

Scheme valuation questionnaire

October 2018

**The Pensions
Regulator**

Valuation questionnaire

Please would the trustees complete this questionnaire and submit it to us, via our Exchange system, when you submit your actuarial valuation. Please use the last section in Exchange 'Other Supporting Documents' to upload the filled in questionnaire. This questionnaire covers some areas which will help to improve our understanding of the scheme so that we can more effectively review the 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 General Data Protection Regulation (GDPR) and the Data Protection Act 2018 (DPA). We hold and process personal data in accordance with the principles set out in the GDPR and DPA in carrying out our statutory functions/duties. For information about how we process personal data, please see our privacy notice at: www.tpr.gov.uk/help

Use of information

All information TPR receives in response to this questionnaire, including restricted information as defined in section 82 of the Pensions Act 2004 (PA04) and personal data, may be used by TPR (including disclosing it to third parties) in connection with any of its functions as set out in statute. However, TPR will not disclose such information to a third party, including a public body, save where it is permitted to do so by law. Please ensure you have the necessary consent or authority to disclose any third party personal data included in your response, unless you are relying on an exemption or other lawful basis for processing the data.

It is a criminal offence to knowingly or recklessly supply to TPR information which is false or misleading – see section 80(1)(c) of the PA04.

Please note: 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.

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. 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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