

### Cash flows (as at 31 March 2023)

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This document sets out cash flows in respect of both past service (which underlie liabilities) and future service (which underlie future service contributions), together with the gilt yield assumptions, based on data as at 31 March 2023.

Cash flows in respect of one year of accrual under both the pre-22 and post-22 structures have been shown to indicate the difference between the two structures and highlight how the change in benefits as at 1 April 2024 may impact cashflows.

In practice, the post-22 benefit structure applied over the 2023/24 year. However, the benefit accrual will change to the pre-22 structure from 2024/25 onwards. This will be reflected in the next annual cashflow update (which will be based upon the benefits in place as at 1 April 2024).

No allowance is included in these cashflows for other benefit uplifts agreed as part of the 2023 valuation.

**Table 1: Scheme cash flows (£bn)**

Year to	Expected cash flows (£bn) in relation to benefits accrued at 31 March 2023	Expected cash flows (£bn) in relation to benefits projected to be accrued in 2023/24 (post-22 structure)	Expected cash flows (£bn) in relation to benefits projected to be accrued in 2023/24 (pre-22 structure)
31 March 2024	2.76	0.048	0.049
31 March 2025	2.54	0.006	0.008
31 March 2026	2.65	0.008	0.011
31 March 2027	2.76	0.010	0.014
31 March 2028	2.89	0.012	0.018
31 March 2029	3.01	0.015	0.022
31 March 2030	3.13	0.018	0.027
31 March 2031	3.25	0.021	0.032
31 March 2032	3.36	0.024	0.037
31 March 2033	3.48	0.027	0.043
31 March 2034	3.60	0.030	0.048
31 March 2035	3.69	0.033	0.055
31 March 2036	3.80	0.037	0.061
31 March 2037	3.90	0.041	0.068
31 March 2038	3.99	0.045	0.076
31 March 2039	4.06	0.049	0.083
31 March 2040	4.13	0.052	0.090



31 March 2041	4.20	0.056	0.098
31 March 2042	4.27	0.061	0.107
31 March 2043	4.33	0.066	0.116
31 March 2044	4.38	0.070	0.125
31 March 2045	4.44	0.076	0.136
31 March 2046	4.47	0.082	0.148
31 March 2047	4.49	0.087	0.159
31 March 2048	4.49	0.092	0.170
31 March 2049	4.49	0.098	0.180
31 March 2050	4.48	0.103	0.191
31 March 2051	4.46	0.108	0.202
31 March 2052	4.43	0.113	0.212
31 March 2053	4.39	0.118	0.223
31 March 2054	4.33	0.123	0.234
31 March 2055	4.26	0.127	0.242
31 March 2056	4.18	0.131	0.251
31 March 2057	4.09	0.135	0.259
31 March 2058	3.99	0.138	0.266
31 March 2059	3.88	0.140	0.271
31 March 2060	3.77	0.142	0.275
31 March 2061	3.65	0.142	0.278
31 March 2062	3.52	0.142	0.278
31 March 2063	3.39	0.140	0.277
31 March 2064	3.26	0.138	0.275
31 March 2065	3.12	0.136	0.273
31 March 2066	2.98	0.134	0.271
31 March 2067	2.84	0.131	0.267
31 March 2068	2.69	0.128	0.262
31 March 2069	2.55	0.125	0.258
31 March 2070	2.40	0.122	0.253
31 March 2071	2.26	0.119	0.248
31 March 2072	2.11	0.115	0.242
31 March 2073	1.97	0.112	0.235
31 March 2074	1.83	0.108	0.228
31 March 2075	1.69	0.103	0.220
31 March 2076	1.55	0.099	0.212
31 March 2077	1.42	0.094	0.203
31 March 2078	1.29	0.090	0.194
31 March 2079	1.16	0.085	0.184
31 March 2080	1.04	0.080	0.174
31 March 2081	0.93	0.075	0.163
31 March 2082	0.82	0.069	0.153
31 March 2083	0.72	0.064	0.142
31 March 2084	0.62	0.059	0.130
31 March 2085	0.54	0.054	0.119
31 March 2086	0.46	0.049	0.108
31 March 2087	0.39	0.043	0.097
31 March 2088	0.32	0.039	0.087
31 March 2089	0.27	0.034	0.076

31 March 2090	0.22	0.029	0.067
31 March 2091	0.18	0.025	0.057
31 March 2092	0.14	0.021	0.049
31 March 2093	0.11	0.018	0.041
31 March 2094	0.09	0.015	0.034
31 March 2095	0.06	0.012	0.028
31 March 2096	0.05	0.010	0.022
31 March 2097	0.04	0.008	0.018
31 March 2098	0.03	0.006	0.014
31 March 2099	0.02	0.004	0.010
31 March 2100	0.01	0.003	0.008
31 March 2101	0.01	0.002	0.006
31 March 2102	0.01	0.002	0.004
31 March 2103	0.00	0.001	0.003
31 March 2104	0.00	0.001	0.002
31 March 2105	0.00	0.001	0.001
31 March 2106	0.00	0.000	0.001
31 March 2107	0.00	0.000	0.001

Please note:

- No allowance for expenses, transfers out or DC benefits is included in the cash flows above.
- These cash flows are based on membership data as at 31 March 2023. Certain adjustments made to the liabilities (in particular allowance for short service leavers) and the future service rate (allowance for the delay in the indexation cap in the post-22 structure) which increase both slightly are not included in the above cash flows.
- The cash flows are based on the financial and demographic assumptions which the Trustee has proposed in the Technical Provisions consultation document for the 2023 valuation. The assumption used for future CPI, on which the future pension increase assumptions are based, is a flat rate of 3.0% per annum.
- Payments in year to 31 March 2024 look high compared to the following year. This is explained as follows:
  - In respect of accrued benefits, all those above their retirement age are assumed to retire immediately; it is the payment of their lump sum on retirement that accounts for the higher figure.
  - In respect of benefits accruing, the higher figure is largely on account of death-in-service lump sums payable in the first year.

**Table 2: Gilt yield**

The Gilt yields below are the 1-year forward rates as at 31 March 2023.

Year	Gilt yield
1	3.93%
2	3.44%
3	3.23%
4	3.17%
5	3.18%
6	3.25%
7	3.39%
8	3.59%
9	3.84%
10	4.09%
11	4.31%
12	4.47%
13	4.57%
14	4.61%
15	4.60%
16	4.55%
17	4.47%
18	4.38%
19	4.28%
20	4.17%
21	4.06%
22	3.94%
23	3.82%
24	3.71%
25	3.60%
26	3.49%
27	3.39%
28	3.30%
29	3.22%
30	3.14%
31	3.07%
32	3.01%
33	2.96%
34	2.92%
35	2.89%
36	2.86%
37	2.84%
38	2.82%
39	2.81%
40	2.80%
41	2.79%
42	2.79%
43	2.78%
44	2.78%



45	2.78%
46	2.77%
47	2.77%
48	2.77%
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79	2.77%
80	2.77%
81	2.77%
82	2.77%
83	2.77%
84	2.77%