

# Update

**September 2024**

## Statement of strategy consultation

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The Pensions Regulator (TPR) has published an interim response to its consultation on the statement of strategy that trustees will need to submit as part of their scheme funding valuations under the new DB funding code (see last month's Update).

Alongside the response, TPR has published four illustrative templates appropriate for the following scheme circumstances:

- Fast Track before the relevant date
- Fast Track on or after the relevant date
- Bespoke before the relevant date
- Bespoke on or after the relevant date

The statement of strategy will need to be submitted via a new digital service which TPR expects to launch in spring 2025. Schemes with valuation dates before 22 September 2024 should continue to follow the previous code of practice and submit information using the existing process.

Small schemes (200 members or fewer) that also meet the Fast Track parameters will not be required to submit detailed covenant information. The same applies to so-called low-risk schemes, i.e. those that would be in surplus on a low dependency basis after applying an immediate stress test (Fast Track either before or after the relevant date, or Bespoke having reached their relevant date) or where full benefits have been secured with an insurer (Fast Track). Small schemes and all Fast Track schemes will also not be required to submit benefit cashflows.



*Debbie Abrahams MP*

## Work and Pensions Committee election

Debbie Abrahams, Labour MP for Oldham East and Saddleworth, has been elected Chair of the Work and Pensions Committee. She defeated Neil Coyle (Labour MP for Bermondsey and Old Southwark) and David Pinto-Duschinsky (Labour MP for Hendon) in the first round of voting. The previous Chair was Sir Stephen Timms (now Minister for Social Security and Disability).

Ms Abrahams has been a member of the Work and Pensions Committee since 2020 (and before that between 2011 and 2015) and was the Shadow Secretary of State for Work and Pensions until 2018.

## PPF levy consultation

The Pension Protection Fund (PPF) has launched a consultation on the levy rules for 2025/26. The proposed levy estimate is £100m, the same as 2024/25, the lowest ever set. Changes to the methodology will allow the PPF to continue spreading the cost of the levy across a broad pool of risk-based levy payers.

The approach to certifying deficit reduction contributions (DRCs) will also be amended. The simpler Option Beta will be available to all schemes (previously it was only available to schemes with liabilities of less than £10m that were closed to accrual and which had a recovery plan in place). As a result, contributions that are paid when the scheme does not have a recovery plan in place, but which are made with the sole purpose of improving the scheme's funding level, can also be certified.

The consultation closes on 23 October 2024.

## Company news



The Coats UK Pension Scheme has completed a £1.3bn buy-in with Pension Insurance Corporation, covering the pensions of over 18,000 members. The scheme previously completed a buy-in with Aviva in 2022, involving £350m of liabilities. Together, the transactions secure the benefits of all scheme members.

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*"We will continue to engage with the Government on legislative changes to enable us to reduce the levy further and even to zero"*

*David Taylor, Executive Director and General Counsel, PPF*