

Part 5 - Fast Track vs Bespoke

Many schemes will want to assess their valuation against the Fast Track parameters. We explore the conditions that must be met and the pros and cons of both a Fast Track and Bespoke valuation submission.

Under The Pensions Regulator's (TPR) new twin track regulatory approach, trustees will submit a valuation under one of two frameworks; Fast Track, providing they meet the specified parameters set by TPR or Bespoke.

Fast Track represents TPR's view of tolerated risk and is intended to act as a filter for TPR's assessment of actuarial valuations. TPR has noted that it is unlikely to engage with a scheme in respect of a valuation if it meets the conditions of Fast Track. Bespoke provides trustees with enhanced flexibility and a broader range of options to choose an approach tailored to the unique needs of their scheme.

According to TPR's 2025 Annual Funding Statement, it is estimated that around 80% of schemes already meet (or are close to meeting) Fast Track requirements.



Both Bespoke and Fast Track are equally valid, following one or the other does not automatically equate to compliance. The legislation and code principles will need to be followed.

The Pensions Regulator

What do the regulations and guidance say?



Regulatory requirements:

- **Statement of strategy:** While the regulations have no mention of Fast Track or Bespoke, they do direct TPR to specify the form that the statement of strategy must be submitted in and the level of detail required within the submission. Trustees are therefore obliged to follow TPR's guidance when preparing the statement, including any templates provided by TPR.



Code and additional guidance:

- The code is TPR's interpretation of how trustees can comply with the legislative requirements, and it follows that there is no mention of Fast Track or Bespoke valuation submissions within it either.
- **Statement of strategy:** TPR has confirmed the level of detail that schemes must submit to them in the statement of strategy and the form it must take. They have provided four templates which differ depending on whether a scheme is submitting under Fast Track or Bespoke, and whether the scheme is before or after its relevant date.
- **Fast Track parameters:** TPR has set out the tests and conditions that a scheme valuation must meet in order to satisfy the requirements of and submit under Fast Track.
- **Scheme Actuary Confirmation:** The Scheme Actuary must confirm that a scheme's valuation submission meets the requirements of Fast Track in order to submit a valuation under Fast Track.

In this fifth part of your FIS Companion, we explore the requirements of the TPR's Fast Track approach and the pros and cons of using this approach compared to Bespoke.

Our six-part 'FIS Companion' series will help trustees and employers approach their first valuation under the new funding regime in a logical, practical order, while highlighting the key considerations for both.

1 Setting a long-term strategy

View full document [here](#)

2 The covenant assessment

View full document [here](#)

3 Scheme investments under the new regime

View full document [here](#)

4 The funding valuation and journey plan

View full document [here](#)

6 Key questions and challenges

Coming November 2025





Fast Track vs Bespoke: Conditions for meeting Fast Track



What's new...

TPR has set out the tests and conditions that a scheme valuation must meet in order to satisfy the requirements of and submit under Fast Track.

The requirements set out below apply to each assumption individually and all must be met to pass Fast Track.

Conditions/Tests	Minimum requirement for Fast Track submission	Comments
Low dependency funding basis assumptions	Gilt-based yield curves. 'Small' schemes may use a spot rate. Discount rate addition not greater than + 0.5% pa. No inflation risk premium. Gap between RPI and CPI of no greater than 0.8% pre-February 2030 and 0% thereafter. Adopt a recent CMI core or extended mortality improvement table or equivalent. Proportions married and age difference assumptions (where no evidenced based scheme specific assumption is adopted) must be at least as strong as those set out in PPF guidance for section 179 purposes. Expense allowance in line with your long-term strategy (unless there is a legal obligation for expenses to be paid by the employer). 'Small' schemes can consider calculating an expense allowance in line with PPF guidance for section 179 purposes if suitable. All other assumptions should be based on the code's principles and expectations. For example, demographic assumptions such as the mortality base table and cash commutation should be based on scheme specific analysis/experience or include additional prudence to reflect uncertainty.	It should be clear whether your scheme complies or not.
Technical provisions test	The ratio of a scheme's technical provisions liabilities to its low dependency liabilities must be at least a minimum level. The minimum level increases as the scheme matures. For example, a scheme with a duration of 12 years must have technical provisions liabilities which are at least 98% of its low dependency liabilities.	Calculations are required to determine if a scheme passes these tests.
Funding and investment stress test	When assets and liabilities are stressed, the funding level must not fall by more than a specified percentage. The tolerated reduction in the funding level is smaller for more mature schemes.	
Recovery plan	No longer than six years (or three years where the valuation date is already on or after the relevant date). Measured from the valuation date. Increases to deficit repair contributions must be no greater than the CPI inflation assumption, or fixed at 3% p.a. with no back-end loading. No additional investment outperformance is permitted above the technical provisions discount rate. Post-valuation experience can be taken into account.	It should be clear whether your scheme complies or not, but affordability will determine if a compliant recovery plan is possible.
Scheme Actuary confirmation	Fast Track submissions must include confirmation from the Scheme Actuary that the valuation meets the Fast Track conditions and tests. The Scheme Actuary confirmation does not include an opinion on whether or not the regulatory requirements are being complied with, nor is it an endorsement of the suitability of the trustee's valuation submission.	The confirmation wording has been provided by TPR.





Fast Track vs Bespoke: Advantages and challenges of Fast Track



What's new...

Fast Track represents TPR's view of tolerated risk. TPR has noted that it is unlikely to engage with a scheme in respect of their valuation if it meets the conditions of Fast Track.

Advantages

TPR intervention unlikely	If the scheme meets Fast Track, regulator engagement is unlikely (but not a guarantee). This can save time and resources for trustees and employers.
Clarity	Fast Track provides clear guidelines and parameters, offering trustees direction on acceptable levels of risk. This clarity can help trustees and employers understand regulatory expectations more easily.
Efficiency	Clear parameters and guidelines make it straightforward to confirm Fast Track compliance. Fast Track acts as a regulatory filter for actuarial valuations. Meeting the Fast Track criteria means trustees can expect to provide less information in the statement of strategy, potentially reducing the administrative burden.
Consistent criteria	The Fast Track parameters are predefined and so planning and aligning the funding strategy both now, and in the future, may be simpler.

Challenges

The allure of the minimum requirements	The minimum requirements for Fast Track will not be appropriate for every scheme. For example, TPR notes that the approach might present excessive risk in situations where the employer's covenant is weak. While Fast Track parameters outline minimum requirements, certain schemes will benefit from adopting stronger assumptions that better accommodate their specific circumstances.
Loss of flexibility	Trustees of schemes who submit under Fast Track may feel constrained by the parameters in subsequent valuations and could become somewhat hesitant to tailor funding strategies to the unique needs of their scheme in the future.
Additional work required	While the statement of strategy is expected to be less onerous under Fast Track, trustees will need actuarial confirmation that Fast Track is met, including that the two tests have been passed.



While the potential time-saving and lack of TPR engagement with Fast Track may be enticing, trustees should independently evaluate their scheme's funding and investment strategy based on its specific needs and circumstances, rather than simply aiming to meet Fast Track criteria.

Charles Smith, Consultant





Fast Track vs Bespoke: Advantages and challenges of Bespoke



What's new...

Bespoke provides trustees with enhanced flexibility and a broader range of options to choose an approach tailored to the unique needs of their scheme.

Advantages

Flexibility	Trustees have the flexibility to tailor the funding and investment strategy specifically to the circumstances of their scheme. This is particularly beneficial for schemes that require a unique approach due to specific employer circumstances or wish, when supported by covenant, to take on more risk than allowed under Fast Track. There can also be additional strategic flexibility which may include the use of credit-based discount rates.
Principle-based approach	Bespoke submissions allow schemes to follow legislative requirements and the code's principles while selecting a funding strategy that best suits their needs, encouraging innovative scheme-specific solutions. This might be particularly relevant for open schemes, those with complex employer structures or those allowing for contingent assets for example.
Adaptable to employer constraints	Bespoke is suitable for schemes that cannot meet Fast Track parameters due to employer affordability constraints or other unique circumstances necessitating a different approach.
Less disruption	For schemes who already have an established funding and investment strategy, Bespoke may allow an approach that is more consistent with the previous valuation.

Challenges

Increased scrutiny	By its own admission, TPR is more likely to engage with schemes who submit a Bespoke valuation. Trustees must ensure that their funding and investment strategy meets the regulatory requirements. This may be more challenging than under Fast Track where the minimum requirements are well known.
Increased information requirement	Trustees must submit a substantially greater amount of both quantitative and qualitative information in their statement of strategy, meaning greater cost and resources for schemes.
Perception	Fast Track offers a clearer pathway with less regulatory scrutiny, which could lead trustees to favour it over Bespoke even when a scheme's unique circumstances necessitate a tailored approach. The valuation approach should not be chosen based on the perception that one is better than the other. TPR clearly states that both are equally valid.

The Bespoke approach provides trustees with the flexibility to tailor their funding and investment strategy to fit the specific circumstances of their scheme, allowing for a more customised approach than Fast Track. However, it requires careful attention to ensure that the chosen strategy adheres to the legislative requirements and has considered the principles set out in the code.





Fast Track vs Bespoke: Impact on the statement of strategy submission



What's new...

TPR has confirmed the level of detail that schemes must submit in the statement of strategy and the form it must take. They provided four statement of strategy templates which differ depending on whether a scheme is submitting under Fast Track or Bespoke, and whether the scheme is before or after its relevant date.

The statement of strategy is a new valuation document that replaces the valuation submission of the previous funding regime. It is intended to be a useful long-term planning and risk management tool for trustees. Less information is required in the statement of strategy for schemes that are submitting a Fast Track valuation.

The below table indicates the number of questions that can be expected under the four statement of strategy templates

- There are up to 18 fewer compulsory questions to answer under a Fast Track submission compared to Bespoke.
- There are significantly fewer conditional questions under Fast Track. Whether conditional questions must be answered can depend on scheme-specific circumstances (for example, whether a scheme has contingent assets, or whether it is classified as a 'small scheme' or a 'low risk' scheme).

	Fast track		Bespoke	
	Pre relevant date	Post relevant date	Pre relevant date	Post relevant date
Compulsory	84	82	102	88
Conditional	83	84	163	156
Total	167	166	265	244

When submitting a valuation under Fast Track, trustees are not required to provide the same level of detail as under a Bespoke submission. Key differences include:

- **Detailed covenant information:** There is no requirement to submit detailed evidential information if the scheme meets specific Fast Track criteria. For small or low risk schemes, ([see jargon buster](#)), requirements are reduced further.
- **Complex risk assessments:** Extensive risk assessments or analyses beyond the parameters defined by Fast Track are not included. The approach is designed to simplify requirements and eliminate the need for additional scrutiny related to risk tolerance.
- **Evidence and justification for valuation approach:** Unlike Bespoke submissions, Fast Track does not require detailed evidence or justification for the chosen valuation approach. This aligns with the goal of reducing complexity and the administrative burden on schemes opting for Fast Track.

These exclusions help streamline the submission process under Fast Track, focusing on compliance with predefined conditions rather than exhaustive documentation.

When noting what falls away under Fast Track, we must also remember that additional calculations and analysis are required to establish if a scheme's valuation complies with Fast Track, as is confirmation from the Scheme Actuary confirming the Fast Track requirements have been met.





Fast Track vs Bespoke: Valuation submission

Valuation submission checklist

TPR has introduced a 'Submit a Scheme Valuation' digital service, that valuations with an effective date on or after 22 September 2024 must be submitted through, within the 15-month valuation deadline.

Below is a list of documents and information that you will need to complete the valuation submission through this digital platform.

All Schemes

✓	The completed statement of strategy spreadsheet
✓	A copy of the actuarial valuation report
✓	The date the funding and investment strategy was completed following employer consultation
✓	The date the statement of strategy was signed by the chair of the trustees

Schemes in deficit

✓	A recovery plan
✓	A schedule of contributions

These must be included within the actuarial valuation report and submitted as one document

Schemes following the Fast Track approach

✓	Confirmation that the Scheme Actuary has provided the required scheme actuary confirmation for Fast Track
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Other requirements

✓	A summary of the trustees' analysis of maximum affordable contributions
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More likely for schemes submitting a Bespoke valuation but needed for some under Fast Track

✓	A summary of the trustees' assessment of maximum supportable risk over the reliability period
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Most non-segregated non-associated multi-employer schemes will need this



With the expanded submission requirements, trustees should be aware that the valuation submission process is now more onerous and preparation is key. Ensuring every necessary document and approval is in place before starting will help avoid delays.

Pauline McConville, Senior Consultant



Find out more

To discuss any of the issues covered in this edition, please get in touch with **Pauline McConville**, **Charles Smith** or **George Sullivan**. Alternatively, please speak to your usual XPS contact.



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