

# Annual funding statement

for defined benefit pension schemes

April 2018

The Pensions  
Regulator

# Contents

Introduction	page 3
Market conditions	page 4
Balancing risks	page 4
Risk taking and risk management	page 7
Contingency planning	page 8
Brexit uncertainty	page 8
Actuarial assumptions and scheme demographics	page 9
Discount rates	page 9
Mortality	page 9
Transfer activity	page 10
Scheme maturity	page 11
What we expect of trustees	page 11
Deficit recovery: fair treatment for the pension scheme	page 11
Knowledge and understanding	page 13
What you can expect from us	page 13
Our risk assessments	page 13
Smaller schemes	page 14
Late valuations	page 14
TPR powers	page 15
How to contact us	back cover

## Introduction

This statement is for trustees of all occupational defined benefit (DB) pension schemes and their sponsoring employers. It is particularly relevant to those whose valuations have effective dates between 22 September 2017 and 21 September 2018 (Tranche 13, or T13 reviews). However, many of the messages are also relevant for other schemes, especially those undergoing significant changes that require a review of their funding and risk strategies. It sets out specific guidance on how to approach a valuation, as well as our view on some of the topical issues, along with sections on what we expect from trustees and what they can expect from us.

We expect all funding and risk reviews to fully incorporate the principles in our DB code of practice and associated guidance. You should therefore read this statement alongside:

- ▶ Code of Practice no. 3: Funding defined benefits: [www.tpr.gov.uk/code3](http://www.tpr.gov.uk/code3)
- ▶ Guidance on DB investment: [www.tpr.gov.uk/investment-guidance](http://www.tpr.gov.uk/investment-guidance)
- ▶ Guidance on assessing and monitoring the employer covenant: [www.tpr.gov.uk/covenant-guidance](http://www.tpr.gov.uk/covenant-guidance)
- ▶ Guidance on integrated risk management: [www.tpr.gov.uk/irm](http://www.tpr.gov.uk/irm)

Supplementary guidance aimed at trustees of smaller schemes with limited resources, highlighting the benefits of integrated risk management (IRM) and how to meet their main objectives through its application:

- ▶ Quick guide: [www.tpr.gov.uk/docs/irm-quick-guide.pdf](http://www.tpr.gov.uk/docs/irm-quick-guide.pdf)
- ▶ Checklist: [www.tpr.gov.uk/docs/irm-checklist.pdf](http://www.tpr.gov.uk/docs/irm-checklist.pdf)

The government's white paper **Protecting defined benefit pension schemes**<sup>1</sup>, published in March 2018, explained our intention to review and update our DB funding code over the next two years. The new code will be clearer about funding approaches (in particular around the prudence of technical provisions and appropriateness of recovery plans). Trustees and employers should continue to refer to our current DB code and guidance. In particular, T13 valuations will be regulated under our current approach set out in this statement.

1  
<https://www.gov.uk/government/publications/protecting-defined-benefit-pension-schemes>

## Market conditions

Our assessment of funding positions of T13 schemes in aggregate suggests a marginally better funding level compared with three years ago. However, we anticipate wide variations between individual schemes of all sizes, depending on their exact valuation date and other scheme-specific circumstances. In particular, schemes that did not hedge their interest rate and inflation risks are likely to have done worse than others that did.

## Balancing risks

We expect trustees to focus on the integrated management of three broad areas of risk: the ability of the employer to support the scheme (known as the covenant), investment risks and scheme funding plans. We also expect them to take into account risks that arise from scheme maturity<sup>2</sup>. Parliament has given us a mandate to protect pension savers and the Pension Protection Fund (PPF), while balancing the needs of employers to invest and grow their business, and when reviewing funding plans we take this into account. We apply an integrated approach to assess the overall risk profile of each scheme using a number of factors<sup>3</sup> including:

- ▶ the level of cash contributions being paid, which takes into account the scheme's maturity and funding level, and the strength of the employer covenant and
- ▶ the additional deficit that could arise from the investment strategy in the future which the covenant may not be able to support.

The following table identifies the key risks we expect trustees to focus on and the actions we expect them to take, depending on their scheme and employer characteristics. The table is not intended to be exhaustive for each category, and is not a substitute for reading the remainder of this statement.

'We apply an integrated approach to assess the overall risk profile of each scheme'

<sup>2</sup>  
A scheme will get progressively more mature as more of its members become pensioners. Consequently the benefits paid out increase as a proportion of scheme assets or liabilities and this can put a different complexion on the risks they need to manage.

<sup>3</sup>  
Defined benefit funding: regulatory and enforcement policy, Appendices B and C at: [www.tpr.gov.uk/docs/db-funding-regulatory-enforcement-policy.pdf](http://www.tpr.gov.uk/docs/db-funding-regulatory-enforcement-policy.pdf)

## Key risks trustees should focus on and actions to take

	Employer characteristics	Funding characteristics	Key risks to manage	What we expect of trustees
<b>A</b>	Strong or tending to strong employers <sup>4</sup>	Scheme funding on track to meet long term funding target, technical provisions are not weak and recovery plan is not unduly long	<ul style="list-style-type: none"> <li>▶ Sudden downturn in business</li> <li>▶ Covenant weakens in the future, maybe at the same time as investments underperform</li> <li>▶ Lack of long-term covenant visibility</li> </ul>	<ul style="list-style-type: none"> <li>▶ Consider strengthening technical provisions, increasing contributions or reducing recovery plan lengths</li> <li>▶ Where dividends and other forms of covenant leakage are disproportionate to DRCs we expect a short recovery plan</li> </ul>
<b>B</b>	Strong or tending to strong employers <sup>5</sup>	Combination of weak technical provisions and/or long recovery plans	<ul style="list-style-type: none"> <li>▶ As for Group A, but greater imperative to improve funding and reduce member risk</li> </ul>	<ul style="list-style-type: none"> <li>▶ Strengthen technical provisions, increase DRCs and reduce recovery plan lengths</li> <li>▶ Consider strengthening short term security through other means such as contingent assets and guarantees</li> </ul>
<b>C</b>	Weaker employer with limited affordability	Scheme funding on track to meet long term funding target, technical provisions are not weak and contributions are reducing deficits at a slower but affordable pace	<ul style="list-style-type: none"> <li>▶ As for Group A, but against the background of a weaker covenant which may not withstand much downside risk</li> <li>▶ Pressure to employ limited affordability to grow company</li> </ul>	<ul style="list-style-type: none"> <li>▶ Prioritise scheme liabilities over shareholder returns</li> <li>▶ Retain cash within the company to fund sustainable growth and address pension deficit</li> <li>▶ Monitor covenant risk and limit member risk by securing a proportionate reward for scheme from employer growth and/or maximising other forms of available support, including contingent assets and formal group support</li> </ul>

4 DB funding policy, page 22, at: [www.tpr.gov.uk/db-policy](http://www.tpr.gov.uk/db-policy)

**Key risks trustees should focus on and actions to take** continued...

	<b>Employer characteristics</b>	<b>Funding characteristics</b>	<b>Key risks to manage</b>	<b>What we expect of trustees</b>
<b>D</b>	Weaker employer with limited affordability.	Combination of weak technical provisions and/or long recovery plans.	As for Group C, but more urgent need to improve funding and reduce member risk.	<ul style="list-style-type: none"> <li>▶ Prioritise scheme liabilities over shareholder returns.</li> <li>▶ Maximise support for scheme by assessing (a) affordability and determining what cash, contingent assets and formal group support are available and (b) what plans and strategies put forward by employer will sufficiently strengthen future covenant.</li> <li>▶ Seek opportunities to reduce risk in order to protect employer and members.</li> </ul>
<b>E</b>	Weak employer <sup>5</sup> , unable or unlikely to provide adequate support.	Stressed schemes with limited or no ability to use flexibilities in the funding regime.	Crystallisation of unsupported investment risk and/or employer affordability weakening further.	<ul style="list-style-type: none"> <li>▶ Seek best possible funding outcome for members in the circumstances.</li> <li>▶ Be prepared to show evidence of appropriate measures, including cessation of future accrual, awareness of future risks and ability to manage them, avoidance of covenant weakening, maximisation for non-cash support and consideration of winding up.</li> </ul>

<sup>5</sup> DB funding policy, page 22, at: [www.tpr.gov.uk/db-policy](http://www.tpr.gov.uk/db-policy)

## Risk taking and risk management

Trustees should recognise the importance of having sufficient and appropriate assets to pay members' benefits as they fall due. They must take a balanced approach to risk taking and risk management, which should be tailored to the scheme's particular circumstances. Scheme size should not be a barrier<sup>6</sup> to taking action to manage risks, and when we engage with trustees we will not accept this as an excuse for poor risk management. Our quick guide to IRM, and the accompanying checklist<sup>7</sup> are designed to help trustees who are unclear about how to do this, either because they lack the skills or feel constrained due to scheme size or resources. They should work with their advisers to agree a practical approach to manage the key risks in a way that is proportionate and appropriate for their scheme.

Trustees should prioritise risks according to how much they affect the scheme's long term funding target and the employer's capacity to support them<sup>8</sup>. Trustees can use tools including risk-attribution charts<sup>9</sup>, stress tests and the quantified impacts of carefully designed scenario tests to help them. For small schemes, we would expect to see scenario planning exercises to illustrate the impact of risks.

Trustees should also consider shorter-term risks to the security of members' benefits while deficits are being funded, such as a sudden (possibly significant) downturn in the employer's business. Where such events would have a material impact on the position of the scheme, trustees should aim to mitigate the risk by seeking additional cash in the short term (to recover the deficit over a shorter period) and/or by taking other forms of security. This is particularly important for schemes with weak funding levels where continuing to run on may favour some members at the expense of others.

<sup>6</sup> Actuarial standards place a duty on the scheme actuary to provide trustees with a sufficient understanding of how funding and investment risks (and their interaction), or a change in employer covenant, could affect the trustees funding and investment objectives, as well as on managing a funding and investment strategy to achieve these objectives. This is irrespective of scheme size.

<sup>7</sup> Quick guide to IRM: [www.tpr.gov.uk/docs/irm-quick-guide.pdf](http://www.tpr.gov.uk/docs/irm-quick-guide.pdf)

IRM checklist: [www.tpr.gov.uk/docs/irm-checklist.pdf](http://www.tpr.gov.uk/docs/irm-checklist.pdf)

<sup>8</sup> See examples 6 and 7 in [www.tpr.gov.uk/investment-guidance](http://www.tpr.gov.uk/investment-guidance)

<sup>9</sup> See example 12 in [www.tpr.gov.uk/investment-guidance](http://www.tpr.gov.uk/investment-guidance)

## Contingency planning

Effective risk management needs documented and workable contingency plans. Trustees should analyse the impact if key risks were to materialise, and consider how they would respond to put their funding position back on track. If this requires additional employer support, they should work with the employer to understand how it could be provided<sup>10</sup> including in very challenging circumstances. Integrated risk analysis should recognise that certain risks affecting the scheme could also affect the employer's ability to support the scheme, and trustees should be satisfied from their own analysis, as well as from evidence supplied by the employer, that this additional support would be available when required.

Where possible, the contingency plans should include legally enforceable rights of recourse, eg against secured assets. Where this is not possible, employers and trustees should at least agree the actions that would be taken to support the scheme if specific risks materialised. If trustees are not satisfied that they could rely on a contingency plan which is not legally enforceable, they should consider a different overall strategy which leaves the scheme less exposed.

Contingency planning should not just be about managing poor outcomes. Trustees should also be mindful of opportunities that may help to put their scheme on a more solid footing and relieve the employer of future strain from the scheme<sup>11</sup>.

Where trustees see that a risk has materialised or an opportunity has arisen, they should take the agreed actions and show evidence of what they have done.

## Brexit uncertainty

Some trustees carrying out T13 valuations may be concerned about having to agree recovery plans while there is uncertainty about how Brexit may affect them and their sponsoring employers. We expect them to have open and collaborative discussions with their sponsors and to consider how such uncertainty may affect the sponsor's ability to provide support (and therefore whether their investment and funding strategies remain appropriate)<sup>12</sup>.

10  
See example 10 in  
[www.tpr.gov.uk/irm](http://www.tpr.gov.uk/irm)

11  
See example 11 in  
[www.tpr.gov.uk/irm](http://www.tpr.gov.uk/irm)

12  
See examples 14-17 in  
[www.tpr.gov.uk/irm](http://www.tpr.gov.uk/irm)

They should discuss the outlook for the economy as a whole, and their particular sector, and employers should share how they think their business may be affected so trustees and the sponsor can agree the risks to address. Where there are material concerns, we expect sponsors and trustees to assess the impact on the sponsor's balance sheet and cash-flows in the short and long term. Where sponsors are reasonably holding back cash by extending the recovery plan because of Brexit uncertainty, trustees should make sure that shareholders are also sharing the burden proportionately. They should also seek other forms of security where available or establish contingency plans with specific actions for how the scheme's funding position will be recovered. These plans should be reviewed when there is more clarity about the impact of Brexit on the sponsor covenant.

## Actuarial assumptions and scheme demographics

### Discount rates

Trustees and their advisers should consider how market conditions have changed since the last valuation and whether their choice of investment strategy and the expected risk and returns remain appropriate. The discount rate should be chosen using integrated risk management principles that are consistent with their long-term funding and investment targets and their view of the employer covenant. They should document the rationale for their chosen discount rate even if the method used to set it has not changed.

Trustees should discuss with their adviser what the proposed discount rate assumes about future interest rates. If they choose a discount rate which assumes future interest rate rises above market expectations, they should now agree a contingency plan with the employer, documenting the actions that will be taken at the next valuation if the anticipated rises do not happen.

### Mortality

The mortality assumption used for the valuation should be appropriate to the scheme membership, taking into account their characteristics in terms of socio-economic status and/or state of health. An understanding of trends in mortality since the scheme's previous valuation will help trustees consider whether any change is justified in the assumptions for this one. Trustees should ensure that their mortality assumptions are evidence-based and derived using a sound methodology.

'Where sponsors are reasonably holding back cash by extending the recovery plan because of Brexit uncertainty, trustees should make sure that shareholders are also sharing the burden.'

## Transfer activity

Some schemes are reporting high levels of transfer activity. Trustees who are considering whether to make an allowance in their valuation for an increased level of transfer activity in future should consider their scheme's experience and likely trends very carefully before doing so. If they do make such an allowance and it reduces technical provisions, we expect them to quantify the effect in advance and continue to monitor it, with a contingency plan in place should this assumption not be borne out.

One of our other concerns in relation to transfer value activity is ensuring that DB scheme members and their advisers have all the information they need to make an informed decision about the members' best interests. We are working closely with the Financial Conduct Authority (FCA) to achieve this. The combination of accurate and timely information from trustees to members and their advisers, and good advice from a regulated financial adviser, will help members to make informed decisions that suit their personal aims and circumstances. We would ask trustees to keep records of transfer activity, including details of the advisers and the schemes to which transfers are made. If trustees have concerns over the level of transfer activity or the quality of the advice being given to members, they should contact us or the FCA<sup>13</sup>.

We expect trustees to monitor<sup>14</sup> transfer activity closely and take advice on liquidity management. They should also consider the impact on investment strategy (especially the liability hedging arrangements) and the suitability of their transfer value basis. In underfunded schemes, trustees should consider whether to reduce transfer values or seek additional funding from the employer to prevent unreduced transfers from harming the scheme's funding position. This is especially important for smaller schemes, where members with very large transfer values could have a disproportionate impact<sup>15</sup>.

13  
email:  
[DBTransferScheme  
Information@fca.org.uk](mailto:DBTransferSchemeInformation@fca.org.uk)

14  
Trustees must notify us of transfers of more than £1.5m or, if lower, 5% of scheme assets – Regulation 2(1)(c) of The Pensions Regulator (Notifiable Events) Regulations 2005, unless the Direction 1 of the Directions Issued by The Pensions Regulator under Section 69(1) of the Pensions Act 2004 applies: [www.tpr.gov.uk/docs/directions.pdf](http://www.tpr.gov.uk/docs/directions.pdf)

15  
See TPR guidance on these and other matters at: [www.tpr.gov.uk/guidance/db-to-dc-transfers-and-conversions.aspx#s18747](http://www.tpr.gov.uk/guidance/db-to-dc-transfers-and-conversions.aspx#s18747)

## Scheme maturity

High levels of transfer activity also have the effect of increasing the scheme's cash outflow in the short term and thus increasing scheme maturity. If the scheme is underfunded and the assets are potentially volatile, trustees should understand how this affects the ability of the remaining assets to deliver returns to recover the funding level<sup>16</sup>. In all schemes (and particularly those with high levels of transfer activity), we expect advisers to alert trustees to the risks to funding and investment from increasing scheme maturity. As schemes approach high levels of maturity, trustees should ensure the sponsor is funding to a level where these risks are being managed. When reviewing the technical provisions and recovery plans submitted to us, we will consider the extent to which the scheme is exposed to these risks and expect to see written evidence of how they are being managed.

## What we expect of trustees

### Deficit recovery: fair treatment for the pension scheme

Pensions are deferred pay and pension deficits are responsibilities of the employer, to be repaid with a regular, reasonable and affordable flow of contributions. The trustees' key objective is to make sure that the scheme is able to pay the promised benefits as they fall due. When agreeing the funding strategy, they should understand the employer's business plans. A strong covenant is not a sufficient reason in itself to accept a recovery plan with lower contributions than would otherwise be considered reasonable. Deficit contributions should reflect the size of the scheme's deficit and the employer's current and expected cash flows. What is reasonable will depend on the rate at which the contributions made by the employer are reducing the deficit and whether trustees consider the residual risk to members to be acceptable. What constitutes an affordable contribution for the employer should be considered in light of distributions to shareholders and their recent trends. This applies to all sponsors, privately or publicly owned, irrespective of size.

We are concerned about the growing disparity between dividend growth and stable deficit reduction payments. Recent corporate failures have highlighted the risk of long recovery plans while payments to shareholders are excessive relative to deficit repair contributions (DRCs). Trustees should assess the impact of dividends on the employer's covenant and whether the scheme is being treated fairly in light of what it needs to pay the promised benefits.

'We are concerned about the growing disparity between dividend growth and stable deficit reduction payments.'

<sup>16</sup> See example 11 in [www.tpr.gov.uk/investment-guidance](http://www.tpr.gov.uk/investment-guidance)

They should consider performing analysis of the relative amounts (of dividends and DRCs), and expect to receive sufficient access to the employer's budgets and cash flow forecasts to enable this. Where distributions appear unreasonable relative to contributions, we expect trustees to negotiate robustly with the employer to secure a fair deal for the pension scheme. We have not set any a specific ratio which we consider acceptable, but where dividends are disproportionate to DRCs we would consider affordability not to be an issue. In such circumstances we expect trustees to prioritise the needs of the scheme and engage with the employer accordingly.

While dividends may be the most common form of distributions, trustees should also be alert to other forms of covenant leakage<sup>17</sup> when considering what contributions are affordable and whether the scheme is being treated fairly. Other types of distributions include loans to intra-group companies which reduce the cash available to the scheme, transfers of business assets at less than fair value, or other trading mechanisms where cash is moved from the employer and beyond the reach of the scheme. For smaller employers, the level of senior management pay can be as high as the level of shareholder distributions. Trustees should consider this when assessing affordability and the appropriateness of recovery plan payments. If the distributions result in the covenant becoming weaker, or if the covenant is already weak, trustees may also need to revisit their most recent scheme funding and investment decisions to reflect this. In some circumstances distributions may be materially detrimental to the scheme, in which case we will consider using our anti-avoidance powers.

For schemes with weak (or weakening) covenants, we would expect employers to give greater consideration to their liabilities to the scheme. We believe that employers with weak covenants should normally retain cash within the company to fund sustainable growth and address their pension deficit rather than paying it out to shareholders. We accept that there may be situations where trustees are comfortable limiting DRCs for specific periods to recognise the commitment of new funds by investors, including allowing reasonable returns to those investors for their new money without excessive risk for the scheme. This is a complex area where trustees are likely to require professional advice.

Trustees who are concerned that their scheme is disadvantaged should not agree to valuations which are not reasonable and notify us if they cannot agree their valuation by their statutory deadline and discuss their concerns with us.

'Where distributions appear unreasonable relative to contributions, we expect trustees to negotiate robustly with the employer.'

<sup>17</sup> Covenant leakage happens when value leaves the company.

## Knowledge and understanding

Where trustees perceive a lack of skills on their board, or there is a risk to objectivity from conflicts of interest, we expect them to seek appropriate advice<sup>18</sup>. They are entitled to expect their advisers to find proportionate and cost-efficient ways of helping, delivering advice in a manner they can understand, and should challenge them if this is not the case. When we engage with trustees we will ask for documented evidence of the advice they receive and their rationale for the decisions they make.

Professional guidance for scheme actuaries<sup>19</sup> sets out the information, explanations and advice they should give trustees to enable them to reach a decision that is in line with the principles of integrated risk management as well as meeting the legal requirements.

## What you can expect from us

We are now clearer about what we expect from trustees, are quicker to act and are tougher on those who fail to act in the interests of members. We have taken on more cases (our proactive casework has increased by 90% over the past year) and are using a wider range of powers more often, including criminal powers where appropriate. Since 2014, we have secured approximately £1bn for pension schemes through settlement and the use of our anti-avoidance powers.

## Our risk assessments

We do not assess the appropriateness of schemes' technical provisions or discount rates based on predetermined relationships to gilt yields or other indices. Instead we judge their suitability on the risks in their funding and investment strategies and the manner in which trustees appear to manage them.

Where a scheme's investment risk appears unsupportable by the covenant, or cash contributions are disproportionately low relative to the requirements of the scheme, we will question the rationale behind the trustees' chosen funding and investment strategies. This would include a discussion about any anticipated changes to the investment strategy in the future, and how the discount rate compares with the expected investment return.

'We are now clearer about what we expect from trustees, are quicker to act and are tougher on those who fail to act in the interests of members.'

18

See the DB code and also the governance sections in the investment guidance and covenant guidance.

19

Technical Actuarial Standard 300: Pensions: <https://www.frc.org.uk/getattachment/d47aecc1-89a7-40af-8bfe-6ac095be6d2a/TAS-300-Pensions-Dec-2016.pdf>

## Smaller schemes

We are extending our proactive approach to scheme engagement to include smaller schemes. We contacted a number of these recently and explained how we rate their covenant and the particular issues we want trustees to address before their 2018 valuation is finalised.

These areas include covenant, investment, funding, and risk management. We have asked the trustees of these schemes to explain, when they submit their 2018 valuation, how they have addressed the issues we raised<sup>20</sup>. For all other schemes, we will carry out comprehensive risk assessments and engage where appropriate after trustees submit their valuations.

## Late valuations

We expect all trustees to start their valuation process in good time and to follow a project plan that leaves sufficient time for advice and analysis, as well as negotiation with the employer. Trustees should not agree an inappropriate valuation and funding plan merely because the deadline is imminent or has been missed and should contact us if they are pushed to do so by the employer or a third party.

If the deadline is missed we expect trustees and employers to make every effort to agree an appropriate valuation and recovery plan as soon as possible. We have the discretion to impose a penalty, and have brought enforcement proceedings against some trustees who have not submitted their valuations within the 15-month statutory timescale. However, where trustees have acted responsibly and taken all reasonable steps to finalise their valuation, but there remains a genuine reason why it cannot be finalised, we may choose not to fine them.

'We have brought enforcement proceedings against some trustees who have not submitted their valuations within the 15-month statutory timescale.'

<sup>20</sup>  
[www.tpr.gov.uk/docs/scheme-valuation-questionnaire-2018.pdf](http://www.tpr.gov.uk/docs/scheme-valuation-questionnaire-2018.pdf)

## TPR powers

Our suite of powers includes the scheme funding power<sup>21</sup> to direct how a scheme's technical provisions should be calculated and how (including over what period) its deficit should be funded. We can use this power when there has been a failure to agree or when the valuation assumptions or recovery plan do not appear good enough to meet the standards required by law.

We have several investigations currently underway where we might decide to use this power. We routinely consider whether using this power will help us achieve our objectives for a scheme, either on its own or in conjunction with a skilled person's report<sup>22</sup>. The cost of this type of report may have to be borne by the trustees or the sponsor or both.

We can intervene in other ways if a scheme is not being treated fairly. We can choose from a selection of interventions from our regulatory toolkit, depending on the risk posed by the scheme. These can vary from one-to-one supervision, through to use of an improvement notice, or an anti-avoidance investigation.

'We can choose from a selection of interventions from our regulatory toolkit, depending on the risk posed by the scheme.'

21  
See s.231 of the Pensions Act 2004.

22  
See s.71 of the Pensions Act 2004.

## How to contact us

Napier House  
Trafalgar Place  
Brighton  
BN1 4DW

[www.tpr.gov.uk](http://www.tpr.gov.uk)

[www.trusteetoolkit.com](http://www.trusteetoolkit.com)

Free online learning for trustees

[www.pensionseducationportal.com](http://www.pensionseducationportal.com)

Free online learning for those running public service schemes

## Annual funding statement

for defined benefit pension schemes

© The Pensions Regulator April 2018

You can reproduce the text in this publication as long as you quote The Pensions Regulator's name and title of the publication. Please contact us if you have any questions about this publication. This document aims to be fully compliant with WCAG 2.0 accessibility standards and we can produce it in Braille, large print or in audio format. We can also produce it in other languages.

The Pensions  
Regulator