2	0	3.2
Alternatives	Lansdowne Partners Limited	212.1	8.7	0.3	8.4
Alternatives	Capula[1]	74.7	-	-	-
Alternatives	Rokos[1]	72.2	-	--	-
Bonds	CQS	149.8	6.2	0.3	5.9
Bonds	BlackRock Investment Management (UK) Limited	151.0	13.8	13.9	(0.1)
Cash	Northern Trust	63.4	0.2	0.3	(0.1)
Property	PGIM Real Estate (Commercial)	205.0	16.1	4.1	12.0
Property	PGIM Real Estate (Residential)	114.9	4.1	4.1	0
Private Debt	HayFin Capital Management I	25.2	6.4	0	6.4
Private Debt	HayFin Capital Management II	65.3	2.5	0	2.5
		2,157.8	**9.9**	**4.0**	**5.9**

1 During Q4 2017 Rokos, Capula and Park Square were appointed, due to the short time period managing assets for the Fund the performance has not been included. As at 31 December 2017 no assets had been drawn for Park Square.

2 This Includes broker cash under the control of these investment managers.

The following graph shows the overall Fund returns compared with the benchmark for the ten years 2008 to 2017. Over that whole period, the Fund's investments achieved a return of 6.0% per annum against a Fund benchmark of 5.9% per annum. The Jersey RPI over the same period was 2.4% per annum meaning that the Fund's investments have achieved a real rate of return above the Jersey RPI of 3.6% per annum, in excess of the required return reported in the 2016 actuarial valuation.



Developments during the year

The Investment Subcommittee held monitoring meetings with all the Fund's investment managers during the year. The main movements in investments were: -

- Following a period of sustained under performance during which the Investment Subcommittee undertook monthly performance monitoring and enhanced due diligence, it was decided in May 2017 to terminate the relationship with Odey Asset Management as a long/short hedge fund manager. The Odey Fund was maintained within the Fund's diversified range of investment managers with the aim of providing some protection at an overall fund level for an equity market correction. The Odey Fund underperformed in 2016 and early 2017 as equity markets rallied. Following the advice of the Investment Advisor in May 2017 the Investment Subcommittee terminated the mandate with Odey and commenced a review of this asset class.

- Following the August Investment Subcommittee meeting it was decided to appoint two investment managers to replace Odey. The Investment Subcommittee, on the advice of the Investment Advisor, decided the optimum way to manage alternative assets was by increasing manager and investment strategy diversification in appointing Rokos as a global macro manager and Capula a global relative value manager. Each manger was allocated £75 million to invest.

- The Investment subcommittee recognise the benefits of investing in private debt. The Fund first invested in this asset class in 2013 with Hayfin Direct Lending Fund I, this fund is currently returning capital following a successful investment period. In order to maintain an allocation to this asset class £100 million was committed to Park Square Credit Opportunity Fund III, this fund operates a credit facility so at year end no assets had been called.

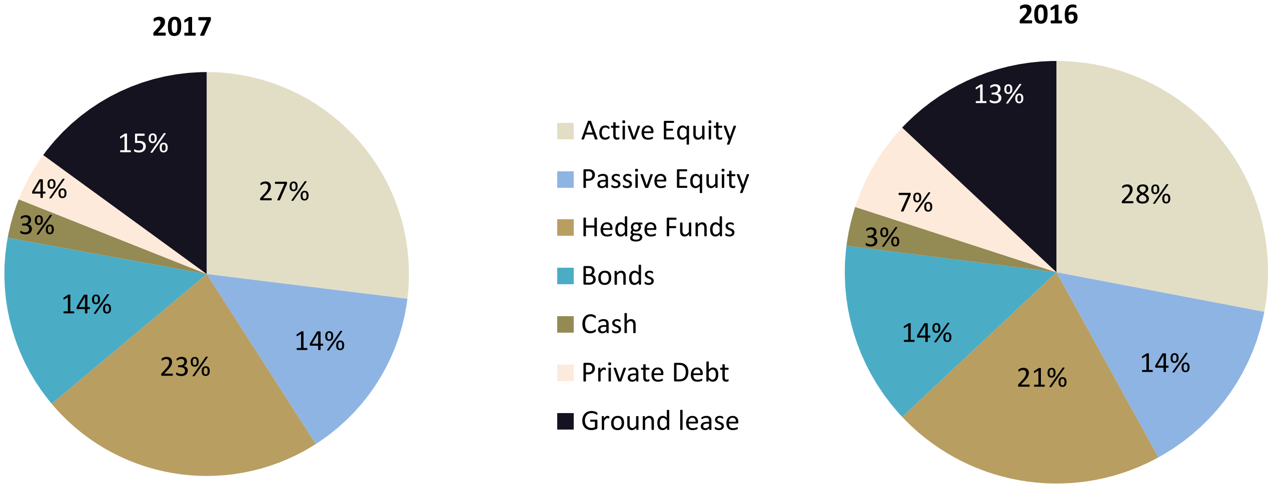
- During 2017 the Investment Subcommittee closely monitored the divergence from the strategic asset allocation due to continued outperformance of equity markets. In order to keep close to strategy and appropriate risk levels the Fund divested £99 million from Baillie Gifford and Veritas, retaining the cash to finance investment in alternative assets classes.

Assets Under Management

At the total Fund level the assets are diversified across different investment managers, investment styles and asset classes. In allocating assets to an individual manager the need for diversification is balanced against the importance of allocating managers a sufficient portion of the Scheme's assets to allow them to contribute meaningfully to overall portfolio performance. The Investment Subcommittee are also mindful of the additional governance requirements of appointing additional managers. At the end of 2017 the number of investment managers the Fund was 12, an increase from 10 at the end of the preceding year. The Investment Subcommittee, following the advice of the Investment Advisor, believe this number of investment managers provides sufficient diversification whilst not creating governance requirements that would be difficult to manage.

Active portfolio management can add value and where appropriate active managers are appointed rather than managers who passively replicate an investment benchmark. The Committee of Management recognises the fact that active managers may, from time to time, underperform their respective benchmarks.

During 2017, the investments in ground leases increased as committed investments were drawn down. At the end of the year the Fund had a 3% allocation to cash to fund ongoing pension expenses and future private debt investments. As at 31 December 2017 the Fund's assets under management were invested in a range of asset categories as detailed below.



Investment Strategy

The 2016 actuarial valuation included a target investment return of Jersey RPI plus 2.15%. The investment strategy has been developed to achieve at least this target return over the long term. In targeting this return, the Investment Subcommittee considers the amount of risk that is necessary to take and with the support of the Investment Advisor has set an investment strategy that aims to deliver this long term return target. How the Fund's assets are monitored is set out in the Statement of Investment Principles that can be found on the Fund's website (www.gov.je/statesemployeespension).

Day-to-day management (including the selection, ongoing monitoring, administration and exercise of the voting rights of individual investments) of the Fund's investments is delegated to the investment management firms appointed. These managers are given discretion to buy and sell investments on behalf of the Schemes, subject to agreed limits and constraints.

After appointment, the investment managers are subject to regular review by the Investment Subcommittee. Their performance is monitored formally on at least a quarterly basis against benchmarks, which are based on national and global market indices, or appropriate performance objectives. During the year all active managers attended meetings of the Investment Sub Committee to present on their investment processes, team capability, performance and future outlook. The Investment Sub Committee is supported by its Investment Advisor in reviewing and monitoring investment managers to ensure that high standards are maintained.

The table below sets out the Fund's investment strategy and the long term strategic allocation in place at the year end.

Asset Category	Current Benchmark (PECRS Ex SLB & PEPS) %	Actual Assets %
Growth Investments	**63.0**	**64.2**
Equities	40.0	41.2
Alternatives	23.0	23.0
Bond-Like Investments	**37.0**	**35.8**
Property	14.2	14.8
Bonds	22.8	18.1
Cash	-	2.9
Total	**100**	**100**

Note: The PECRS allocation is stated excluding the Salary Linked Bond. Further details about the salary linked bond can be found in the Statement of Investment Principles at www.gov.je/statesemployeespension.

In order to achieve the target level of investment return, an appropriate level and balance of risk needs to be taken, which may expose the Schemes to downside risk and the possibility that the return does not keep pace with what is required to meet the Schemes' liabilities. Risk can materialise in a number of different ways for example; equity risk, liability risk or operational risk.

Strategically, the Investment Subcommittee primarily manages such risks through diversification by both asset class and manager. Operational risks are addressed through both due diligence checks prior to investment and rigorous ongoing performance monitoring. However it must be accepted that the Fund could suffer in the short term from significant loss due to falls in global markets.

Ethical, Social and Governance aspects of investing

The Committee entrusts to each of its investment manager's development and application of policies in relation to the UK Corporate Governance Code and the UK Stewardship Code and how they take into account aspects of good stewardship and environmental, social and governance ("ESG") issues in their investment decisions. The Subcommittee receives annual reports from each investment manager summarising their respective policies and how they have exercised voting rights attaching to the stocks held during the year.

The policy is reflected in the Statements of Investment Principles that can be found on the Fund's website (www.gov.je/statesemployeespension).

Conclusion

During the year the PEPF increased in value by £224 million to £2.159 billion. The Fund increased in value by 9.9% over the year and outperformed its benchmark by 5.9%. The strong Fund performance was largely due to equity markets performing well throughout the year. The Fund has outperformed both the fund level benchmark and the required return as determined by the actuary over 10 years.

Throughout 2017 any divergence from the strategic asset allocation resulting from continued outperformance of equity markets was closely monitored, in order to keep close to strategy and appropriate risk levels the Fund regularly divested from equities realising £99 million.

During the year a review of the alternative asset class was undertaken and it was decided that the optimum way to manage alternative assets was by increasing manager and investment strategy diversification. Rokos, a global macro manager, and Capula, a global relative value manager, were appointed at the end of 2017.

The 2016 actuarial valuation was finalised in the year. At the end of 2016 the Final Salary Scheme had a funding level (the relationship between estimated future pension payments and the funds held to pay for those pensions) of 97%. This was within the "funding corridor" of 95% to 105% and it was agreed that no adjustments to benefits are required. The Career Average Scheme had a small deficit of £0.44 million, which arose due to the initial administration costs of setting up the scheme, and is equivalent to a funding level of 73.5%. The Scheme Actuary confirmed that on the date of signing the Actuarial Valuation in February 2018 the funding level of the Final Salary Scheme was estimated to be around 100% and the Career Average Scheme was estimated to be over 100%.

During 2017, the active scheme membership of the Career Average Scheme increased to over 1,000 members. The Public Employees Pension Team have worked to consolidate the Career Average Scheme and ensure that the 14,000 scheme members are kept up-to-date with the changes to public service pensions that affect them.

The Fund has relied greatly on the hard work of officers, consultants, actuaries, advisors and investment managers to deliver the changes to the Fund over the last year. I would like to thank all those involved in the Fund for the support that they have provided during the last year.

Gordon Pollock BSc, FFA
Chairman of the Committee of Management, 10 May 2018

Fund Accounts for the year ended 31 December 2017

Dealings with members		Notes	2017 (£'000)	2016 (£'000)
Payments In	Employer contributions		45,561	44,448
	Employee contributions		15,276	14,580
	Total Contributions	**4**	**60,837**	**59,028**
	Transfers in		1,583	3,675
	Other income	6	459	561
	Total Payments In		**62,879**	**63,264**
Payments out	Benefits	5	74,901	73,527
	Payments to and on account of leavers		228	296
	Transfers out		17,585	8,672
	Administrative expenses	7	2,210	2,724
	Total Payments Out		**94,924**	**85,219**
	Net withdrawals from dealings with members		**(32,045)**	**(21,955)**
Net returns on investments				
Change in market value of investments		10	253,034	122,139
Investment income		8	15,707	13,799
Investment administration expenses		9	(12,796)	(11,861)
	Net returns on investments		**255,945**	**124,077**
Net increase in the Fund's assets during the year			223,900	102,122
Opening net assets			1,935,104	1,832,982
	Closing net assets		**2,159,004**	**1,935,104**

Statement of Net Assets Available for Benefits as at 31 December 2017

Investment assets	Notes	2017 (£'000)	2016 (£'000)
Equities	10	541,424	497,741
Pooled Investment Vehicles	10	1,513,722	1,335,189
		2,055,146	**1,832,930**
Cash	10	102,591	98,288
Other investment balances	10	109	7
		2,157,846	**1,931,225**
Investment liabilities			
Other investment balances	10	-	(113)
Total net investments		**2,157,846**	**1,931,112**
Current assets	15	3,746	5,869
Current liabilities	16	(2,588)	(1,877)
Total net assets available for benefits		**2,159,004**	**1,935,104**

The Financial Statements summarise the transactions of the Fund and deal with the net assets available for benefits at the disposal of the Committee of Management. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the report on Actuarial Liabilities on pages 9 and 10 of the Annual Report and these Financial Statements should be read in conjunction with it.

In accordance with Regulation 21 of the Public Employees (Pension Scheme) (Administration) (Jersey) Regulations 2015 the Financial Statements have been prepared by the Treasurer of the States of Jersey and have been audited.

The notes on pages 22 to 36 form part of these financial statements.

Richard Bell
Treasurer of the States
10 May 2018

Gordon Pollock BSc, FFA
Chairman of the Committee of Management
10 May 2018

These Financial Statements were received and approved on behalf of the Committee of Management on 10 May 2018.

Notes to the Financial Statements for the year ended 31 December 2017

1. Constitution

The Final Salary Scheme and the Career Average Scheme are retirement Schemes governed under the Public Employees (Retirement) (Jersey) Law 1967 and the Public Employees (Pensions) (Jersey) Law 2014. Under the Public Employees (Pensions) Jersey Law 2014 the Fund shall operate for the two respective Schemes.

2. Basis of Preparation

These Financial Statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, Financial Reporting Standards (FRS) 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRS 102) and guidance set out in the Statement of Recommended Practice, 'Financial Reports of Pension Schemes (November 2014)' ("the SORP").

3. Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

a) Investment income

Bank interest is accounted for on an accruals basis. Dividend income from equities is recognised when the securities are quoted ex-dividend. Income from pooled investment vehicles is accounted for on an accruals basis when the dividend is declared.

b) Benefits and payments to and on account of leavers

Benefits are recognised as they become due and payable.

Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option exercised.

c) Contributions

Employer and employee contributions are recorded when the employee contributions are deducted from payroll. Both are based on a percentage of salary for the period to which they relate. Additional contributions (e.g. payments to augment pensionable service by the purchase of additional years either by the employer or, through the additional voluntary contribution facility, by the employee) are recorded when they are deducted from payroll.

The Schemes have AVC arrangements whereby individuals can pay additional contributions which are invested in the Fund enabling members to gain additional years and days of pensionable service.

The Employers' contributions for the Pre 1987 Debt are accounted for in accordance with the agreement on which they are based.

d) Transfers

Transfer values represent the capital sums either receivable in respect of members from other pension plans of previous employers or payable to the pension plans of new employers for members who have left the Fund.

Transfer payments are accounted for on an accruals basis on the date the trustees of the receiving plan accept their liability. In the case of individual transfers, this is normally when the payment of the transfer value is made.

e) Other expenses

All fees and expenses are accounted for on an accruals basis.

f) Valuation of investments

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Market values of listed investments held at the year-end are taken at bid-prices or last trade prices depending on the convention of the Stock Exchange on which these are quoted. Foreign currency prices are expressed in sterling at the closing exchange rates on the last business day of the Fund's financial year.

The valuation of the investment units held in the pooled funds is based on the closing bid prices of the units as confirmed by valuations received from the investment manager. These valuations are based on the bid prices of the underlying investments held by the custodian of the pooled fund.

The Ground Lease investments are valued, as advised by the investment manager, at the proportion due to the Fund of the open market value of the assets in the Fund valued in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. Capital calls are recognised from the date the Fund is notified of the event. Transaction costs, being incremental costs that are directly attributable to the acquisition or disposal of an investment, are added to purchase costs and netted against sale proceeds as appropriate.

g) Taxation

The Final Salary Scheme and the Career Average Scheme are exempt from Jersey income tax by virtue of Article 131 of the Income Tax (Jersey) Law 1961. Thus they are exempt from income tax in respect of income derived from the investments and deposits of the Schemes, ordinary annual contributions made by the Scheme members and gains made from investments held.

h) Currency

The Fund's functional currency and presentational currency is pounds sterling. Assets and liabilities denominated in foreign currencies are expressed in sterling at the rates of exchange at the year end. Foreign currency transactions are translated into sterling at the spot exchange rate at the date of the transaction.

4. Contributions

States Employees	2017 (£'000)	2017 (£'000)	2016 (£'000)	2016 (£'000)
Employers				
Normal		**31,427**		**30,358**
Additional				
Past Service Debt	7,482		7,217	
Augmentation	43		252	
Voluntary Early Retirement	-		227	
		7,525		**7,696**
Members				
Normal	12,052		11,437	
Additional voluntary contributions	419		450	
		12,471		**11,887**
Admitted Bodies				
Employers				
Normal	6,331		6,124	
Past service debt	278		270	
		6,609		**6,394**
Members				
Normal	2,647		2,603	
Additional voluntary contributions	158		90	
		2,805		**2,693**
Total Contributions		**60,837**		**59,028**

Past service debt contributions are being paid by the employer until 2053 and some Admitted bodies until 2083 in accordance with Schedule 5 of the Public Employees (Pension Scheme) (Funding and Valuation) (Jersey) Regulations 2015.

5. Benefits

	2017 (£'000)	2016 (£'000)
Pensions	65,247	62,258
Commutations and lump sum retirement benefits	9,095	10,929
Lump sum death benefits	559	340
Total Benefits	**74,901**	**73,527**

6. Other income

	2017 (£'000)	2016 (£'000)
Claims on death benefit insurance	**459**	**561**

The Fund holds an insurance policy with Aviva which provides death in service cover.

7. Administrative Expenses

	2017 (£'000)	2016 (£'000)
Salaries and office costs	1,016	954
Actuarial fees	401	487
Audit fees	69	56
Legal fees	98	191
Chairman and secretary fees	90	125
Premium on death insurance policies	518	359
Pension system development	-	467
Other expenses	18	85
Total Administrative Expenses	**2,210**	**2,724**

8. Investment Income

	2017 (£'000)	2016 (£'000)
Dividends from equities	10,248	9,164
Income from managed property funds	5,935	4,690
Income on cash deposits	240	202
Other income	39	8
	16,462	**14,064**
Realised (loss) / gain on foreign exchange	(314)	232
Less irrecoverable withholding tax	(441)	(497)
Total investment income	**15,707**	**13,799**

9. Investment Administrative Expenses

	2017 (£'000)	2016 (£'000)
Investment management expenses	12,301	11,365
Custodian expenses	61	69
Investment advisory expenses	426	394
Other investment expenses	8	33
Total Investment Administrative Expenses	**12,796**	**11,861**

The appointed investment managers are entitled to fees based upon a percentage of the net assets under management. The percentage varies from 0.05% to 1.5% based on the complexity of the asset class under management. In addition Rokos, Capula, Arrowgrass and Lansdowne are paid performance fees if they out-perform their benchmark.

The investment consultant receives a flat fee for services rendered and performance related fee based on the performance of the individual investment managers.

10. Reconciliation of Net Investments

	Value at 1.1.17 (£'000)	Purchases at cost (£'000)	Sales proceeds (£'000)	Change in Market Value (£'000)	Value at 31.12.17 (£'000)
Equities	497,741	69,418	(166,174)	140,439	**541,424**
Pooled Investment Vehicles	1,335,189	585,670	(519,732)	112,595	**1,513,722**
	1,832,930	**655,088**	**(685,906)**	**253,034**	**2,055,146**
Cash	98,288				**102,591**
Total	**1,931,218**				**2,157,737**
Pending Trades	(113)				-
Accrued Interest	7				109
Total other investment balances	**(106)**				**109**
Total net investments	**1,931,112**				**2,157,846**

The analysis of Pooled Investment Vehicles by type is shown in note 13.

11. Investment Transaction Costs

Transaction costs are included in the cost of purchases and deducted from sales proceeds in the reconciliation in note 10. Direct costs which relate wholly to equities are analysed as follows:

	2017 Total (£'000)	2016 Total (£'000)
Fees	38	41
Commissions	94	123
Total	**132**	**164**

In addition to the direct transaction costs disclosed above, indirect costs are incurred through the bid offer spread on some pooled investment vehicles and charges made within those vehicles. It has not been possible to quantify such indirect transaction costs.

12. Fair Value of Investments

The fair value of investments has been determined using the following hierarchy.

- Level 1 – Unadjusted quoted prices in active markets for identical securities that the entity can access at the measurement date.
- Level 2 – Inputs (other than quoted prices) that are observable for the instrument, either directly or indirectly.

- Level 3 – Significant unobservable inputs i.e. for which market data is unavailable.

Pooled investment vehicles which are traded regularly are generally included in level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair values applies, valuation techniques are adopted and the vehicles are included in level 3 as appropriate.

The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated. Where the value of the pooled investment vehicle is primarily driven by fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustments are made.

The Fund's investment assets have been included at fair value within these levels as follows:

		Level			
		1 (£'000)	2 (£'000)	3 (£'000)	2017 Total (£'000)
Investments	Equities	541,424	-	-	541,424
	Pooled investment vehicles	-	457,992	1,055,730	1,513,722
	Cash	102,591	-	-	102,591
	Pending Trades	-	-	-	-
	Accrued Interest	109	-	-	109
	Total investments	**644,124**	**457,992**	**1,055,730**	**2,157,846**

Analysis for the prior year end is as follows:

		Level			
		1 (£'000)	2 (£'000)	3 (£'000)	2016 Total (£'000)
Investments	Equities	497,741	-	-	497,741
	Pooled investment vehicles	-	399,766	935,423	1,335,189
	Cash	98,288	-	-	98,288
	Pending Trades	(113)	-	-	(113)
	Accrued Interest	7	-	-	7
	Total investments	**595,923**	**399,766**	**935,423**	**1,931,112**

13. Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks to which the Fund is exposed to at the end of the reporting period. These risks are set out by FRS 102 as follows:

Credit risk: is the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

Market risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, each of which is further detailed as follows:

- **Currency risk**: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk**: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk**: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Committee of Management is responsible for determining the Fund's investment strategy. The Committee of Management has set the investment strategy for the Fund after taking appropriate advice from its professional advisors. This strategy includes ranges for the proportion of assets to be included in each asset class. The day-to-day management of the asset within each portfolio of the Fund, including the full discretion for stock selection, is the responsibility of the investment manager.

The Fund has exposure to the above risks because of the investments it makes to implement its investment strategy. The Committee of Management primarily manages these risks through the adoption of a long-term investment strategy that is diversified both by asset class and manager. The risks are monitored on an ongoing basis by the Investment Subcommittee by regular reviews of the investment portfolios.

The following table summarises the extent to which the various classes of investments are affected by financial risks:

	Market Risk				2017	2016
Asset Category	Credit	Currency	Int Rate	Other	Value(£m)	Value (£m)
Segregated						
Equities		✓		✓	541.4	497.7
Pooled Investment Vehicles						
Equities		✓		✓	307.0	267.1
Property	✓		✓		319.8	252.8
Bonds	✓	✓	✓		391.3	403.1
Alternatives	✓	✓		✓	495.6	412.2
Cash	✓		✓		102.6	98.3
Pending Trades	✓	✓	✓		-	(0.1)
Accrued Interest	✓	✓	✓	✓	0.1	-

Investment Strategy

The main priority of the Committee of Management when considering the investment policy for the Fund is the aim to ensure that the benefits payable to members are met as they fall due whilst maintaining required liquidity. The table on page 18 details the current investment strategy of the Fund.

The core “growth” asset used by the Fund is equities as the Committee believes that they represent the most cost effective, easiest and most transparent way to achieve a high level of investment return over the long-term. The Committee recognises however that the performance of equities can be volatile over time.

The Committee has invested in other “growth-like” alternatives (away from equities) that still target a reasonably high investment return, to diversify the Funds’ growth assets. These provide a different source of return less correlated to equities, which should help to reduce the risk of being over-exposed to any one market, asset class or manager, and enabling a smoother return over time. Examples of this include hedge funds.

Bond-like assets are defined by the Committee of Management as those assets that are aiming to achieve a much more stable return (when compared to growth assets) typically with a strong focus on the provision of income.

The core “bond-like” asset used by the Fund is bonds with the target allocation focused on gilts (bonds issued by the UK government) and investment grade UK corporate bonds (bonds issued by high quality companies in sterling). Within the bond allocation, the Committee has a wide degree of flexibility to invest in other bonds if it thinks it is appropriate to do so on valuation grounds. Examples of this include taking a more global approach, investing in high yield bonds, private debt, or considering the bonds of emerging market economies.

Credit Risk

The Fund is subject to credit risk because the Fund directly holds cash balances. As at the year end, the Fund held the following cash balances.

	2017 (£m)	2016 (£m)
HSBC (Note 15)	0.7	4.6
Northern Trust (Note 10)	102.6	98.3
	103.3	**102.9**

The Fund also invests in pooled investment vehicles which invest in emerging market sovereign government bonds, corporate bonds, private debt and property. The value at year end amounted to £710.2 million (2016: £655.9 million). The pooled investment arrangements used by the Fund comprise authorised unit trusts. The Fund is therefore directly exposed to credit risk arising from these pooled investment vehicles and is indirectly exposed to credit risks arising on the underlying investments held by these pooled investment vehicles.

The market value of investments generally reflect an assessment of credit risk in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund’s financial assets and liabilities.

All the segregated assets of the Fund are held by the Fund’s custodian, Northern Trust. Bankruptcy or insolvency of the custodian may cause the Fund’s rights with respect to securities held by the custodian to be delayed however as they are held in named accounts the assets will not be included on the balance sheet of the custodian. Cash not forming part of the investment assets is swept daily into the Northern Trust Sterling Fund account to minimise the amount that is included on the custodian’s balance sheet.

The selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

In addition, the notes below provide more detail on how this risk is managed and mitigated for the different classes.

Emerging Market Debt

Credit risk arising on non-investment grade bonds held indirectly as part of the Fund's emerging market debt mandate is mitigated through diversification of the underlying securities to minimise the impact of default by any one issuer. This is the position at the current and previous year end.

Corporate bonds

Credit risk arising on corporate bonds held indirectly is mitigated by investing in corporate bonds which are rated at least investment grade. The Committee of Management consider financial instruments or counterparties to be of investment grade if they are rated at BBB- or higher by Standard & Poor's or Fitch, or rated at Baa3 or higher by Moody's. This is the position at the current and previous year end.

Cash balances

Credit risk arising on cash held within financial institutions is mitigated by ensuring cash is held at least investment grade credit rated. This is the position at the current and previous year end.

Currency Risk

The Fund is subject to currency risk because some of the Fund's investments from its segregated investment mandates are denominated in a foreign currency. Indirect currency risk arises from the Fund's investment in sterling priced pooled investment vehicles which hold underlying investments denominated in foreign currency. The Committee of Management minimises the direct risk by investing in GBP denominated share classes when appointing new investment managers.

The net currency exposure at the current and previous year-end was: -

	2017		2016	
	Direct Exposure (£m)	Indirect Exposure (£m)	Direct Exposure (£m)	Indirect Exposure (£m)
Pound sterling	66.5	1,690.8	62.8	1513.2
Euro	70.0	43.4	59.2	(29.4)
US Dollar	385.6	(203.3)	363.3	218.1
Japanese Yen	0.0	0.1	-	(0.2)
Other	58.7	194.1	49.7	24.3

Interest rate risk

The Fund is subject to indirect interest rate risk through a number of pooled investment vehicles that hold investments in bonds, cash, private debt and ground leases. These holdings are monitored in the context of the overall investment strategy. Investment managers will also manage interest rate risk in line with policies and procedures put in place in the investment manager agreements. Cash held to fund ongoing benefits and expenditure is kept to a minimum by ongoing monitoring with the majority of cash held with the custodian in a global sweep account.

Indirect interest rate risk	2017 (£m)	2016 (£m)
Emerging market debt	-	-
Private debt	90.5	129.4
Corporate bonds	149.8	141.0
Ground lease	319.8	252.8

Other Price Risk

Other price risk arises principally in relation to the Fund's return seeking portfolio which includes equities and hedge funds held either as segregated investments or through underlying investments in pooled investment vehicles.

The Fund has set a target asset allocation of 63% of investments being held in growth investments. The Fund manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets held with various high quality investment managers who are monitored by the investment advisor and Treasury Representatives on an ongoing basis.

At the year end, the return seeking portfolio represented 64.2% of the total investment portfolio (2016: 63.0%).

Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due i.e. that cash is not available when required. The Fund therefore takes steps to ensure that there are adequate cash resources to meet its commitments. This is monitored on an ongoing basis to ensure cash is available to meet the pensioner payroll costs, expenses and also to meet investment commitments.

The Fund has immediate access to cash through HSBC that is kept to a minimum to reduce credit risk of £0.7 million (2016 £4.6 million). The Fund also has the ability to access immediate cash held by Northern Trust which as at 31 December 2017 was £102.6 million (2016: £98.3 million).

14. Concentration of investments

The Fund invests in a range of pooled funds which at an underlying level contain a wide range of diversified investment holdings, for example the largest holding managed by Legal and General contains almost 3,000 underlying stocks. The pooled investment funds that account for more than 5% of the net assets of the Fund were:

	2017 £'000	2017 %	2016 £'000	2016 %
Legal & General FTSE RAFI AW3000 (Net WHT) Ind	307,041	14%	267,079	14%
Lansdowne Developed Markets Fund Limited	212,131	10%	195,079	10%
Pramerica UK Ground lease Fund	204,968	9%	153,014	8%
CQS Credit Multi Asset Fund	149,776	7%	141,048	7%
BlackRock EM	150,951	7%	132,687	7%
Arrowgrass Master fund	136,538	6%	132,317	7%
Pramerica Residential	114,857	5%	99,739	5%

15. Current Assets

	2017 (£'000)	2016 (£'000)
Contributions due	234	255
Other debtors	570	649
Cash balances	728	4,633
Advances to States of Jersey	2,214	332
	3,746	**5,869**

16. Current Liabilities

	2017 (£'000)	2016 (£'000)
Benefits payable	657	116
Other creditors	1,931	1,761
	2,588	**1,877**

17. Final Salary Scheme / Career Average Scheme Split

Assets of the Fund are invested together, however they are ring fenced between the separate Schemes. This note details the split between both Final Salary Scheme and Career Average Scheme.

Fund Account for the year ended 31 December 2017:

		Career Average Scheme (£'000)	Final Salary Scheme (£'000)	Total (£'000)
Dealings with members				
Payments in	Employer contributions	4,378	41,183	45,561
Payments in	Employee contributions	2,168	13,108	15,276
	Total Contributions	**6,546**	**54,291**	**60,837**
Payments in	Transfers in	109	1,474	1,583
Payments in	Other income	-	459	459
	Total payments in	**6,655**	**56,224**	**62,879**
Payments out	Benefits	-	74,901	74,901
Payments out	Payments to and on account of leavers	146	82	228
Payments out	Transfers out	14	17,571	17,585
Payments out	Administrative expenses	86	2,124	2,210
	Total Payments Out	**246**	**94,678**	**94,924**
	Net additions / (withdrawals) from dealings with members	**6,409**	**(38,454)**	**(32,045)**
Net returns on investments				
	Change in market value of investments	397	252,637	253,034
	Investment income	-	15,707	15,707
	Investment administration expenses	-	(12,796)	(12,796)
	Net returns on investments	**397**	**255,548**	**255,945**
	Net increase in the Fund's assets during the year	**6,806**	**217,094**	**223,900**
	Opening net assets	**1,217**	**1,933,887**	**1,935,104**
	Closing net assets	**8,023**	**2,150,981**	**2,159,004**

Fund Account for the year ended 31 December 2016:

		Career Average Scheme (£'000)	Final Salary Scheme (£'000)	Total (£'000)
Dealings with members				
Payments In	Employer contributions	1,329	43,119	44,448
	Employee contributions	656	13,924	14,580
	Total Contributions	**1,985**	**57,043**	**59,028**
	Transfers in	89	3,586	3,675
	Other income	-	561	561
	Total Payments In	**2,074**	**61,190**	**63,264**
Payments out	Benefits	-	73,527	73,527
	Payments to and on account of leavers	20	276	296
	Transfers out	-	8,672	8,672
	Administrative expenses	838	1,886	2,724
	Total Payments Out	**858**	**84,361**	**85,219**
	Net additions / (withdrawals) from dealings with members	**1,216**	**(23,171)**	**(21,955)**
Net returns on investments				
Change in market value of investments		7	122,132	122,139
Investment income		-	13,799	13,799
Investment administration expenses		(6)	(11,855)	(11,861)
	Net returns on investments	**1**	**124,076**	**124,077**
Net increase in the Fund's assets during the year		1,217	100,905	102,122
Opening net assets		-	1,832,982	1,832,982
	Closing net assets	**1,217**	**1,933,887**	**1,935,104**

The administration expenses in 2016 include the set up costs for the Career Average Scheme.

Statement of Net Assets available for Benefits as at 31 December 2017:

	Career Average Scheme (£'000)	Final Salary Scheme (£'000)	Total (£'000)
Investment assets			
Equities	2,127	539,297	541,424
Pooled Investment Vehicles	5,465	1,508,257	1,513,722
	7,592	**2,047,554**	**2,055,146**
Cash	293	102,298	102,591
Other investment balances	-	109	109
	7,885	**2,149,961**	**2,157,846**
Investment liabilities			
Pending trades	-	-	-
Total net investments	**7,885**	**2,149,961**	**2,157,846**
Current assets	164	3,582	3,746
Current liabilities	(26)	(2,562)	(2,588)
Total net assets available for benefits	**8,023**	**2,150,981**	**2,159,004**

Statement of Net Assets available for Benefits as at 31 December 2016:

	Career Average Scheme (£'000)	Final Salary Scheme (£'000)	Total (£'000)
Investment assets			
Equities	338	497,403	497,741
Pooled Investment Vehicles	844	1,334,345	1,335,189
	1,182	**1,831,748**	**1,832,930**
Cash	38	98,250	98,288
Other investment balances	-	7	7
	1,220	**1,930,005**	**1,931,225**
Investment liabilities			
Pending trades	-	(113)	(113)
Total net investments	**1,220**	**1,929,892**	**1,931,112**
Current assets	12	5,857	5,869
Current liabilities	(15)	(1,862)	(1,877)
Total net assets available for benefits	**1,217**	**1,933,887**	**1,935,104**

18. Contingencies and Commitments

In the opinion of the Committee of Management, the Fund had no contingent liabilities at 31 December 2017 (2016: nil).

At 31 December 2017 the Fund had undrawn commitments to fund private debt vehicles (Park Square and HayFin) amounting to £186,337,202 (2016: £106,704,063).

19. Related Party transactions

The Treasury & Resources Department, a department of the States of Jersey, provides creditor payment, payroll, cash management and financial ledger services for PECRS and PEPS. At the year end, a sum of £2,214,274 was owed to the Fund by the States of Jersey in respect of transactions with the department (2016: £322,067). During the year an amount of £975,903 (2016: £906,053) was paid to the department in respect of the services provided. The Chairman and Secretary to the Committee of Management receive remuneration as detailed in Note 7. Within the Committee of Management Board there are 5 active (2016: 5) and 3 pensioner members (2016:3). There were no other related party transactions during the year

20. Post Balance Sheet Events

There are no post balance sheet events that need to be disclosed in the Financial Statements.

Independent Auditors' Report to the Committee of Management of The Public Employees Pension Fund

Report on the audit of the Financial Statements

Opinion

In our opinion, Public Employees Pension Fund's financial statements:

- show a true and fair view of the financial transactions of the Fund during the year ended 31 December 2017, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the Public Employees (Pension Scheme) (Administration) (Jersey) Regulations 2015.

We have audited the financial statements, included in the annual report, which comprise: the statement of net assets available for benefits as at 31 December 2017; the fund account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Treasurer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurers has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

Reporting on other information

The other information comprises all the information in the annual report other than the financial statements and our auditors' report thereon. The Treasurer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Committee of Management and the Treasurer of the States for the financial statements

As explained more fully in the statement of responsibilities, the Treasurer is responsible for ensuring that the financial statements are prepared and for being satisfied that they show a true and fair view. The Treasurer is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Treasurer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Treasurer of the States either intends to wind up the scheme, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Committee of Management as a body in accordance with the Public Employees (PensionScheme) (Administration) (Jersey) Regulations 2015 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Leeds
10 May 2018

Statement of Responsibilities

Responsibilities in respect of the financial statements.

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”), are the responsibility of the Treasurer of the States (the “Treasurer”). Public Employees (Pension Scheme) (Administration) (Jersey) Regulations 2015 require the Treasurer to prepare, and have professionally audited, annual accounts of the Fund which:

- show a true and fair view of the financial transactions of the Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year; and
- contain the information specified in the Public Employees (Pension Scheme) (Administration) (Jersey) Regulations 2015, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Treasurer is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will continue as a going concern.

The Treasurer is also responsible for making available certain other information about the Fund in the form of an annual report.

The Treasurer also has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The States of Jersey are also responsible for the maintenance and integrity of the States of Jersey website. Jersey legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Scheme Actuary

Name of Scheme: States of Jersey Public Employees Pension Fund

Effective Date of Valuation: 31 December 2016

1. Security of prospective rights

The assets of the Public Employees Pension Fund ("the Fund") are used to provide pensions and other benefits under both the Public Employees Contributory Retirement Scheme (PECRS) and the Public Employees Pension Scheme (PEPS).

It is our opinion that, on a going concern basis, the resources of the Fund are likely in the normal course of events to meet in full the liabilities of the respective schemes as they fall due, assuming all future increases to pensions and deferred pensions effective on or after 1 January 2017 will be in line with the annual increase in the All Items Retail Prices Index for Jersey (Jersey RPI).

This opinion is based on the financial position of the schemes at the effective date, 31 December 2016, and subsequent estimated development in the funding positions up to the date of signing the valuation report, but does not take account of more recent developments. Our report on the valuation of the Fund as at 31 December 2016 was signed on 23 February 2018.

The valuation report disclosed a deficit in PECRS of £68.5M at the effective date of the valuation, equivalent to a funding ratio (assets divided by the present value of the liabilities) of 97.0%. However, at the date of signing the valuation report, the funding ratio was estimated to have improved to around 100%, primarily because investment returns since the valuation date had been above those assumed in the valuation. The Committee of Management and the Chief Minister agreed that no adjustments to benefits were required following the valuation.

The valuation report disclosed a deficit in PEPS of £0.44M. The small deficit in PEPS had arisen due to the initial administration costs of setting up the scheme. The contributions being paid into PEPS are higher than the cost of benefits being built up and, at the date of signing the valuation report, the funding ratio in PEPS was estimated to be above 100%. In accordance with the Public Employees (Pension Scheme) (Funding and Valuation) (Jersey) Regulations 2015, the valuation had no impact on the benefits payable from PEPS or the contributions payable to PEPS.

A further valuation is due to be carried out as at 31 December 2018.

2. Security of accrued rights on discontinuance

It is our opinion that, on a discontinuance basis, the Fund's assets at the effective date were sufficient to cover 94% of its accrued liabilities as at that date, based on pension increases equal to the minimum increases specified in the Regulations governing the Fund. This assumes that the Fund discontinued on the valuation date, even though the Regulations currently governing the Fund do not envisage the Fund's discontinuance (i.e. the future accrual of benefits and payment of contributions into the Fund being discontinued).

By accrued liabilities we mean benefits arising in respect of pensioners, deferred pensioners and active members for service prior to the effective date, on the basis that all active members are treated as if they had terminated pensionable service on the effective date with entitlement to deferred pensions. A procedure was agreed between the Policy & Resources Committee and the Fund’s Committee of Management, as documented in an Act of the Policy & Resources Committee dated 20 November 2003, for dealing with the shortfall transferred to the Fund arising from the changes made to the Fund in 1987 (the "pre-1987 debt"). This agreement was described in our report on the actuarial valuation of the Fund as at 31 December 2016 and is reproduced in Appendix 1 to this statement. The provisions of the Fund were amended to deal with the debt in that manner.

The above opinion assumes that, should there ever arise any question of the Fund's discontinuance, the capitalised value of the debt would be assessed at the point of discontinuance and paid off in full by the States of Jersey at that point or over a period of time in accordance with the above agreement.

3. Further information.

Further information underlying this statement is set out in Appendix 2 to this statement.

Jonathan Teasdale
Fellow of the Institute and Faculty of Actuaries
Aon Hewitt Limited

10 April 2018

Appendix A – The Ten Point Agreement

The framework agreed between the Policy and Resources Committee and the Committee of Management for dealing with the pre-1987 debt was documented in a ten-point agreement approved by Act of the Policy and Resources Committee dated 20 November 2003. The provisions of the agreement, which have subsequently been reflected in Regulations approved by the States of Jersey on 27 September 2005, enable us to treat the pre-1987 debt as an asset of PECRS for valuation purposes. The text of the agreement is reproduced below.

"1. The States confirms responsibility for the Pre-1987 Debt of £192.1 million as at 31 December 2001 and for its servicing and repayment with effect from that date on the basis that neither the existence of any part of the outstanding Debt nor the agreed method of servicing and repayment shall adversely affect the benefits or contribution rates of any person who has at any time become a member of the Scheme.

2. At the start of the servicing and repayment period, calculated to be 82 years with effect from 1 January 2002, the Employers' Contribution rate will be increased by 0.44% to the equivalent of 15.6%. These contributions will be split into 2 parts, namely a contribution rate of 13.6% of annual pensionable salary and an annual debt repayment. The Employer's Contribution rate will revert to 15.16% after repayment in full of the Debt.

3. During the repayment period the annual Debt repayment will comprise a sum initially equivalent to 2% of the Employers' total pensionable payroll, re-expressed as a cash amount and increasing each year in line with the average pay increase of Scheme members.

4. A statement of the outstanding debt as certified by the Actuary to the Scheme is to be included each year as a note in the States Accounts.

5. In the event of any proposed discontinuance of the Scheme, repayment and servicing of the outstanding Debt shall first be rescheduled by the parties on the advice of the Actuary to ensure that paragraph (1) above ("Point 1") continues to be fulfilled.

6. For each valuation the States Auditor shall confirm the ability of the States to pay off the Debt outstanding at that date.

7. If any decision or event causes the Actuary at the time of a valuation to be unable to continue acceptance of such servicing and repayment of the Debt as an asset of the Scheme, there shall be renegotiation in order to restore such acceptability.

8. In the event of a surplus being revealed by an Actuarial Valuation, negotiations for its disposal shall include consideration of using the employers' share to reduce or pay off the Debt.

9. As and when the financial position of the States improves there shall be consideration of accelerating or completing repayment of the Debt.

10. The recent capital payment by JTL of £14.3m (plus interest) reduced the £192.1m total referred to in (1) by £14.3m and if any other capital payments are similarly made by other Admitted Bodies these shall similarly be taken into account."

Appendix B – Additional Information from the Actuary

1. Notes on our opinion on the security of prospective rights

The resources of the Fund at 31 December 2016 that we have taken into account for the purposes of this statement consisted of:

a) the existing assets, including net current assets and liabilities, which had a value of £1,935.1M at 31 December 2016.

b) future contributions payable by members and employers at the various rates specified in the Regulations or, where applicable in the case of particular employers, the rates specified in the Actuary's latest contribution certificate.

c) future pre-1987 debt repayments payable to PECRS by particular employers in accordance with the rates specified in the Actuary's latest contribution certificate.

d) additional future contributions payable to PECRS by the States of Jersey Ambulance Service in respect of PECRS members employed as Emergency Ambulance Officers, an Assistant Chief Ambulance Officer or as the Chief Ambulance Officer, as certified by the Actuary from time to time.

2. Notes on our opinion on the security of accrued rights on discontinuance

In calculating the value of the Fund's accrued liabilities assuming the Fund was discontinued, we have estimated the terms that might be offered by insurance companies for determining the cost of immediate and deferred annuities to secure the liabilities, plus a provision to cover expenses. In practice an alternative to purchasing annuities to secure the liabilities would be to continue running the Fund as a closed fund.

The Regulations governing the Fund provide for annual increases in line with the Jersey RPI at present, although lower increases may be paid where an actuarial review has disclosed that the financial condition of the Fund is no longer satisfactory. We have assumed that in a discontinuance situation the pension increases provided would be equal to the minimum increases specified in the Regulations i.e. nil increases for PECRS and 50% of RPI for PEPS.

3. Method and Assumptions

The actuarial methods and assumptions underlying the opinions in this Statement are as set out in our full report on the valuation of the Fund as at 31 December 2016.

Glossary

Actuary: A consultant who advises the Fund and every three years formally reviews the assets and liabilities of the Schemes and produces a report on the Schemes' financial position.

Admitted Bodies: Bodies whose staff can become members of the Final Salary Scheme and Career Average Scheme by virtue of an agreement made between the Chief Minister, Committee of Management and the relevant body.

Benchmark: A yardstick against which the investment performance of a fund manager can be compared, usually the index relating to the particular assets held.

Best estimate assumptions: Assumptions which have a 50% chance of outcomes being better than expected and a 50% chance of being worse than expected.

Career Average Scheme: Career average re-valued earnings Scheme, A pension scheme where benefits are built up for each working year and then "revalued" annually by an agreed index.

Committee of Management: Board to manage the Fund under the powers vested in it by Regulations governing the Schemes. Comprising of; a chairman, 5 employer representatives, 4 member representatives, 2 pensioner representative and 1 Admitted Body employer representative.

Corporate Bonds: Investment in certificates of debt issued by a company. These certificates represent loans which are repayable at a future date with interest.

Deferred Pension: The inflation linked retirement benefits payable from normal retirement age to a member of the Fund who has ceased to contribute as a result of leaving employment.

Equities: Ordinary shares in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at Shareholders' meetings, which can be traded on a recognised stock exchange before the repayment date.

Fixed Interest Securities: Investments in mainly government but also company stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date.

Funding Level: The relationship between the value of a scheme's assets and its actuarial liability. This is normally expressed as a percentage.

Ground Lease: A long lease (typically 125 years or longer) granted by the freeholder on a piece of land in return for a ground rent. At the end of the lease the land and the building normally revert to the freeholder.

Jersey RPI: Jersey Retail Prices Index is the rate of inflation that retirement benefits are linked to.

Managed and unitised funds: A pooled Fund in which investors can buy and sell units. The pooled Fund then purchases investments, the returns on which are passed on to the unit holders. This enables a broader spread of investments than investors could achieve individually.

Market Value: The price at which an investment can be bought or sold at a given date.

Pending trades: Trades that have been instructed but not settled at year end.

PEPT: The Public Employees Pension Team, a section of the States of Jersey Treasury & Resources department who perform the day to day administration of the Final Salary Scheme and the Career Average Scheme.

Return: The total gain from holding an investment over a given period, including income and increase (decrease) in market value.

Segregated assets: Assets that the Fund holds where the custodian holds individual assets on behalf of the Fund that are managed by an investment manager. This is different to Pooled assets where the Fund invests with other investors in a pool of assets, and the Fund owns units in the pool as opposed to the individual assets.

SORP: Statement of Recommended Practice, 'Financial Reports of Pension Schemes (revised November 2014)', this is guidance on how to prepare the Financial Statements.

States Employment Board: The State's Employment Board is the employer of all public sector employees in Jersey and is responsible for fixing the terms and conditions of these employees. It is currently chaired by Senator Andrew Green (Minister for Health) and brings together two members who are Ministers or Assistant Ministers and 2 non-ministerial States members.

Transfer Value: These are sums which represent the capital value of past pension rights which a member may transfer on changing pension Schemes.

Contacts and Further Information

If you know someone who would like this document in another format.

All published documents are available from the Public Employees Pension Team.

Call us on (01534) 440227

Alternatively, you may wish to email us: pept@gov.je

Public Employees Pension Fund
Public Employees Pension Team
Cyril Le Marquand House
PO Box 353
St Helier
Jersey
Channel Islands
JE4 8UL

Opening times: Monday to Friday from 9am to 5pm

Website www.gov.je/statesemployeespension