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Update

April 2025

2025 Annual Funding Statement

The Pensions Regulator (TPR) has published its 2025 Annual Funding Statement (AFS) for trustees and employers of defined benefit schemes which sets out guidance on how to approach valuations under current conditions.

The AFS is particularly relevant to schemes with valuation dates between 22 September 2024 and 21 September 2025 (Tranche 24/25, previously known as Tranche 20). These schemes are the first who must meet the requirements of the new DB funding code when completing their actuarial valuation.

TPR expects most schemes to be shifting their focus from deficit recovery to endgame planning or securing their future for open schemes. Trustees should also keep in mind the potential for heightened trade and geopolitical uncertainty and understand any risks to the scheme's investment strategy and employer covenant.

In addition to the above, the AFS provides some clarifications on TPR's covenant guidance (published in December 2024) and on the supportable risk section of the DB funding code (where TPR expects trustees to be proportionate in deciding on a reasonable modelling approach to adopt).

www.tpr.gov.uk/en/document-library/statements/annual-funding-statement-2025

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TPR oversight of trustee firms



Gaucho Rasmussen, TPR
Executive Director of
Regulatory Compliance

TPR has announced that it will extend its oversight to include professional trustee firms as part of its move to a more prudential style of regulation. Areas where it intends to focus its engagement include: relationship with the employer; profit and remuneration model; sole trusteeship; in-house advisers; scheme decision-maker. TPR's market oversight team will establish ongoing supervisory relationships with the largest professional trustee firms starting from the summer.

TPR compliance bulletin

TPR has published its latest compliance and enforcement bulletin which shows that it issued almost £100,000 in penalties to small DC schemes for failures related to the more detailed value for members (dVFM) assessments since launching an initiative to ensure compliance with this clear governance requirement. As well as ensuring compliance with the dVFM regulations, TPR, along with the Financial Conduct Authority and the Department for Work and Pensions, is working to develop a new value for money framework.

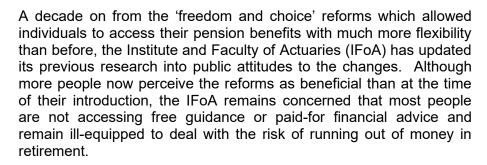
£1 trillion

Pension scheme assets controlled by professional trustee firms

PPF's 20 years

The Pension Protection Fund (PPF) has marked its 20th anniversary by highlighting some of its key achievements since opening its doors in 2005. The PPF now manages over £32 billion in assets and paid out £1.2 billion of PPF benefits in 2024. Over 2,000 schemes have transferred to the PPF, including those formerly sponsored by MG Rover, Woolworths, Carillion, Kodak, Toys R Us, Bhs and HMV.

Freedom and choice



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