

# Part 1: Example scheme return 2023

Hybrid schemes

## Summary of changes to Part 1 for 2023

- There are some small text changes to the SIP and climate change questions.
- Trustee assessment of employer covenant grading is now included in Exchange rather than in part 1.

# Hybrid questions

## Value for members (VFM) assessment

The following questions will ask you to confirm if a more detailed value for members (VFM) assessment (involving comparison with other schemes) is legally required and enter further information about the latest detailed assessment if it has been carried out.

For more information about the updated requirements for VFM assessments, see the **statutory guidance on GOV.UK** (opens in new tab) and our **value for members guidance** (opens in new tab).

### Have you notified The Pensions Regulator (TPR) that the scheme is in the process of winding up?

Schemes that are in the process of winding up do not need to complete a more detailed value for members (VFM) assessment. We (TPR) must have already been notified of the winding up of the scheme at the point you answer these questions.

- Yes (go to next section, 'Chair's statement')
- No

### Are the scheme's trustees legally required to carry out a more detailed VFM assessment?

Trustees must carry out a more detailed VFM assessment (involving comparison with other schemes) where the scheme provides money purchase (DC) benefits, held less than £100 million total assets according to the most recently audited accounts, and on the date those accounts were obtained by the trustees, had been operating for three or more years. Executive pension schemes and relevant small schemes are exempt from these requirements.

- Yes, and the trustees have carried out a more detailed VFM assessment
- Yes, but the trustees have not yet carried out a more detailed VFM assessment (go to next section, 'Chair's statement')
- No, the scheme's trustees do not have to carry out a more detailed VFM assessment (go to next section, 'Chair's statement')

### Did the latest more detailed VFM assessment conclude that the scheme provides good value for members?

- Yes (go to next section, 'Chair's statement')
- No

**Given the outcome of the latest more detailed VFM assessment, do the trustees intend to transfer the money purchase benefits into another scheme?**

- Yes
- No

**Given the outcome of the latest more detailed VFM assessment, are the trustees also proposing to wind up the scheme?**

- Yes (go to next section, 'Chair's statement')
- No

**Explain why the trustees will not be winding up the scheme and what improvements are proposed to make sure the scheme provides good value for members**

The text box has a 4,000 character limit. If you need to supply more information or supporting documents, please email us at: [exchange@thepensionsregulator.gov.uk](mailto:exchange@thepensionsregulator.gov.uk) and put the scheme's name and PSR in the subject line.

## Chair's statement

Trustees of most schemes providing money purchase (DC) benefits are legally required to prepare a chair's statement containing certain information within seven months of the end of the scheme year. Some of the information from this statement must be published on a publicly accessible website, free of charge.

See our **guidance on communicating and reporting** (opens in new tab) for more details of the requirements including:

- which schemes are not required to publish a chair's statement (this includes relevant small schemes and executive pension schemes)
- what should be included in the chair's statement
- what information needs to be published on a website

### Have the scheme's trustees published the required extracts from the latest chair's statement?

- Yes
- No (go to next section, 'SIP and implementation statement')

Select this option if you have not published the required information, including if you are exempt.

### Provide the website address where the trustees have published extracts from the latest chair's statement.

Copy and paste the website address (beginning with <http://> or <https://>) where extracts from the latest chair's statement have been published. This address should go directly to the published extracts, for example: [http://www.example.com/path/to/ABCscheme\\_chairstatement2022/](http://www.example.com/path/to/ABCscheme_chairstatement2022/)

## Statement of investment principles (SIP) and implementation statement

Trustees of schemes with 100 members or more must publish their statement of investment principles (SIP) and implementation statement on a publicly available website, free of charge.

For further information see **Investment decisions and your statement of investment principles (SIP)** (opens in new tab). You may also find it helpful to look at the **implementation report section** (opens in new tab) of our DC investment guidance. However, please note this relates to DC benefits. A DB implementation statement is limited to providing information on voting behaviour, use of proxy voters and whether stewardship policies in the SIP have been followed.

**Have the scheme's trustees published the SIP and implementation statement on a publicly available website?** You should select 'No' if you have not published the required information, including if you are exempt because the scheme has less than 100 members.

- Yes
- No (go to next section, 'Climate change report')

### Website address of the latest SIP

Copy and paste the website address (beginning with <http://> or <https://>) where the latest SIP has been published. The address should go directly to the relevant document, for example: [http://www.example.com/path/to/ABCscheme\\_SIP2022/](http://www.example.com/path/to/ABCscheme_SIP2022/)

Hybrid schemes with more than one SIP should enter the website address of the page where all the scheme's SIPs can be viewed.

### Website address of the latest published implementation statement

Copy and paste the website address (beginning with <http://> or <https://>) where the latest Implementation statement has been published. Each address should go directly to the relevant document, for example: [http://www.example.com/path/to/ABCscheme\\_Implementation statement 2022/](http://www.example.com/path/to/ABCscheme_Implementation statement 2022/)

If the implementation statement is contained in another document, it's fine to enter the website address of that document, as long as the required information is contained within it.

## Climate change report

Trustees of certain pension schemes must comply with climate change governance and reporting requirements. If you are subject to these requirements you need to publish a climate change report (also known as a 'TFCD report') on a publicly available website, accessible free of charge.

### Do the scheme's trustees have to comply with the climate change governance and reporting requirements?

- Yes
- No (End of part 1)

### Have the scheme's trustees published a climate change report?

Trustees are required to produce and publish their climate change report within seven months of the end of the relevant scheme year in which they were subject to the climate change governance requirements (known as the 'period for publication'). The climate change report must be published on a publicly available website which is accessible free of charge.

- Yes, the trustees have published a climate change report
- No, the trustees have not published a climate change report and the period for publication has ended (End of part 1)
- No, the trustees have not published a climate change report although the period for publication has not yet ended (End of part 1)

### Website address of the latest published climate change report

Copy and paste the website address (beginning with <http://> or <https://>) where the latest climate change report has been published. This address should go directly to the published report, for example: [http://www.example.com/path/to/ABCscheme\\_climatechangereport2022/](http://www.example.com/path/to/ABCscheme_climatechangereport2022/)

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## End of scheme return part 1 questions

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