

2018 scheme valuation questionnaire

March 2018

The Pensions
Regulator

2018 valuation questionnaire

This form is interactive. Please save the pdf to your computer, fill in your response to the questions as appropriate and submit it via Exchange as outlined below. You are also advised to keep a copy of the completed questionnaire for your records.

Please would the trustees complete this questionnaire and submit it to us, via our Exchange system, when you submit your 2018 actuarial valuation. Please use the last section in Exchange 'Other supporting documents' to upload the completed questionnaire.

This questionnaire covers some areas which will help to improve our understanding of the scheme so that we can more effectively review the 2018 valuation submitted. Please provide full answers to each question and expand each section as necessary.

Other than the standard valuation documents (eg statement of funding principles, recovery plan and schedule of contributions), we do not expect documents supporting the answers to be submitted alongside the questionnaire. If we consider it appropriate, we may request further information at a later date.

If you have any questions about completing the questionnaire, you can call us on **0345 600 0707** or email us at: **regulatorytransactionsmailbox@thepensionsregulator.gov.uk**

Data protection statement

The Pensions Regulator (TPR) is a data controller for the purposes of the Data Protection Act 1998 (DPA). We hold and process in accordance with the principles set out in the DPA any personal data (including personal data of other individuals or persons) supplied to us in the course of the exercise of our statutory functions/duties.

Any information, including any third party data, supplied to TPR may be used (including further disclosure) in connection with any of our statutory functions. TPR may check information it receives about you with what it already holds on its records. This includes information that you have provided as well as that given by others, such as government departments. We will not give information to anyone outside TPR unless the law allows us to do so.

1. Basic details

1.1 Full name of the pension scheme

1.2 Effective date of the actuarial valuation this questionnaire relates to

1.3 Date this questionnaire was completed

1.4 Details of the person(s) who completed and submitted this questionnaire on behalf of the trustees (name, title, email address, role in scheme and direct telephone number please) in case we have any queries.

2. General¹

¹ Please note

We recognise there are a wide variety of trustee structures in place among schemes, and that the structure itself is not necessarily an indicator of the effectiveness or otherwise of a particular set of trustees. As such, the information requested here is to provide context to the valuation outcome and we will not be making any decisions or judgements in relation to a scheme solely on the basis of the answers supplied.

2.1 Please provide the names of the current trustee(s) of the scheme. If the scheme has a corporate trustee, please also provide the names of its directors.

2.2 Please identify which trustee(s) (or trustee-directors, if the scheme has a sole corporate trustee) were nominated and selected by scheme members. Please also identify any professional trustee appointed to the board.

2. General continued...

2.3 Please identify any trustees or trustee-directors that also hold positions at the employer (as employee, board director, shareholder/owner etc), along with their corresponding title/position.

2.4 Did any of the trustees or trustee-directors identified in Q2.3 participate in a) the valuation discussions and b) valuation decisions in their trustee capacity? Yes No

2.5 Which individual(s) (name and position) at the employer were responsible for the valuation discussions/negotiations with the trustee(s)?

3. Employer covenant

3.1 Have you completed an assessment of the strength of the employer covenant supporting the scheme as part of the valuation process? Yes No

3.1.1 If the answer to Q3.1 is 'No', please explain why not.

3.2 If the answer to Q3.1 is 'Yes', did you receive advice from an independent covenant expert external to the trustee board? Yes No
If so, please confirm the name of the person and firm that provided covenant advice to you.

3.2.1 If the answer to Q3.2 is 'No', please explain what approach you took to assess the strength of the employer covenant.

- 3.3 Is the employer part of a wider group of companies? If the answer is 'Yes', please provide the full name(s) of the UK parent company and, if different, the ultimate parent company in the group.
- 3.4 Please summarise the key outcomes of your assessment of employer covenant, including the overall covenant rating² (see guidance box below), conclusions on the affordability of pension contributions by the scheme's employer(s) and, if the answer to Q3.3 is 'Yes', the degree to which the trustees explored whether any additional support for the scheme might be available from the wider employer group.

² Covenant rating

As well as guidance on our website on the types of issues we expect trustees to consider when reviewing covenant strength, including potential questions and challenges that can be put to the employer, an explanation of our covenant bandings is included in this document: www.tpr.gov.uk/docs/db-funding-regulatory-enforcement-policy.pdf

4. Investments³

³ Investment guidance

Please see our DB investment guidance for further information:

<http://www.tpr.gov.uk/guidance/db-investment.aspx>

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|-------|---|-----|----|
| 4.1 | Does the scheme have a statement of investment principles (SIP)? | Yes | No |
| 4.1.1 | If the answer to Q4.1 is 'Yes', please confirm the date that the SIP was last reviewed. | | |
| 4.1.2 | If the answer is 'No' and the scheme does not have a SIP, please explain the reason(s) why a SIP is not required and confirm if there is any other means by which the scheme's investment strategy is documented? | | |

- 4.2 When did the trustees last actively review the suitability of their investment strategy?

4.3 Please explain how the trustees identify and assess their key investment risks?

4.4 Please explain how the trustees considered factors such as the maturity of the scheme's liabilities and the ability of the employer covenant to support the investment risks when determining the investment strategy?

4.5 If the trustees take investment advice, please confirm the name of your adviser (name of individual and firm).

5. Funding and risk management

- 5.1 Does the scheme have any secondary, or long term, funding target in addition to the technical provisions/statutory funding objective? If the answer is 'Yes', please provide a brief outline.
- 5.2 Has an integrated risk management (IRM) framework been put in place for the scheme which has been documented in writing? If the answer is 'No', what consideration has been given in respect of IRM⁴?

⁴ Integrated risk management (IRM)

Please see our integrated risk management guidance for further information:
<http://www.tpr.gov.uk/guidance/guidance-integrated-risk-management.aspx>

- 5.3 How often do the trustees review the scheme's funding position?
- 5.4 Does the scheme have any formal contingency arrangements in place that would automatically trigger specific actions (eg payment of additional contributions) following a particular event occurring or a threshold being reached? If the answer is 'Yes', please provide a brief outline.

6. Trustees' response to our letter about the current valuation

- 6.1 If you have received this questionnaire alongside a letter from us, please explain how you have addressed each of the matters we highlighted in our letter for your consideration.

How to contact us

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www.tpr.gov.uk

www.trusteetoolkit.com

Free online learning for trustees

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