XPS Group

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XPS Insights

TPR launches final statement of strategy and new digital valuation submission service

What you need to know

- On 28 May 2025, The Pensions Regulator (TPR) launched its new "Submit a scheme valuation" digital service, which means that scheme funding valuations with an effective date on or after 22 September 2024 can now be submitted.
- TPR has also published the full response to its March 2024 statement of strategy consultation, and released the final statement of strategy. The spreadsheet must be downloaded and completed with the relevant data and information that reflects the scheme's circumstances. Prior to submission the completed statement must be signed by the Chair of Trustees after agreement/consultation with the employer, as required by legislation.
- The new statement of strategy will provide TPR with a marked increase in data. TPR has sought to limit the regulatory burden placed on schemes by minimising the volume of data to be provided where possible, in particular for low-risk and small schemes. TPR has indicated that the data will be used to enhance its defined benefit pension scheme analysis over time, and it will investigate whether more information can be published to enable more detailed comparative analysis and benchmarking.
- TPR has also issued the finalised wording required from the scheme actuary to a confirm a scheme meets the requirements for Fast Track.

Actions you can take

- **Review** the finalised statement of strategy spreadsheet available from TPR's website and identify the areas where you require additional assistance from your advisors.
- **Develop an action plan** to prepare for your next valuation including completing the statement of strategy.
- **Download the XPS FIS Companion series** to help you approach your first valuation under the new funding regime in a logical and practical order.

What you will need for your valuation submission

All schemes

- Completed statement of strategy spreadsheet
- Actuarial valuation report
- Date the funding and investment strategy was completed following employer consultation
- Date the statement of strategy was signed by the chair of trustees

Schemes in deficit

- The recovery plan and schedule of contributions must both be included within the actuarial valuation report when submitted

Schemes following Fast Track approach

- Confirmation that the scheme actuary has provided the required scheme actuary confirmation for Fast Track

Most schemes following Bespoke approach (and some under Fast Track)

- A summary of the trustees' analysis of maximum affordable contributions

Most non-segregated non-associated multi-employer schemes

- A summary of the trustees' assessment of maximum supportable risk over the reliability period

The finer detail: The final statement of strategy

There are three main types of schemes who need to complete less information in the statement of strategy	
Small schemes	Defined as schemes with 200 members of fewer (excluding certain members, for example fully ensured annuitants).
Low-risk schemes	Schemes with very low dependency on the employer covenant, even after a significant adverse event. TPR have defined low risk schemes as • Fast Track schemes expected to remain in surplus on a low dependency funding basis after applying an immediate Fast Track stress test • Fast Track schemes where full benefits for all members have been secured with an insurer • Post relevant date Bespoke schemes expected to remain in surplus on a low dependency funding basis after applying an immediate stress test
Fast Track schemes	In order for a scheme to submit a Fast Track valuation, the scheme actuary is required to provide the trustees with a written actuarial confirmation in a prescribed form. Where the scheme actuary is unable to provide this confirmation, a Bespoke submission will be required.
Key aspects of the statement of strategy submission	
Long-term objective	The consultation highlighted concerns about the options available to describe the long-term objective and how this might be (mis)interpreted. In the meantime, the distinction between long-term objective and low dependency target was clarified in greater detail in TPR's final defined benefit funding code of practice. TPR have addressed this by providing a free text box in the statement of strategy, allowing trustees greater flexibility to describe their long-term objective in a way that is tailored to their scheme.
Long-term investment strategy	TPR has updated how the long-term investment allocation will be reported, by removing the ambiguous "hybrid" category, leaving only "growth" and "matching" asset categories. Providing details about how surplus assets will be invested is now optional.
Funding journey plan	Details of the funding journey plan have been simplified, and free text boxes have been introduced for increased flexibility. TPR has also responded to consultation feedback by amending the information requested regarding inflation rates and cash commutation.
Investment journey plan	In response to feedback, greater flexibility has been introduced for capturing planned de-risking within the journey plan. Schemes are now being asked to provide a high-level overview of how their notional asset allocation will evolve to the low dependency investment allocation using a drop-down list, with the option to include additional narrative where relevant. TPR have also clarified that downside risk may be estimated using an appropriately pragmatic approach.
Covenant information	In response to feedback, TPR has reduced the data being gathering in the statement of strategy for small and low-risk schemes. Covenant figures are also positioned as "at least" a certain amount, rather than an exact figure, which means that a more proportionate approach can be taken to assessing these. Optional free text boxes have been introduced to enable trustees to provide additional contextual information.

Find out more

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