Defined Benefit trust-based pension schemes research

Report of findings from the 2021 survey

Prepared for the Pensions Regulator by OMB Research
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Contents

1. Executive summary

1.1 Introduction

This report summarises results from The Pensions Regulator's (TPR's) annual survey of trust-based occupational defined benefit (DB) pension schemes. The primary objectives of the research were to assess current DB funding and investment practices and provide insight into other key areas such as consolidation, climate change, pensions dashboards and TPR's forthcoming Single Code of Practice.

The survey was conducted by OMB Research, an independent market research agency. It comprised 403 quantitative telephone interviews, 265 with trustees of DB schemes and 138 with employer representatives. Interviews were conducted between November 2021 and February 2022.

1.2 Key findings

1.3.1 Long-term objective

Around nine in ten trustees (88%) and employers (87%) reported that the scheme had a long-term objective (LTO). In most cases this was either to buy-out (55%) or reach a position of low dependency on the employer (40%). Some respondents were considering multiple objectives, and the results reflect all of their potential objectives.

The primary influence on the LTO was the scheme's funding position, with 81% of trustees and 80% of employers describing this as a key factor. This was followed by the employer covenant (56% / 64%) and scheme maturity (50% / 48%). Two-thirds (68%) of trustees with an LTO said that this drove the funding of the scheme, rather than being purely aspirational.

The majority of both trustees (69%) and employers (56%) hoped to reach their LTO within ten years (with 26% and 20% respectively aiming to do so within five years).

Approaching three-quarters (71%) of schemes had a defined process for reviewing or changing their LTO.

1.3.2 Journey plan

Overall, 70% of schemes had a journey plan, equating to 80% of those with an LTO. Journey plans were almost universally aligned with the technical provisions (91%) and investment de-risking (95%).

Three-quarters (76%) had a defined process to review or change the journey plan. The majority of trustees said that the funding level not being as projected (86%), changes in the LTO (81%) and changes to the covenant (78%) would all trigger a change to the journey plan.

1.3.3 Covenant

Half (51%) of trustees considered covenant risk 'to a great extent' when setting the recovery plan, with slightly lower proportions doing this when setting the investment strategy (47%), the LTO (44%) and the technical provisions (43%). In most cases, ongoing monitoring of the covenant was also tied to the journey plan 'to a great extent' (60%).

Half (49%) of schemes had contingent support in place, with this typically taking the form of a parent company guarantee (38%). Around nine in ten of those with a parent company guarantee felt it was sufficient for the risks being run (90%) and was appropriately valued (87%), but there was less consensus that it was legally enforceable/realisable at the necessary value (78%). A similar picture was seen for other types of contingent support.

A third of trustees (32%) and a quarter of employers (23%) felt that the employer's ability to support the scheme had been negatively impact by the COVID-19 pandemic. While some indicated that the situation had now fully recovered, 16% of all trustees and 15% of all employers reported that the impact was still ongoing.

1.3.4 Investment

Half (51%) of schemes had an endgame investment strategy, and a similar proportion (45%) had de-risking funding triggers.

The majority (85%) had an understanding with the employer about how it would support any downside, but this was more likely to be an informal (54%) rather than formal (31%) understanding.

1.3.5 Recovery plans

Approaching three-quarters (71%) of schemes had a recovery plan in place. When structuring their recovery plan, trustees were most likely to have considered the affordability of the employer's contributions (90%) and the maturity of the scheme (87%), but least likely to have considered the likelihood of employer insolvency (66%) and the value, terms and enforceability of any contingent security (50%).

A quarter (26%) of trustees had agreements in place for additional contingent payments to be made by the employer. Typically, these agreements were based on the scheme funding level (16%).

1.3.6 Risk management

Trustees expressed few concerns about risk management; 95% felt that the information received from the employer was sufficient for good risk management and 97% were confident they could document and articulate their approach to risk management, with appropriate evidence.

The most widespread approaches used to assess risks and the assumptions made for scheme funding were a qualitative approach such as a risk register (77%) and modelling different scenarios (74%), with half using stochastic asset and liability modelling (51%).

Half of trustees (48%) and employers (48%) believed that the scheme's approach to funding or investment strategy would have to change due to the new requirements in the Pension Schemes Act and DB Code.

1.3.7 Open schemes

A small minority (3%) of schemes were open to both new entrants and future accrual. A further 22% were closed to new entrants but still open to future accrual.

1.3.8 Regulatory approach

Around three-quarters of trustees had read TPR's Annual Funding Statement (76%), COVID guidance (71%) and other guidance for DB schemes (72%) in the last 12 months. While less widespread, a third had attended any TPR webinars or conferences (33%) and a quarter had read TPR blogs (23%). A minority had interacted with TPR's supervision or case teams (13%). Use of all these resources was lower among employers.

Perceptions were positive for all these resources, particularly the Annual Funding Statement, other DB guidance and webinars/conferences with c.90% of trustees and employers who had used them rating them as useful.

1.3.9 Superfunds and consolidation

Many respondents were unsure whether or not TPR was supportive of superfunds and consolidation (40% of trustees and 39% of employers). However, among those who had a view, the balance of opinion was that TPR was supportive of superfunds/consolidation (46% of trustees and 43% of employers) rather than unsupportive (14% and 17%).

Around a fifth of trustees (18%) and employers (21%) felt that consolidation was an attractive option for their scheme. Micro/small and medium schemes were more attracted to consolidation than large ones. The main reasons for being attracted to consolidation were the reduced covenant/funding risks (32% of trustees and 28% employers) and reduced costs (25% of trustees and 48% employers).

Among those schemes interested in consolidation the most attractive model was master trusts; 58% of trustees and 67% of employers said this appealed to at least some extent. This was followed by superfunds (44% and 59%) and other emerging models for de-risking and journey planning (45% and 56%), with streamlined advisory models seen as the least appealing option (34% and 46%).

1.3.10 Pensions dashboards

The questions on pensions dashboards were only asked to trustees of medium and large schemes. Overall, 86% of this group were aware of pensions dashboards and 68% were aware of the change in pensions law requiring them to provide data to savers through the dashboards. Fewer (41%) had heard of the Pensions Dashboards Programme (PDP) team established by the Money and Pensions Service to develop the technological infrastructure behind the dashboards.

For all three measures awareness was higher among large schemes than medium schemes (97% vs. 81% aware of dashboards, 86% vs. 61% aware of the requirement to provide data to savers, 56% vs. 35% aware of the PDP team).

Most schemes had not yet taken action to prepare for the dashboards, but some were planning to do so within the next six months. The most widespread actions were undertaking work to clean or update their data (46% already done, 16% planning in next six months), speaking to the scheme's administrator about their data (45% done, 17% planning) and discussing dashboards at their pension board (37% done, 26% planning).

1.3.11 Communications campaign

Almost nine in ten trustees (86%) were aware of TPR's new criminal powers made by the Pension Schemes Act 2021 and half (53%) were aware of the new employer insolvency and employer resources tests for contribution notices.

1.3.12 Climate change

Approaching half (46%) of schemes had allocated time or resources to assessing any financial risks and opportunities associated with climate change, although this differed widely by size (26% of micro/small, 51% of medium and 78% of large schemes). There were no changes since the 2020 survey in this respect.

Approaching a third of schemes had added climate-related risks to their risk register (30%), a similar proportion had included climate-related issues as a regular agenda item at trustee meetings (29%) and a quarter included, monitored and reviewed targets in the scheme's climate policy (24%). Relatively few had assigned responsibility for climate-related issues to a trustee or sub-committee (14%). Uptake of all these processes increased with scheme size, and more schemes had adopted them than in 2020 (with this increase greatest among large schemes).

The most common stewardship actions taken on climate change were talking to both current (41%) and prospective (33%) advisers and asset managers about how climate-related risks and opportunities were built into their engagement and voting policies. A further 17% set out their expectations on climate stewardship and approaches in legal documents when outsourcing activities, but schemes were least likely to have joined collaborative engagement efforts on climate change (8%) or signed the UK Stewardship Code (6%).

1.3.13 TPR codes of practice

Almost all trustees (95%) were aware that TPR had Codes of Practice, although 13% knew of the codes but had never consulted them.

Perceptions of the codes were broadly positive. Over three-quarters felt that it was easy to understand the legal obligations placed on trustees (76%) and to understand TPR's expectations (79%), with slightly lower proportions feeling that it was easy to act upon TPR's expectations (67%) and to find what they were looking for in the codes (60%).

Half of trustees (49%) were aware that TPR would soon introduce a new Single Code of Practice, but this varied widely by scheme size (37% of micro/small, 49% of medium and 78% of large schemes).

The majority of those aware of the Single Code believed this would make it easier to understand TPR's expectations (69%) and would improve how their scheme was governed (60%). However, most (59%) also anticipated that the Single Code would increase the work required by their scheme to meet these expectations.

2. Introduction and methodology

2.1 Background and research objectives

This report summarises the results from TPR's annual research survey of trust-based occupational defined benefit (DB) pension schemes.

While there has been a long-term trend towards Defined Contribution (DC) schemes, accelerated by the introduction of automatic enrolment in 2012, Defined Benefit (DB) schemes still form an extremely significant part of the UK pensions landscape. As of 31st March 2020 there were c.5,600 DB schemes which together had around 10.7 million memberships and held £1,717bn in assets[1].

TPR's objectives include protecting the benefits of members under work-based and certain personal pension schemes, (in the context of use of its powers in relation to scheme funding) minimising any adverse impact on the sustainable growth of an employer, promoting and improving understanding of good administration, and reducing the risk of situations arising that may lead to claims for compensation from the Pension Protection Fund (PPF).

In light of the above, the 2021 survey of DB schemes sought to provide further evidence in a number of important policy areas. The specific research objectives were to:

- Gather baseline measures relating to schemes current funding and investment practices (such as long-term planning and risk management) to help evaluate the future impact of TPR's DB Funding Code and its DB regulatory approach;
- To measure perceptions of DB consolidation (including superfunds) among both trustee boards and employers, and identify any barriers;
- Measure awareness of, and readiness for, pensions dashboards[2];
- Determine behaviours and intentions regarding climate change
- Determine baseline awareness of, and engagement with, TPR's forthcoming Single Code of Practice[3];
- Measure awareness and knowledge of the new powers given to TPR under the Pensions Schemes Act 2021;
- Investigate the use and the perceptions of various TPR guidance and resources available to DB schemes.

Additionally, the survey aimed to identify any differences in the above areas by size of scheme.

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[1] https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/db-pensions-landscape-2020

[2] A pensions dashboard will show a user their pensions information online, securely and all in one place. The Pensions Schemes Act 2021 contains provisions to require trustees and scheme managers to provide data to savers through pensions dashboards. The staged implementation of dashboards is expected to start from Spring/Summer 2023.

[3] TPR is planning to replace most of its existing codes of practice with a new Single Code, in order to provide a common set of expectations for those involved in the running of all types of scheme.

2.2 Methodology

The survey was conducted by telephone between 15th October 2021 and 4th January 2022 by OMB Research, an independent market research agency. The sample frame consisted of DB pension schemes and relevant hybrid schemes[4] and interviews were completed with the following groups:

- Trustees (including both lay and professional trustees)
- Employers (individuals involved in making decisions about the pension scheme from the employer's perspective)

A total of 403 interviews were completed, 265 of which were with trustees and 138 with employers. Trustees were asked a more extensive set of questions, with interviews lasting an average of 29 minutes. Employer interviews were briefer and lasted an average of 10 minutes. Each respondent completed the survey in relation to a pre-specified pension scheme.

The survey sample consisted of four distinct sub-groups of DB schemes, namely micro schemes (those with fewer than 12 members), small schemes (12-99 members), medium schemes (100-999 members) and large schemes (1,000+ members).

The survey covered open, closed and paid-up schemes but those that were wound-up or in the process of winding up were excluded from the sample. Relevant small schemes (formerly referred to as small self-administered schemes) and executive pension plans (EPPs) were also excluded. To qualify for interview, respondents had to have a good knowledge of how the scheme was run and be in particular roles.

In some cases an individual can be involved with several different pension schemes, so the sample was de-duplicated to ensure that any such individual this was applicable to was only contacted/surveyed about one specific scheme.

2.3 Analysis and reporting conventions

Throughout this report results have been analysed by respondent type (trustee and employer) and by scheme size within these groups. However, small and micro schemes have been combined in the analysis due to the low base sizes for these groups.

To account for the disproportionate sampling approach and ensure results are representative of the overall scheme population, all data has been weighted based on the total number of schemes in each size category and of each type (i.e. DB/hybrid). Unweighted bases (the number of responses from which the findings are derived) are displayed under the charts and tables to give an indication of the robustness of results.

The majority of the 2021 survey consisted of new questions, but the section on climate change was also asked in the 2020 survey so comparative results have been provided to assess any changes over time. This has been shown as the percentage point change, so an increase from 40% in 2020 to 50% in 2021 would be displayed as +10%.

[4] Hybrid schemes were included in either the DC schemes survey or the DB schemes survey based on their characteristics (e.g. those in the DB survey were typically mixed benefit hybrid schemes or DB schemes with a DC top-up).

When comparing results between different groups (e.g. trustees and employers, different sizes of scheme) or with the previous DB Schemes survey, only differences which are statistically significant are mentioned in the report commentary. All significance testing was carried out at a 95% confidence level ($p < 0.05$)[5]. This means that we can be at least 95% confident that the change is 'real' rather than a function of sampling error.

When interpreting the data presented in this report, please note that results in the charts and tables may not add up to 100% due to rounding and/or respondents being able to select more than one answer to a question.

[5] Strictly speaking, calculations of statistical significance apply only to samples that have been selected using probability sampling methods. However, in practice it is reasonable to assume that these calculations provide a good indication of significant differences in quota surveys like this one.

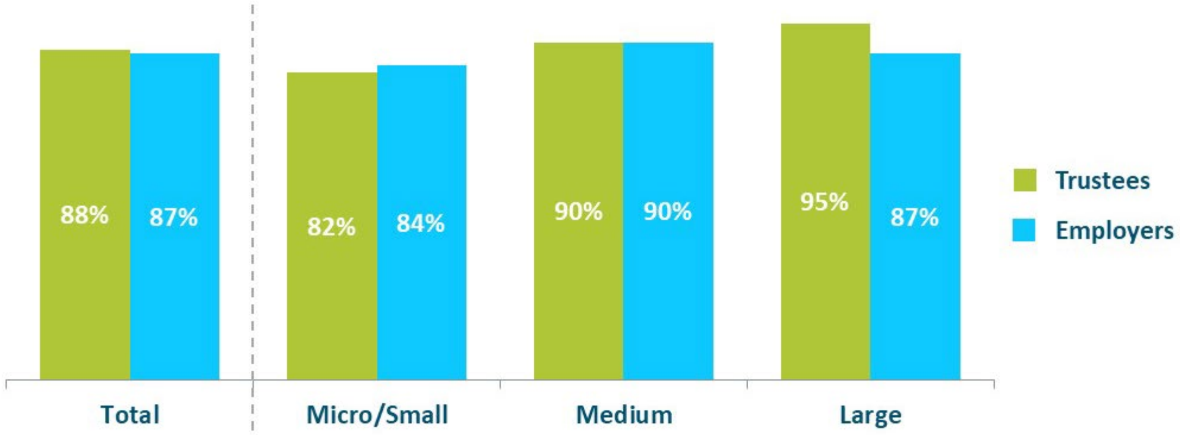
3. Research findings

3.1 Long-term objective

The survey included a number of questions about schemes' long-term objectives (LTOs), which were defined as funding or transactional objectives which the scheme is aiming to achieve in the long term.

Figure 3.1.1 shows that close to 9 in 10 schemes had an LTO, with similar proportions seen for both trustees (88%) and employers (87%). Among trustees the likelihood of having an LTO increased with scheme size, ranging from 82% of micro/small schemes to 95% of large schemes.

Figure 3.1.1 Proportion of schemes with an LTO



Base: All respondents (Base, Don't know)
Trustees – Total (265, 1%), Micro/Small (101, 2%), Medium (105, 0%), Large (59, 0%)
Employers – Total (138, 4%), Micro/Small (61, 5%), Medium (51, 2%), Large (26, 6%)

The remaining questions in this section of the report were only asked of schemes with an LTO, and those with no LTO have been excluded from the analysis.

Trustees were asked to provide details of what the scheme's LTO was. Some respondents were considering multiple objectives, and the results shown in Table 3.1.1 reflect all of their potential objectives. Over half (55%) were aiming for buy-out and 40% were looking to reach a position of low dependency on the employer. A minority (3%) were aiming to enter a consolidator vehicle.

Table 3.1.1 What is the scheme's LTO? (trustees only)

	Total	Micro/ Small	Medium	Large
To buy-out	55%	52%	56%	57%
To reach a position of low dependency on the employer (low risk basis)	40%	43%	36%	43%
To enter a consolidator vehicle such as a superfund	3%	2%	4%	2%
Something else	15%	19%	14%	9%

Base: All trustees with an LTO (Base, Don't know)
Total (233, 1%), Micro/Small (83, 0%), Medium (94, 2%), Large (56, 0%)

Trustees whose LTO was to reach a position of low dependency or who had an LTO that used a specific discount rate were asked to provide details of the discount rate associated with the LTO. However, the majority of these respondents (71%) did not know the discount rate targeted. The analysis in Table 3.1.2 is therefore based just on those able to answer, and the low base size (30 respondents) should be taken into account when interpreting these results.

Table 3.1.2 Discount rate used in LTO funding basis (trustees only)

	Total
0%	9%
<1%	17%
1-2%	11%
>2%	15%
Gilts flat	13%
Gilts +0.25%	11%
Gilts +0.5%	19%
Other Gilts based measure	6%

Base: All trustees aiming for low dependency/targeting discount rate and able to answer (30)

As shown in Table 3.1.3, the majority of both trustees (69%) and employers (56%) hoped to reach their LTO within ten years. Results were broadly consistent by scheme size, although employers with micro/small schemes were comparatively more likely to expect to reach their LTO over a longer time period, with 29% saying 16+ years. This difference was not observed in the results from trustees.

Table 3.1.3 Time period for reaching the LTO

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
Less than 5 years	26%	29%	23%	29%	20%	22%	22%	12%
5-10 years	43%	42%	45%	41%	36%	27%	42%	41%
11-15 years	19%	14%	23%	20%	23%	21%	22%	32%
16-20 years	6%	7%	5%	4%	10%	17%	6%	4%
More than 20 years	3%	2%	2%	5%	8%	12%	4%	11%
No time period / not tied directly to timings	1%	1%	1%	2%	2%	0%	4%	0%

Base: All with an LTO (Base, Don't know)
Trustees – Total (233, 2%), Micro/Small (83, 4%), Medium (94, 1%), Large (56, 0%)
Employers – Total (121, 1%), Micro/Small (52, 2%), Medium (46, 0%), Large (23, 0%)

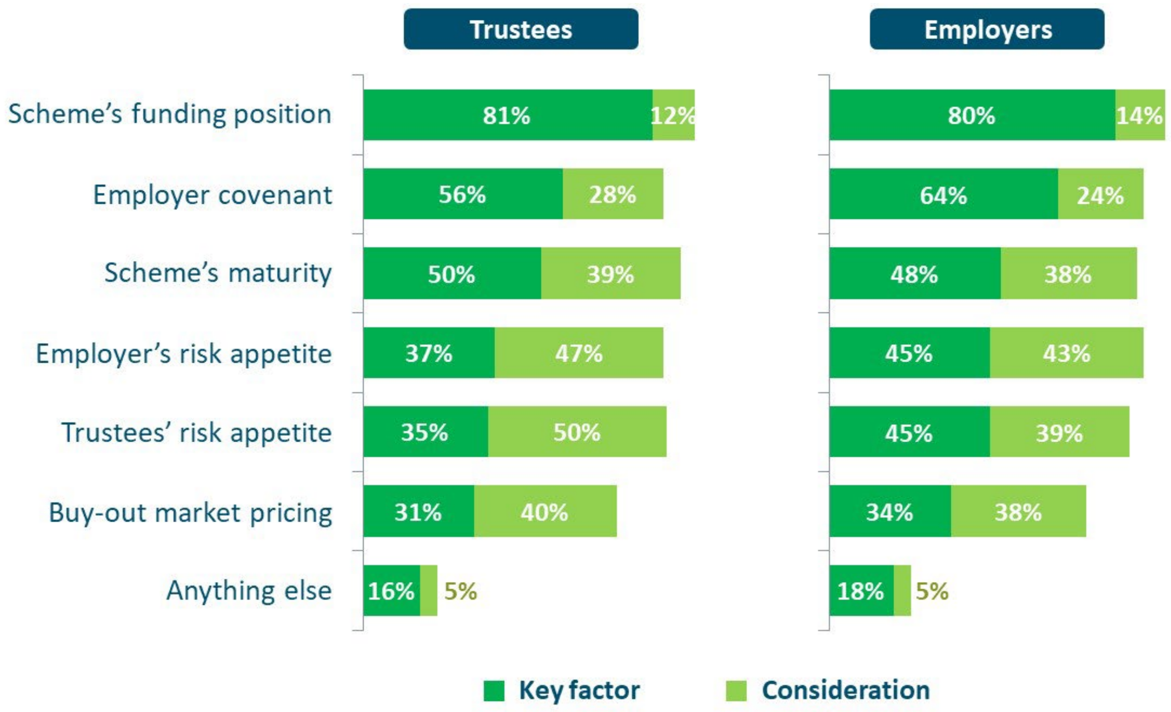
Schemes aiming for buy-out generally expected to reach their LTO over a shorter time period, with 77% aiming to meet it within 10 years (compared with 59% of those whose LTO was not to buy-out).

Respondents were provided with a list of factors and asked the extent to which each one influenced their thinking about what their LTO should be, with results summarised in Figure 3.1.2.

The scheme's funding position was the primary consideration for both trustees and employers, with 81% and 80% respectively identifying it as a key factor in setting their LTO (and a further 12% and 14% indicating that it was a consideration). This was followed by the employer covenant (56% of trustees and 64% of employers stated it was a key factor) and scheme maturity (50% of trustees and 48% of employers).

Employer and trustee risk appetite were given similar consideration; they were identified as a key factor by 37% and 35% of trustees respectively, and by 45% of employers.

Figure 3.1.2 Factors influencing the LTO

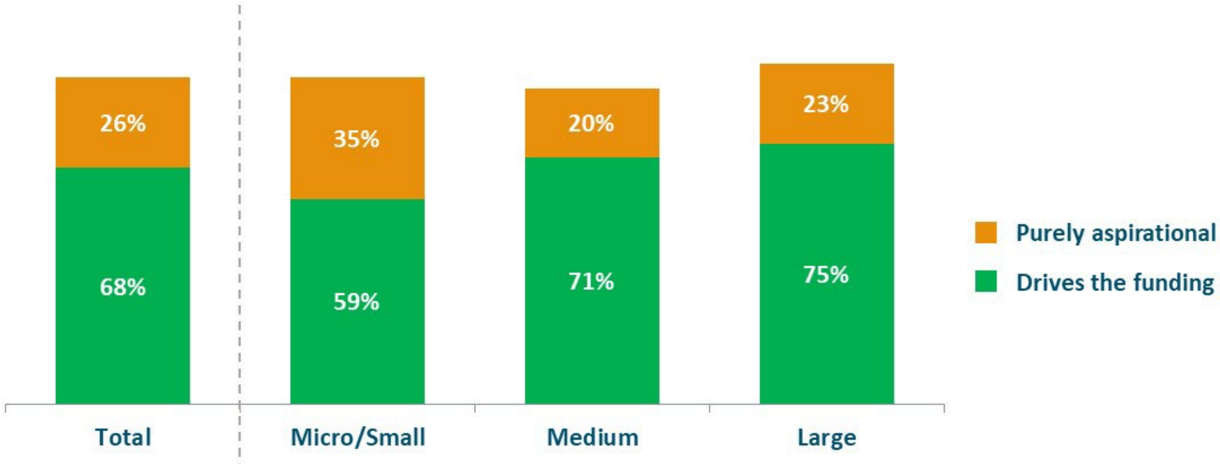


Base: All with an LTO (Base, Don't know)
Trustees (233, 0-5%), Employers (121, 1-4%)

There were no notable or consistent differences by scheme size when it came to the influences on the LTO.

As shown in Figure 3.1.3, two-thirds (68%) of trustees said that the LTO drove the funding of the scheme, while 26% said this was purely aspirational. Micro/small schemes were comparatively more likely to indicate that the LTO was purely aspirational (35%, compared with 20% of medium and 23% of large schemes).

Figure 3.1.3 Link between the LTO and scheme funding (trustees only)



Base: All trustees with an LTO (Base, Don't know)
Total (233, 6%), Micro/Small (83, 6%), Medium (94, 8%), Large (56, 2%)

When deciding on the scheme's LTO, 95% of trustees had discussed this with the employer and 90% had agreed it with the employer (Table 3.1.4). This picture was consistent across all scheme sizes.

Table 3.1.4 Employer consultation on the LTO (trustees only)

	Total	Micro/ Small	Medium	Large
Discuss it with employer	95%	95%	96%	95%
Agree it with employer	90%	92%	88%	89%
Neither (or don't know)	4%	5%	3%	5%
Net: Both	89%	92%	87%	89%

Base: All trustees with an LTO (Base, Don't know)
Total (233, 0%), Micro/Small (83, 0%), Medium (94, 0%), Large (56, 0%)

Trustees were asked whether there was a defined process to review or change the LTO and, if so, whether this was done on an agreed regular basis or was triggered by a material change in a key factor. As shown in Table 3.1.5, approaching three-quarters (71%) had a process in place, although this fell to 64% of micro/small schemes. Half (51%) reviewed or changed the LTO on an agreed regular basis.

Table 3.1.5 Whether there is a defined process to review or change the LTO (trustees only)

	Total	Micro/ Small	Medium	Large
Yes	71%	64%	75%	77%
- *On an agreed regular basis*	*51%*	*45%*	*53%*	*55%*
- *When there is a material change in a key factor*	*14%*	*9%*	*17%*	*14%*
- *Something else*	*7%*	*9%*	*4%*	*7%*
No	27%	33%	25%	23%

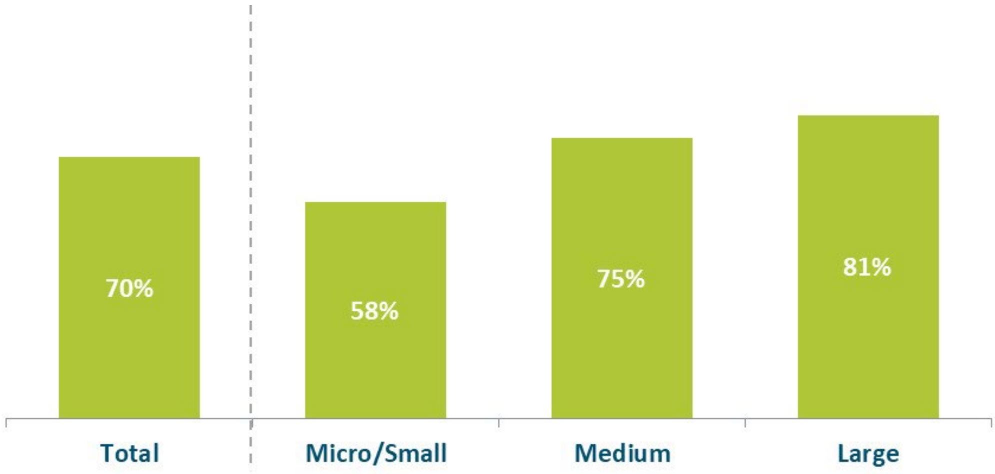
Base: All trustees with an LTO (Base, Don't know)
Total (233, 2%), Micro/Small (83, 4%), Medium (94, 1%), Large (56, 0%)

3.2 Journey plan

Trustees were asked whether their scheme had a journey plan, which was defined as a plan by the trustees to change their investment strategy and/or amend their calculation of liabilities over time, usually to de-risk their investment or funding strategy. This question only applied to schemes that had an LTO, but results have been based on all respondents (i.e. those with no LTO have been assumed to have no journey plan).

Figure 3.2.1 shows that 70% of all schemes had a journey plan, which equates to 80% of those with an LTO. This proportion varied by size, ranging from 58% of micro/small schemes to 81% of large schemes.

Figure 3.2.1 Proportion of schemes with a journey plan (trustees only)



Base: All trustees (Base, Don't know)
Total (265, 2%), Micro/Small (101, 3%), Medium (105, 2%), Large (59, 2%)

The remaining questions in this section of the report were only asked of schemes with a journey plan, and those with no journey plan have been excluded from the analysis.

As detailed in Table 3.2.1, scheme funding was cited as the key influence on journey plans (93%), closely followed by current investment strategy (86%) and scheme maturity (85%). Three-quarters (76%) also reported that the journey plan was influenced by the employer covenant.

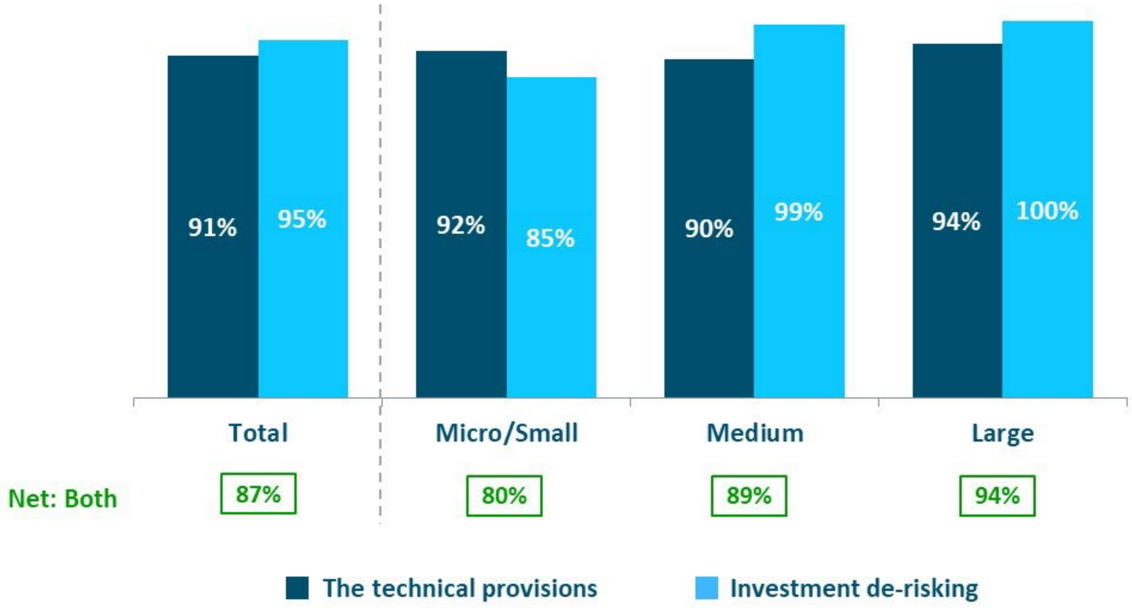
Table 3.2.1 Factors influencing the journey plan (trustees only)

	Total	Micro/ Small	Medium	Large
Scheme funding	93%	88%	96%	94%
Current investment strategy	86%	85%	87%	83%
Scheme maturity	85%	88%	82%	85%
Employer covenant	76%	75%	77%	75%
Anything else	20%	24%	15%	25%

Base: All trustees with a journey plan (Base, Don't know)
Total (186, 0%), Micro/Small (59, 0%), Medium (79, 0%), Large (48, 0%)

Figure 3.2.2 shows that in most cases (87%) both the technical provisions and investment de-risking were aligned with the scheme's journey plan. This proportion was lower among micro/small schemes (80%), primarily because they were less likely to align investment de-risking with the journey plan.

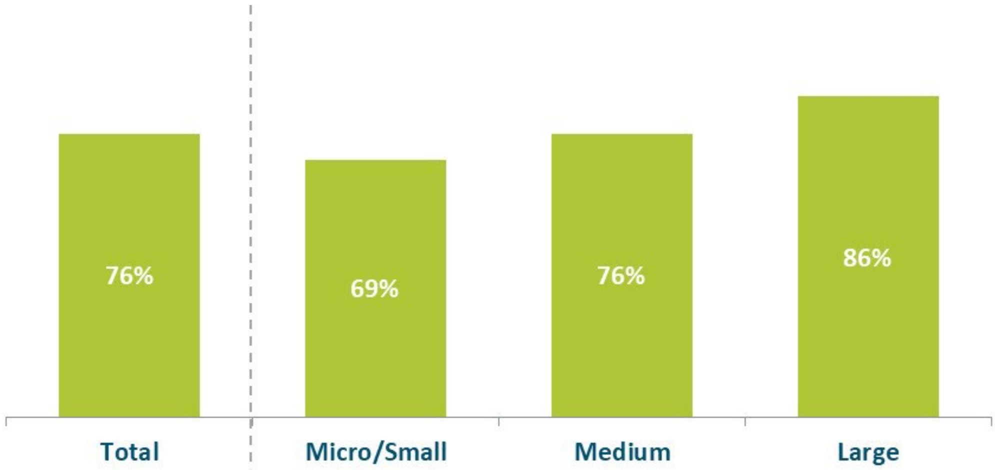
Figure 3.2.2 Whether the technical provisions and investment de-risking are aligned with the journey plan (trustees only)



Base: All trustees with a journey plan (Base)
Total (186), Micro/Small (59), Medium (79), Large (48)

As detailed in Figure 3.2.3, three-quarters (76%) of schemes with a journey plan had a defined process to review or change it. This proportion increased with scheme size, ranging from 69% of micro/small schemes to 86% of large schemes.

Figure 3.2.3 Proportion of schemes with a defined process to review or change the journey plan (trustees only)



Base: All trustees with a journey plan (Base, Don't know)
Total (186, 2%), Micro/Small (59, 3%), Medium (79, 0%), Large (48, 2%)

All trustees that had a journey plan, irrespective of whether they had a defined process to review this, were asked what would trigger a change in the journey plan (Table 3.2.2). The most widespread trigger was the funding level not being as projected (86%), closely followed by changes in the LTO (81%) and changes to the covenant (78%). Around two-fifths (43%) also said that changes to the scheme such as a transfer value exercise would also lead to changes in the journey plan.

In comparison to larger schemes, micro/small schemes were less likely to indicate that the funding level not being as projected and changes to the LTO would trigger a change in the journey plan.

Table 3.2.2 Factors that would trigger a change in the journey plan (trustees only)

	Total	Micro/ Small	Medium	Large
Funding level not as projected	86%	76%	91%	88%
Changes in scheme's long-term objective	81%	69%	85%	92%
Changes to covenant	78%	71%	83%	77%
Changes to scheme e.g. transfer value exercise	43%	48%	40%	39%
Anything else	22%	27%	15%	31%

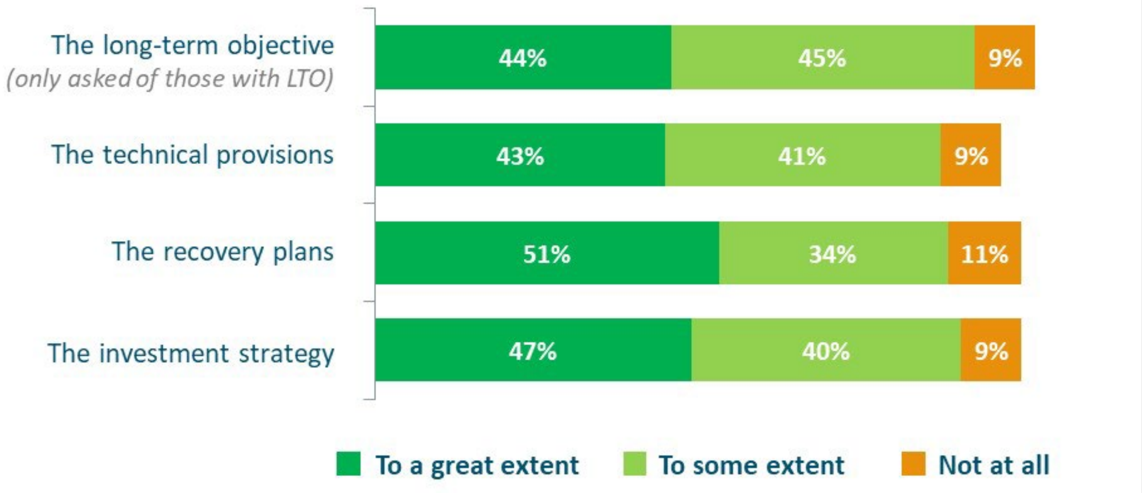
Base: All trustees with a journey plan (Base, Don't know)
Total (186, 1%), Micro/Small (59, 2%), Medium (79, 1%), Large (48, 0%)

3.3 Covenant

Trustees were asked the extent to which the level of risk the covenant can support was considered when setting the LTO, technical provisions, recovery plan and investment strategy (Figure 3.3.1).

Half (51%) of trustees considered the level of risk the covenant can support 'to a great extent' when setting the recovery plan, with slightly lower proportions doing so when setting the investment strategy (47%), the LTO (44%) and the technical provisions (43%). Most of the remainder considered the level of risk the covenant can support 'to some extent' when setting these, although around one in ten trustees (9-11%) did not consider it at all.

Figure 3.3.1 Extent to which covenant risk is considered when setting the LTO, technical provisions, recovery plans and investment strategy (trustees only)



Base: All trustees (Base, Don't know)
LTO (233, 2%), / Other factors (265, 3-6%)

Table 3.3.1 summarises these results by scheme size, showing the proportion that considered covenant risk 'to a great extent' in each context. This analysis demonstrates that, across all these areas, consideration of the level of risk the covenant can support typically increased in line with scheme size.

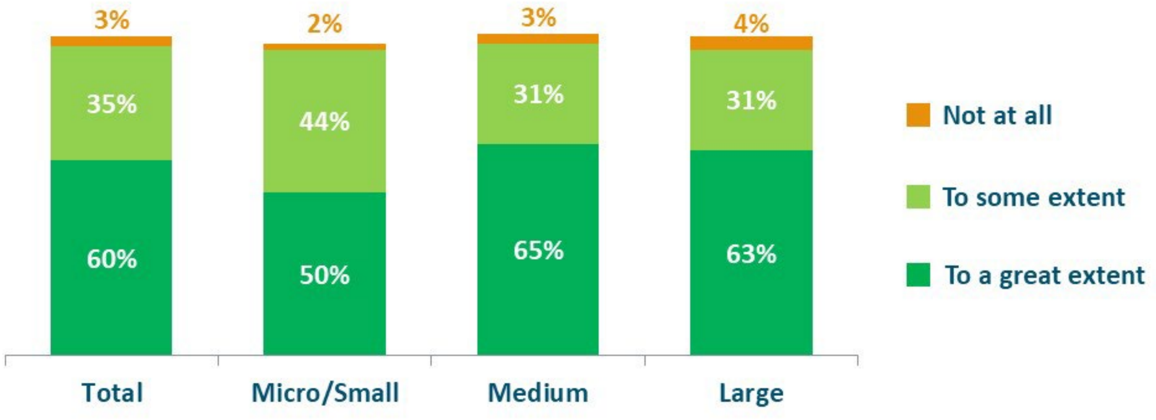
Table 3.3.1 Proportion considering covenant risk to a great extent when setting the LTO, technical provisions, recovery plan and investment strategy (trustees only)

	Total	Micro/ Small	Medium	Large
Long-term objective *(only asked of those with LTO)*	44%	35%	49%	52%
Technical provisions	43%	36%	42%	59%
Recovery plans	51%	48%	55%	49%
Investment strategy	47%	39%	49%	59%

Base: All trustees (Base, Don't know)
LTO - Total (233, 2%), Micro/Small (83, 6%), Medium (94, 0%), Large (56, 0%)
Other factors - Total (265, 3-6%), Micro/Small (101, 6-11%), Medium (105, 2-5%), Large (59, 0-2%)

Trustees that had a journey plan were also asked the extent to which ongoing monitoring of the covenant was tied into this plan, with results shown in Figure 3.3.2. For most schemes, covenant monitoring was tied to the journey plan ‘to a great extent’ (60%) and most of the remainder said this was ‘to some extent’ (35%). While the proportion considering this to at least some degree was similar across all scheme sizes, small/micro schemes were least likely to consider it ‘to a great extent’ (50%).

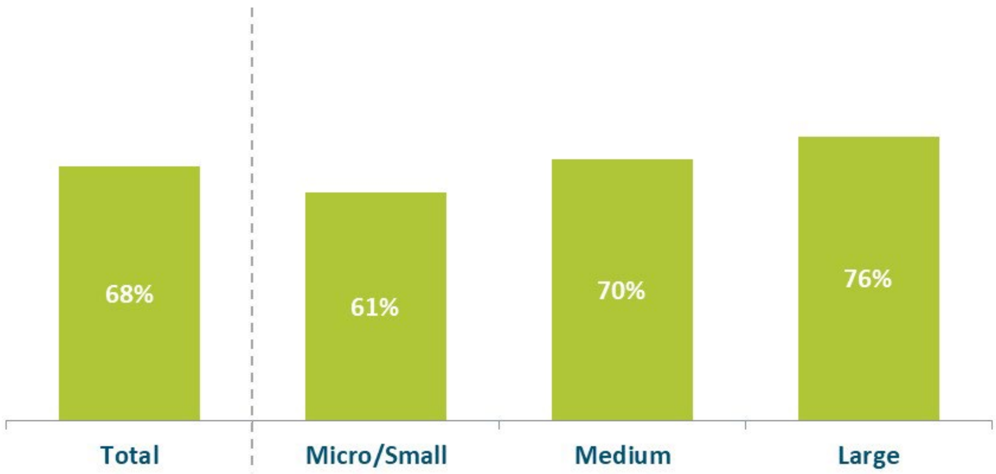
Figure 3.3.2 Extent to which ongoing monitoring of the covenant is tied into the journey plan (trustees only)



Base: All trustees with journey plan (Base, Don’t know)
Total (186, 2%), Micro/Small (59, 3%), Medium (79, 1%), Large (48, 2%)

As set out in Figure 3.3.3, two-thirds (68%) of trustees looked at deficit volatility to measure the risk the covenant could support, and this proportion increased with scheme size (from 61% of micro/small schemes to 76% of large).

Figure 3.3.3 Proportion looking at deficit volatility to measure the level of risk the covenant can support (trustees only)



Base: All trustees (Base, Don’t know)
Total (265, 7%), Micro/Small (101, 13%), Medium (105, 3%), Large (59, 7%)

Trustees were asked whether their scheme had contingent assets, a parent company guarantee or any other contingent support. Table 3.3.2 shows that half (49%) had some form of contingent support in place, although this varied by scheme size (39% of micro/small, 49% of medium and 71% of large schemes).

Most commonly this took the form of a parent company guarantee (38%), with 18% holding contingent assets and 7% having other contingent support.

Table 3.3.2 Contingent support in place (trustees only)

	Total	Micro/ Small	Medium	Large
Contingent assets	18%	18%	17%	22%
A parent company guarantee	38%	28%	41%	49%
Any other contingent support	7%	4%	6%	17%
None of these	47%	56%	46%	27%
Net: Any contingent support	49%	39%	49%	71%

Base: All trustees (Base, Don't know)
Total (265, 4%), Micro/Small (101, 5%), Medium (105, 5%), Large (59, 2%)

As detailed in Table 3.3.3, the vast majority of trustees believed that the contingent support held by their scheme provided sufficient support for the risks being run (90-95% across the three types of contingent support) and was appropriately valued (87-100%). Slightly lower proportions believed this support to be legally enforceable and realisable at its necessary value when required (75%-84%).

Table 3.3.3 Whether contingent support is sufficient for the risks, appropriately valued and legally enforceable (trustees only)

	Trustees of schemes with…		
	Contingent Assets	Parent company guarantee	Other contingent support
Provide sufficient support for the risks being run	90%	90%	95%
Appropriately valued	96%	87%	100%
Legally enforceable and realisable at their necessary value when required	84%	78%	75%
None of these (or don't know)	0%	1%	0%

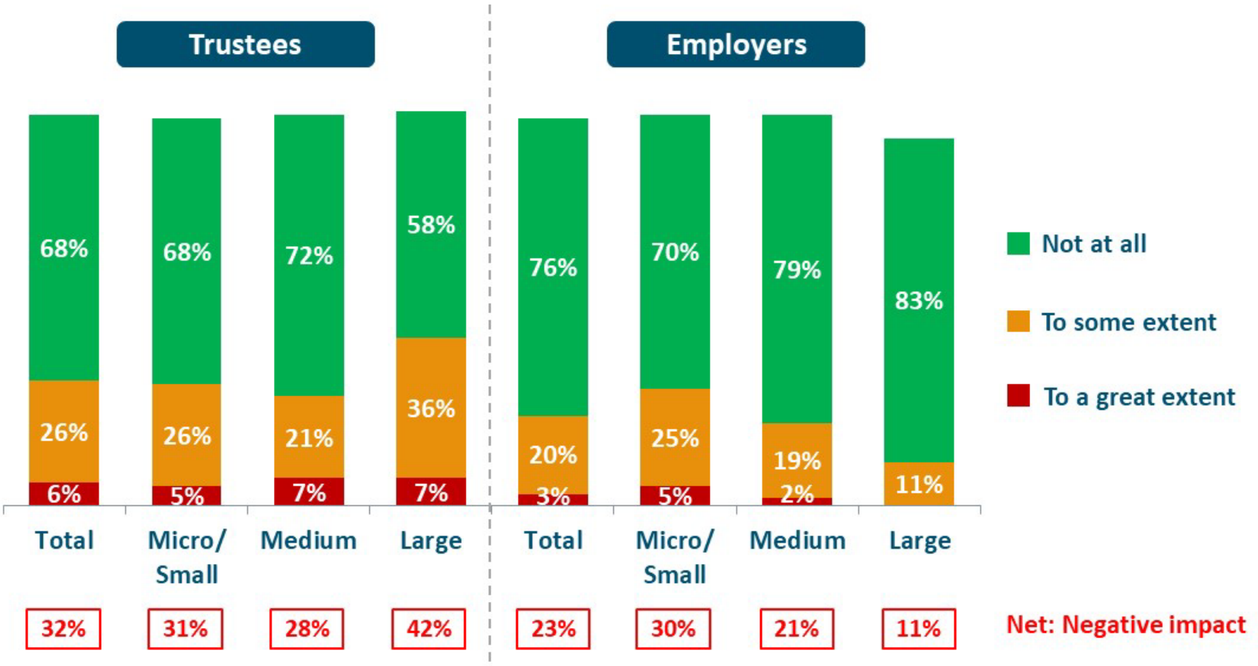
Base: All trustees with contingent support
Contingent assets (49), Parent company guarantee (101), Other contingent support (20)

Both trustees and employers were asked the extent to which the employer's ability to support the scheme was impacted negatively by the COVID-19 pandemic (Figure 3.3.4).

A third (32%) of trustees believed that the employer's ability to support the scheme was negatively affected by COVID-19, compared with around a quarter (23%) of employers. However, this difference was primarily due to the differing views among trustees and employers of large schemes (42% and 11% respectively reported a negative impact).

Where a negative impact of COVID-19 was reported, relatively few described it as having affected the scheme 'to a great extent' (6% of trustees and 3% of employers).

Figure 3.3.4 Extent to which the employer's ability to support the scheme was impacted negatively by COVID-19

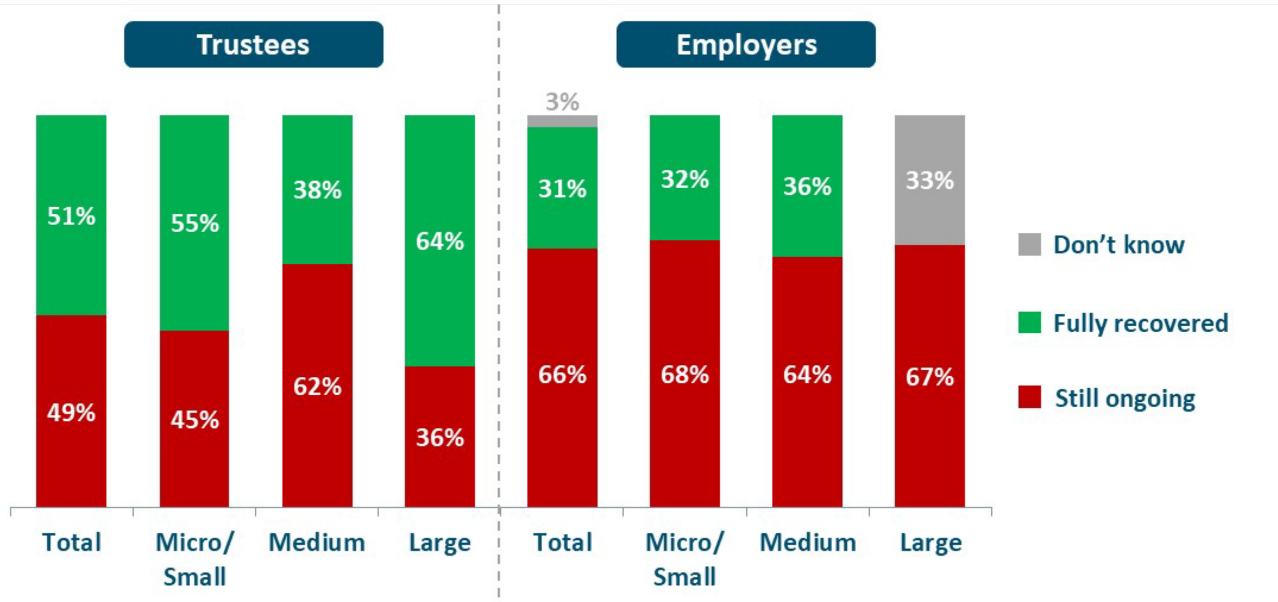


Base: All respondents (Base, Don't know)
Trustees - Total (265, 0%), Micro/Small (101, 1%), Medium (105, 0%), Large (59, 0%)
Employers - Total (138, 1%), Micro/Small (61, 0%), Medium (51, 0%), Large (26, 6%)

Respondents who felt the employer's ability to support the scheme had been negatively impacted by COVID-19 were then asked whether this situation had fully recovered or if the impact was still ongoing.

As shown in Figure 3.3.5, half (49%) of trustees who reported a negative impact believed the issues were still ongoing, increasing to two-thirds (66%) of employers. While trustees of large schemes were most likely to report a negative impact on the employer's ability to support the scheme, they were also most likely to feel that this was now fully recovered (64%).

Figure 3.3.5 Whether the employer's ability to support the scheme has recovered



Base: All where employer was negatively impacted by Covid
Trustees - Total (85), Micro/Small (31), Medium (29), Large (25)
Employers - Total (32), Micro/Small (18), Medium (11), Large (3)

Table 3.3.4 combines the data on the impact of COVID-19 and any subsequent recovery, showing the proportion of all schemes that reported a negative impact and felt this was still ongoing.

At the total level this analysis provides similar results for both trustees and employers, with 16% and 15% respectively indicating that the employer's ability to support the scheme was still affected by the pandemic.

Table 3.3.4 Proportion of schemes negatively impacted by COVID-19 and not fully recovered

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
Reported a negative impact and still ongoing	16%	17%	10%	27%	15%	21%	14%	7%

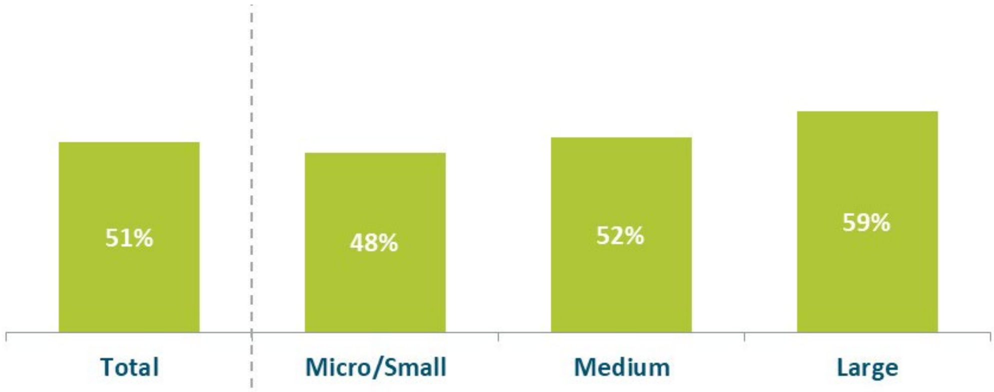
Base: All respondents
Trustees - Total (265), Micro/Small (101), Medium (105), Large (59)
Employers - Total (138), Micro/Small (61), Medium (51), Large (26)

3.4 Investment

Trustees were asked whether their scheme had an endgame investment strategy, which was defined as a long-term strategy which will be adopted when the scheme reaches its long-term funding objective. This question only applied to schemes that had an LTO, but results have been based on all respondents (i.e. those with no LTO have been assumed to have no endgame investment strategy).

Figure 3.4.1 shows that half (51%) of all schemes had an endgame investment strategy, which equates to 59% of those with an LTO. While this appeared to be more likely among large schemes (59%), this difference was not statistically significant.

Figure 3.4.1 Proportion of schemes with an endgame investment strategy (trustees only)



Base: All trustees (Base, Don't know)
Total (265, 3%), Micro/Small (101, 3%), Medium (105, 4%), Large (59, 0%)

The closer the scheme was to achieving its LTO, the more likely it was to have an endgame investment strategy; 77% of those aiming to reach their LTO within 5 years, 61% of those looking to achieve their LTO within 5-10 years, and 41% of schemes that were more than 10 years from achieving their LTO.

Trustees with an endgame investment strategy were asked for the approximate split they were aiming for across various asset types. Table 3.4.1 shows that on average schemes were targeting a split of 42% in government bonds, 23% in corporate bonds, 21% in equities, 3% in property and 15% in other non-cash investments.

Table 3.4.1 Mean investment split aimed for in endgame investment strategy (trustees only)

Mean % aimed for in…	Total	Micro/ Small	Medium	Large
Government bonds	42%	34%	44%	52%
Corporate bonds	23%	24%	23%	19%
Equities	21%	28%	22%	9%
Property	3%	5%	2%	1%
Other non-cash	12%	11%	9%	19%

Base: All trustees with endgame investment strategy and able to answer
Total (74), Micro/Small (25), Medium (31), Large (18)

While results are based on too few respondents to draw robust conclusions, the above analysis suggests that large schemes favoured a higher proportion of government bonds and a lower proportion in equities.

Irrespective of whether they had an endgame investment strategy, trustees were asked how their current hedge ratio for interest rates and inflation was expressed. As shown in Table 3.4.2, a third (36%) of trustees did not know how this was expressed, rising to 47% of micro/small schemes.

Among those who knew, this was most likely to be expressed as a percentage of assets (24%), followed by technical provisions (20%) and long-term funding measures (16%).

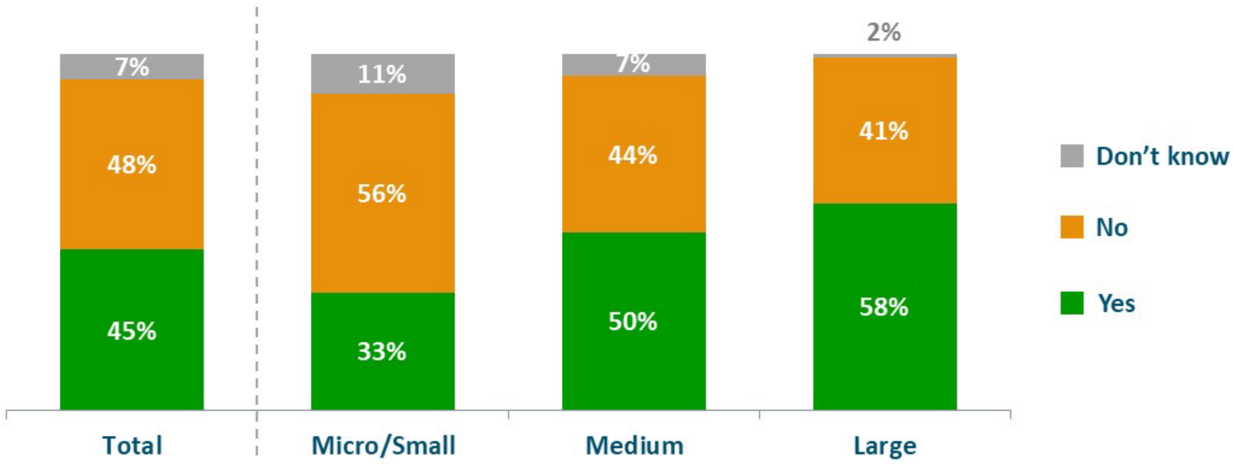
Table 3.4.2 How current hedge ratio is expressed (trustees only)

	Total	Micro/ Small	Medium	Large
A percentage of assets	24%	16%	28%	30%
Technical provisions	20%	12%	21%	35%
Long-term funding measures	16%	19%	14%	17%
Other	4%	6%	4%	0%
Don't know	36%	47%	34%	17%

Base: All trustees
Total (265), Micro/Small (101), Medium (105), Large (59)

Figure 3.4.2 shows that approaching half (45%) of trustees indicated that they had de-risking funding triggers, but this varied by scheme size (ranging from 33% of micro/small to 58% of large schemes).

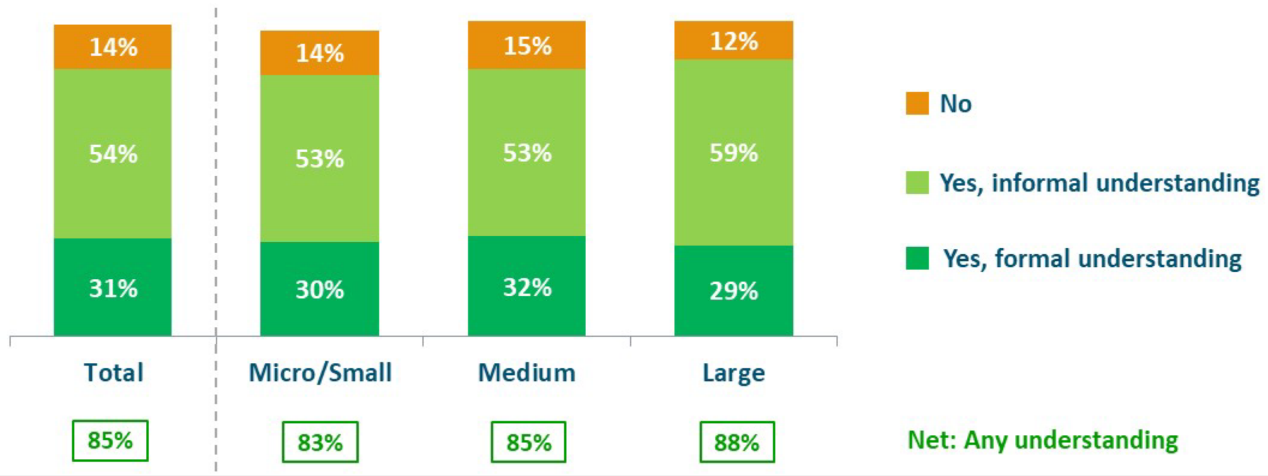
Figure 3.4.2 Whether scheme has de-risking funding triggers (trustees only)



Base: All trustees
Total (265), Micro/Small (101), Medium (105), Large (59)

Trustees were asked whether there was a formal or informal understanding with the employer about how it would support any downside risk (Figure 3.4.3). Overall, a third (31%) had a formal understanding in place and just over half (54%) had an informal understanding. Around one in seven schemes (14%) had no understanding with the employer about this. Results were similar across all sizes of scheme.

Figure 3.4.3 Understanding with the employer about how it would support any downside risk (trustees only)



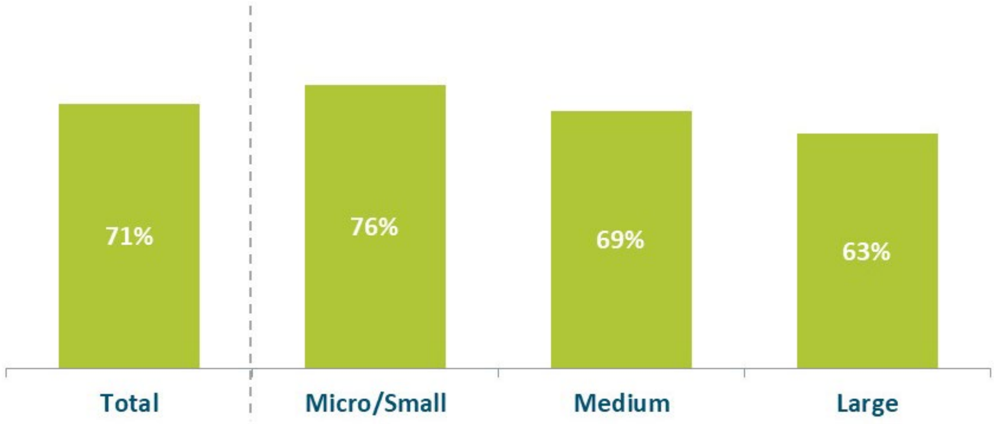
Base: All trustees (Base, Don't know)
Total (265, 1%), Micro/Small (101, 3%), Medium (105, 0%), Large (59, 0%)

Schemes with no contingent support in place were least likely to have a formal understanding with the employer about how it would support any downside risk (19% vs. 41% of those with contingent support). Schemes where the employer's ability to support the scheme was impacted negatively by COVID-19 were more likely to have a formal understanding in place (40% vs 26% of those unaffected).

3.5 Recovery plans

Figure 3.5.1 shows that approaching three-quarters (71%) of schemes had a recovery plan in place. While this appeared to be more likely among micro/small schemes (76%), this difference was not statistically significant.

Figure 3.5.1 Proportion of schemes with a recovery plan (trustees only)



Base: All trustees (Base, Don't know)
Total (265, 1%), Micro/Small (101, 2%), Medium (105, 1%), Large (59, 2%)

Trustees of schemes with a recovery plan were then asked which factors considered when thinking about its structure, with results detailed in Table 3.5.1. The most widely considered factors were the affordability of the employer's contributions (90%) and scheme maturity (87%).

Trustees were least likely to have taken account of the value, terms and enforceability of any contingent security provided by the employer (50%). However, this proportion increased to 72% of those with any contingent support in place.

Table 3.5.1 Factors considered in structure of recovery plan (trustees only)

	Total	Micro/ Small	Medium	Large
The affordability of the employer's contributions	90%	88%	93%	87%
The maturity of the scheme	87%	83%	92%	81%
The impact or risk of any assumptions made not being borne out	79%	66%	89%	86%
How much risk the scheme has already taken when setting the funding target	78%	66%	87%	86%
The impact on the employer and its business investment plans	74%	66%	80%	81%
The likelihood of employer insolvency	66%	58%	71%	70%
The value, terms and enforceability of any contingent security provided by the employer	50%	44%	53%	55%
Anything else	12%	14%	8%	16%

Base: All trustees with recovery plan (Base, Don't know)
Total (187, 2%), Micro/Small (77, 4%), Medium (73, 0%), Large (37, 0%)

The proportions taking account of the affordability of employer contributions and scheme maturity was broadly consistent by scheme size. However, micro/small schemes were least likely to have considered the other factors.

As set out in Table 3.5.2, a quarter (26%) of schemes had agreement in place for additional contingent payments to be made by the employer, although this proportion was lower among micro/small schemes (19%) than medium (30%) and large (29%) schemes. Typically, these agreements were based on the scheme funding level (16%).

Table 3.5.2 Agreement for additional contingent payments (trustees only)

	Total	Micro/ Small	Medium	Large
Yes – based on scheme funding level	16%	12%	21%	12%
Yes – based on employer performance	7%	4%	10%	7%
Yes – based on another measure	4%	4%	2%	10%
No	72%	77%	68%	71%
Net: Yes	26%	19%	30%	29%

Base: All trustees (Base, Don't know)
Total (265, 3%), Micro/Small (101, 4%), Medium (105, 3%), Large (59, 0%)

3.6 Risk management

Trustees were asked which approaches they had taken to assess the risks in the scheme and the assumptions used for the scheme funding. Table 3.6.1 shows that around three-quarters had used a qualitative approach (77%) and modelled different scenarios (74%), half (51%) had used stochastic asset and liability modelling, and around one in ten had taken another approach (11%).

Uptake of each approach typically increased in line with scheme size. However, a minority (4%) had not done anything to assess risks, rising to 8% of micro-small schemes.

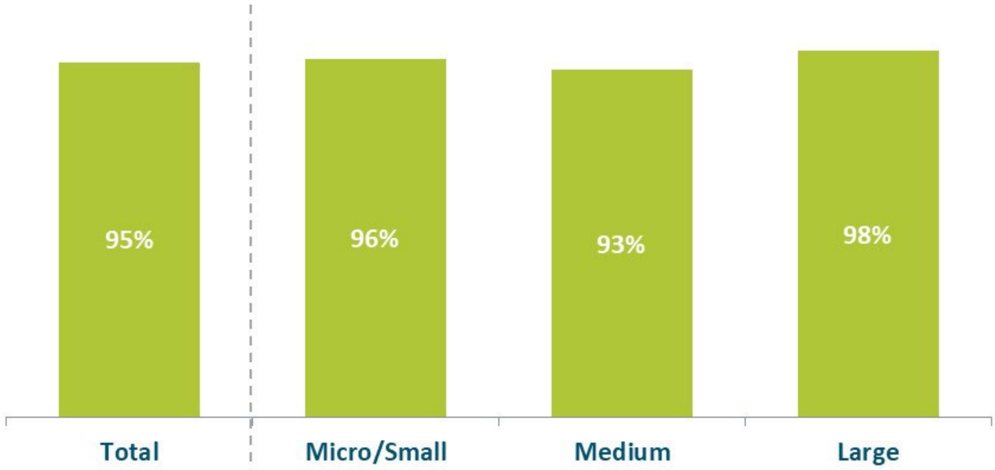
Table 3.6.1 Approaches used to assess the risks in the scheme and assumptions used for scheme funding (trustees only)

	Total	Micro/ Small	Medium	Large
Used a qualitative approach, e.g. your risk register	77%	64%	85%	87%
Modelled different scenarios	74%	64%	77%	85%
Used stochastic asset and liability modelling	51%	35%	54%	81%
Used another approach	11%	10%	12%	14%
None of these	4%	8%	2%	2%

Base: All trustees (Base, Don't know)
Total (265, 4%), Micro/Small (101, 7%), Medium (105, 3%), Large (59, 2%)

As detailed in Figure 3.6.1, the majority (95%) of trustees believed the information they were receiving from the employer was sufficient to enable them to undertake good risk management. This proportion was similar across all sizes of scheme.

Figure 3.6.1 Proportion receiving sufficient information from the employer to undertake good risk management (trustees only)

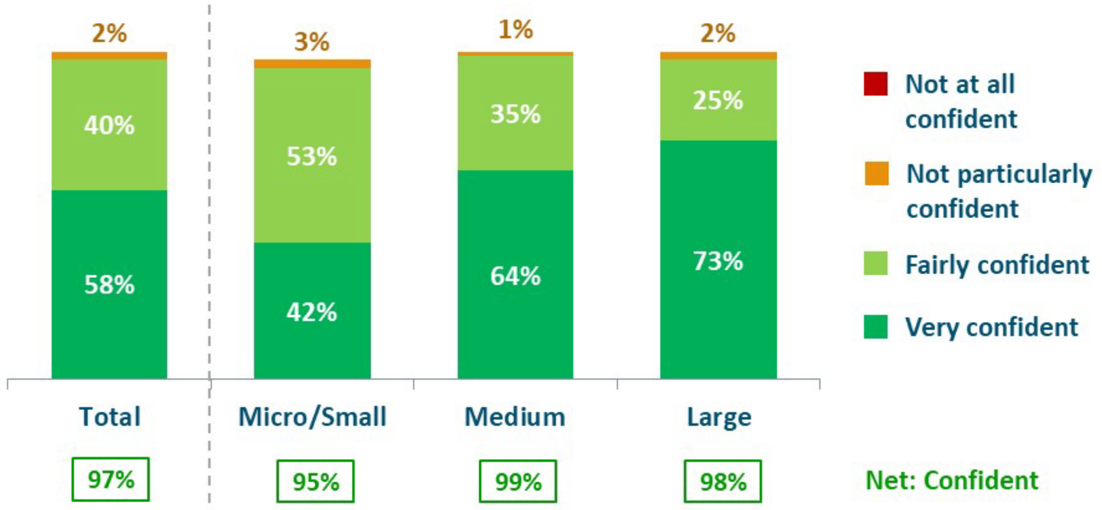


Base: All trustees (Base, Don't know)
Total (265, 2%), Micro/Small (101, 1%), Medium (105, 3%), Large (59, 2%)

Trustees were also asked how confident they were that they could document and articulate their approach to risk management, with appropriate evidence (Figure 3.6.2). Almost all trustees (97%) were confident that this was the case, with 58% describing themselves as 'very confident'.

The proportion who were confident that they could document and articulate their approach was similar across all scheme sizes (95-99%), but larger schemes were more likely to be 'very confident' (ranging from 42% of micro/small to 73% of large schemes).

Figure 3.6.2 Confidence in ability to document and articulate approach to risk management (trustees only)



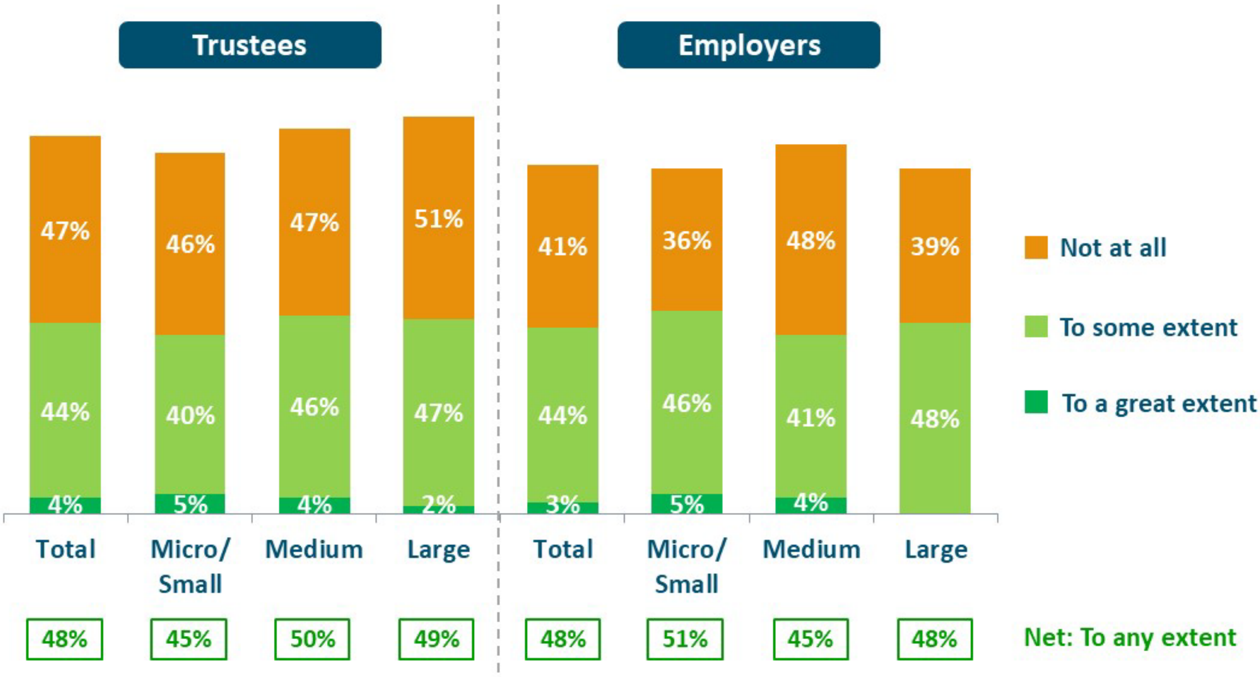
Base: All trustees (Base, Don't know)
Total (265, 1%), Micro/Small (101, 2%), Medium (105, 0%), Large (59, 0%)

Both trustees and employers were asked the extent to which they anticipated that the scheme's approach to funding or investment strategy would have to change as a result of the new funding requirements in the Pension Schemes Act and TPR's DB Code, with results shown in Figure 3.6.3.

Results were similar for both groups, with almost half of trustees (48%) and employers (48%) believing their funding or investment strategy would need to change in response to the new requirements. However, few of those anticipating a change felt that this would be 'to a significant extent' (4% of trustees and 3% of employers).

Results were similar irrespective of scheme size.

Figure 3.6.3 Extent of changes anticipated to scheme funding or investment strategy as a result of the new requirements in the Pension Schemes Act and DB Code

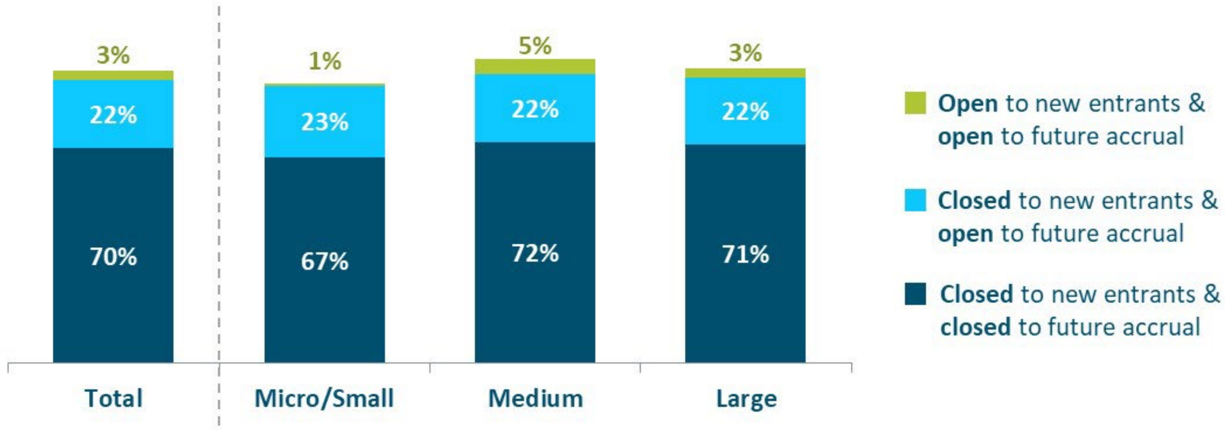


Base: All respondents (Base, Don't know)
Trustees - Total (265, 5%), Micro/Small (101, 9%), Medium (105, 3%), Large (59, 0%)
Employers - Total (138, 11%), Micro/Small (61, 13%), Medium (51, 8%), Large (26, 13%)

3.7 Open schemes

As set out in Figure 3.7.1, only 3% of schemes in the survey were open to both new entrants and future accrual. A further 22% were closed to new entrants but still open to future accrual, but the majority (70%) were closed to both of these. This picture was similar across all sizes of scheme.

Figure 3.7.1 DB benefit status (trustees only)



Base: All trustees (Base, Don't know)
Total (265, 5%), Micro/Small (101, 10%), Medium (105, 2%), Large (59, 3%)

Trustees of schemes that were open to future accrual were asked how the calculation of future service contributions compared to the calculation of the technical provisions. Table 3.7.1 shows that over a third (36%) were unsure, but among those who knew the majority reported that the same calculation was used for future service contributions and technical provisions (56% vs. 8% different calculation).

Table 3.7.1 How calculation of future service contributions compares to calculation of the technical provisions (trustees only)

	Total
Use the same calculation	56%
Use a different calculation	8%
Don't know	36%

Base: All trustees of schemes open to future accrual (67)

The 3% of schemes that were open to new entrants equated to just 8 respondents. This group were asked how they made assumptions on future membership numbers, and their responses were as follows:

- Based on past trends of active membership (5 respondents)
- Based on forecasts for future employees (4 respondents)
- Assume the scheme remains in a steady state, i.e. leavers replaced by joiners (4 respondents)
- Other approach (1 respondent)
- None of these (1 respondent)

3.8 Regulatory approach

Trustees and employers were asked whether they had read or accessed various TPR publications and resources in the previous 12 months (Table 3.8.1).

Around three-quarters of trustees had read TPR's Annual Funding Statement (76%), COVID-19 guidance (71%) and other guidance for DB schemes (72%) in the last 12 months. While less widespread, a third had attended at least one TPR webinar or conference (33%) and a quarter had read TPR blogs (23%). A minority had interacted with TPR's supervision or case teams (13%).

In comparison to trustees, employers were less likely to have used these resources, with this difference most pronounced when it came to the COVID-19 guidance (read by 43% of employers vs. 71% of trustees). Overall, 15% of employers had not accessed any of these resources, compared with 6% of trustees.

Among employers, use of these resources typically increased in line with scheme size, and a quarter (26%) of micro/small employers had not accessed any of them in the past 12 months. In contrast, there were no consistent differences by scheme size among trustees.

Table 3.8.1 Use of TPR information resources in the last 12 months

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
Annual Funding Statement	76%	75%	72%	86%	61%	53%	65%	69%
COVID-19 guidance	71%	67%	77%	66%	43%	34%	47%	52%
Other guidance for DB schemes	72%	79%	67%	70%	57%	49%	53%	79%
TPR webinars or conferences	33%	29%	33%	41%	20%	16%	18%	31%
TPR Blogs	23%	25%	23%	17%	12%	11%	13%	14%
Interacted with TPR's supervision or case teams	13%	11%	13%	17%	9%	3%	10%	18%
None of these	6%	6%	8%	2%	15%	26%	8%	7%

Base: All respondents (Base, Don't know)
Trustees – Total (265, 1%), Micro/Small (101, 1%), Medium (105, 1%), Large (59, 0%)
Employers – Total (138, 1%), Micro/Small (61, 0%), Medium (51, 2%), Large (26, 0%)

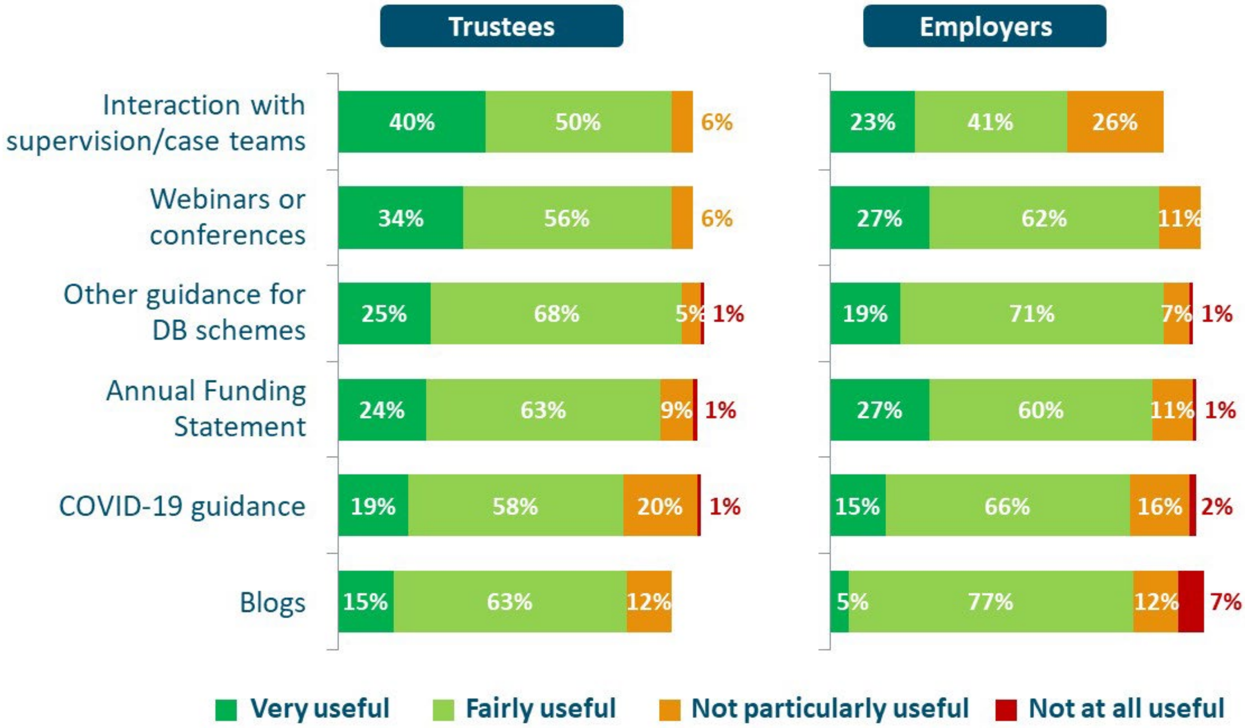
There was no difference in use of the COVID-19 guidance by whether or not the respondent reported a negative impact on the employer's ability to support the scheme due to the pandemic; 72% of trustees and 45% of employers reporting a negative impact had accessed this guidance, compared with 71% and 43% of those that had seen no impact.

Respondents were then asked to rate the usefulness of each TPR resource that they had used in the past 12 months, with results shown in Figure 3.8.1.

Around nine in ten trustees that had interacted with TPR's supervision or case teams (90%), attended webinars or conferences (91%), read other guidance for DB schemes (93%) and read TPR's Annual Funding Statement (88%) found these useful. Just over three-quarters rated TPR's blogs (78%) and COVID-19 guidance (77%) as useful.

Perceptions were similar among employers, with the exception of TPR's supervision or case teams (64% rated this as useful, compared with 90% of trustees). However, the low base of employers (12 respondents) that had interacted with the supervision/case teams should be considered when interpreting this result.

Figure 3.8.1 Perceived usefulness of TPR resources



Base: All respondents who accessed each resource – Trustees/Employers (Base, Don't know)
Supervision/case teams (35, 3% / 12, 9%), Webinars/conferences (88, 4% / 27, 0%), Other DB guidance (192, 2% / 77, 1%), Annual Funding Statement (202, 3% / 83, 1%), COVID guidance (188, 3% / 59, 1%), Blogs (59, 10% / 17, 0%)

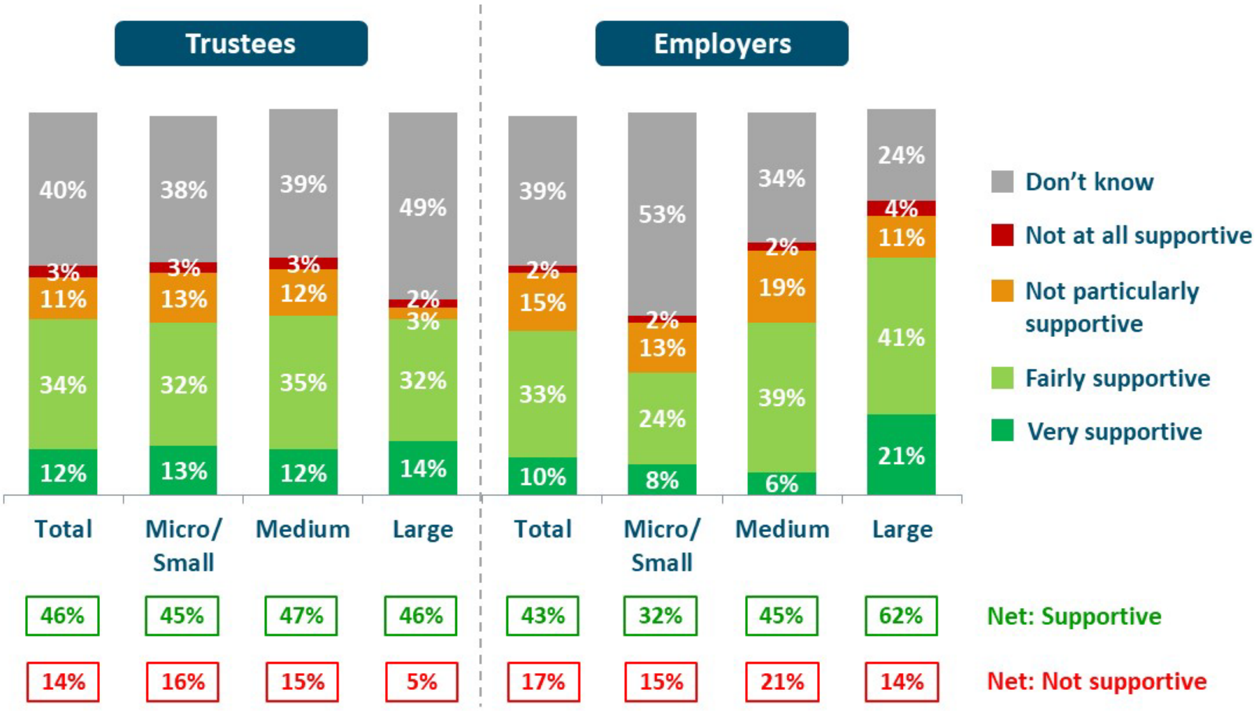
3.9 Superfunds & consolidation

Respondents were asked to what extent they believed TPR to be supportive of superfunds and consolidation.

As shown in Figure 3.9.1, two-fifths of trustees (40%) and employers (39%) were unsure. However, among those who had a view on this, the balance of opinion was that TPR was supportive of superfunds and consolidation (46% of trustees and 43% of employers, compared with 14% and 17% who felt TPR was not supportive).

The proportion of employers who believed TPR was supportive increased with scheme size, ranging from 32% of micro/small to 62% of large schemes. However, this was partly down to more smaller schemes answering “don’t know”. Among trustees, the proportion who saw TPR as supportive was similar across all scheme sizes.

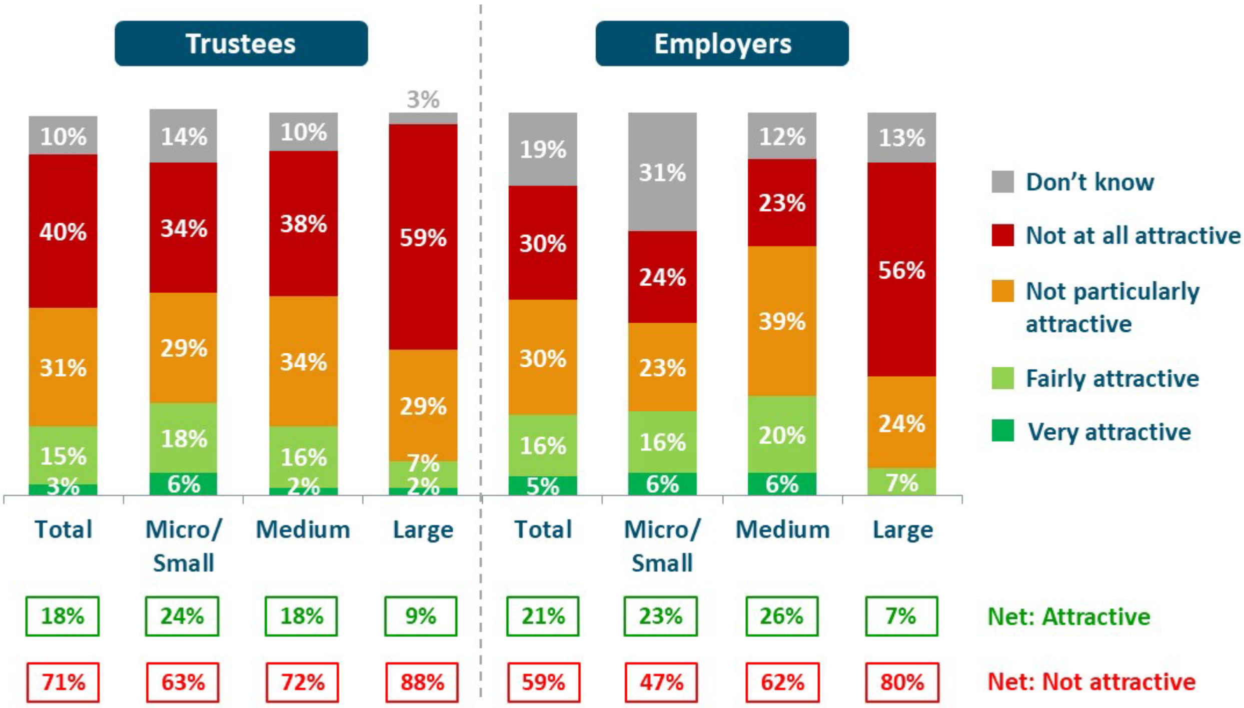
Figure 3.9.1 Extent to which TPR is perceived to be supportive of superfunds and consolidation



Base: All respondents (Base)
Trustees - Total (265), Micro/Small (101), Medium (105), Large (59)
Employers - Total (138), Micro/Small (61), Medium (51), Large (26)

Respondents were also asked whether they felt that consolidation was an attractive option for their scheme (Figure 3.9.2). Around a fifth of trustees (18%) and employers (21%) were attracted to consolidation, although this was lower among large schemes (9% trustees, 7% employers).

Figure 3.9.2 Extent to which consolidation is an attractive option for the scheme



Base: All respondents (Base)
Trustees - Total (265), Micro/Small (101), Medium (105), Large (59)
Employers - Total (138), Micro/Small (61), Medium (51), Large (26)

As detailed in Table 3.9.1, among those attracted to consolidation the main reasons were the reduced covenant or funding risks (32% of trustees, 28% of employers) and reduced costs (25% of trustees; 48% of employers).

Table 3.9.1 Reasons for being attracted to consolidation

Top mentions (5%+ at total level)	Trustees	Employers
Reduced covenant and/or funding risks	32%	28%
Reduced costs	25%	48%
Improved investment options	17%	14%
Small scheme	10%	3%
Looking to buy out	9%	4%
Improved journey planning	8%	3%
More straightforward/simple/convenient	8%	0%
Better security/outcomes for members	6%	11%
Improved governance	4%	9%

Base: All attracted to consolidation (Base, Don't know) - Trustees (48, 2%) / Employers (29, 0%)

Those schemes not attracted to consolidation gave a wide range of reasons (Table 3.9.2). The top reasons provided by trustees were that they were planning to buy out (14%) and felt consolidation was not appropriate, relevant or needed (12%). Among employers, the primary reason was that they were unsure of the benefits of consolidation (18%).

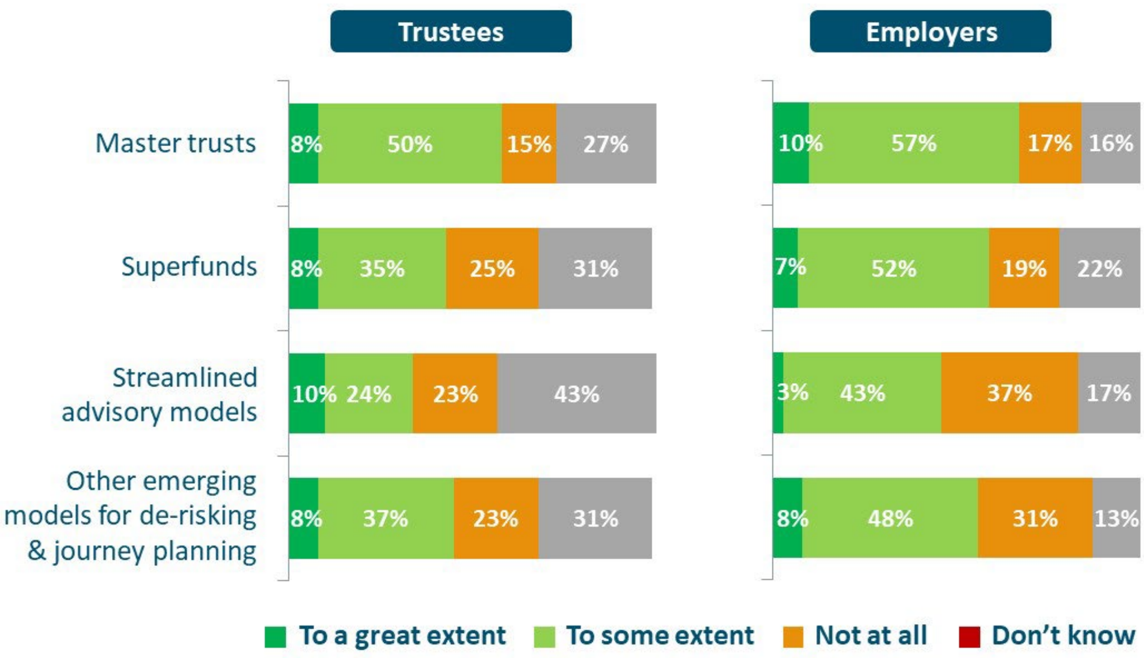
Table 3.9.2 Reasons for not being attracted to consolidation

Top mentions (5%+ at total level)	Trustees	Employers
Planning to buy out	14%	9%
Not appropriate/relevant/needed	12%	6%
Unsure of the benefits of consolidation	9%	18%
Feel it would provide worse outcome/service	8%	11%
Due to the size of the scheme	9%	9%
In employer's benefit to keep current scheme	8%	9%
Fully funded/good funding level/in surplus	8%	6%
Not part of our LTO/journey plan/strategy	7%	7%
In trustees' benefit to keep current scheme	5%	8%
Too expensive	3%	8%

Base: All not attracted to consolidation (Base, Don't know) - Trustees (190, 4%) / Employers (81, 4%)

As shown in Figure 3.9.3, among those schemes interested in consolidation the most attractive model was master trusts; 58% of trustees and 67% of employers said this appealed to at least some extent. This was followed by superfunds (44% and 59%), other emerging models (45% and 56%), with streamlined advisory models seen as the least appealing (34% and 46%).

Figure 3.9.3 Appeal of different consolidation models



Base: All attracted to consolidation (Base, Don't know)
Trustees (48, 2%) / Employers (29, 0%)

Respondents were asked what, if anything, TPR should be doing to encourage or facilitate consolidation. However, as shown in Table 3.9.3, the majority of both trustees (54%) and employers (56%) had no opinion on this.

Among those that did have a view, opinions were mixed. Some respondents believed TPR did not need to do any more, others suggested more guidance, promotion and reassurance, and others felt that TPR should remain neutral and not encourage consolidation at all.

While 8% of trustees and 12% of employers felt that TPR should provide more or better guidance and information about consolidation, this increased among those schemes who were attracted to consolidation (20% and 17% respectively).

Table 3.9.3 What TPR should do to encourage/facilitate consolidation

	Trustees				Employers			
	Total	Micro /small	Medium	Large	Total	Micro /small	Medium	Large
Nothing/doing enough already	9%	8%	9%	10%	5%	7%	2%	6%
More/better guidance and information (e.g. benefits, pros and cons, different options available)	8%	7%	8%	10%	12%	16%	10%	11%
More communication/ publicity/build awareness	7%	11%	5%	3%	6%	2%	4%	20%
Should not encourage it/should remain neutral	6%	6%	8%	3%	9%	6%	12%	7%
Encourage/provide reassurance about it	3%	1%	2%	9%	4%	2%	4%	7%
No comment/no opinion/don't know	54%	56%	57%	41%	56%	63%	56%	49%

Base: All respondents (Base, Don't know)
Trustees – Total (265), Micro/Small (101), Medium (105), Large (59)
Employers – Total (138), Micro/Small (61), Medium (51), Large (26)

3.10 Pensions dashboards

The survey included a number of questions about the pensions dashboards. The dashboards are expected to be introduced in stages, with larger schemes having to meet the requirements first, so these questions were only asked of schemes with 100 or more members.

Trustees were first asked a series of questions about their awareness of the pensions dashboards, the Pensions Dashboards Programme (PDP) team and the legal requirement to provide data to savers through the dashboards, as follows:

- Government has been working on legislation to enable the development of pensions dashboards. Pensions dashboards are digital interfaces such as websites or apps etc, which will enable a person to see all their pensions in one place. Before today, had you **heard about pensions dashboards**?
- The Money and Pensions Service has established the Pensions Dashboards Programme team to develop the technological infrastructure behind the pensions dashboards. Before today, had you **heard about the Pensions Dashboards Programme team**?
- The Pensions Schemes Act 2021 contains provisions to require trustees and scheme managers to provide data to savers through pensions dashboards. Before today, were you **aware of this change to pensions law**?

Table 3.10.1 summarises the responses to these questions. Overall, 86% of trustees had heard of pensions dashboards and 68% were aware of the change to pensions law requiring trustees and scheme managers to provide data to savers through the dashboards. However, awareness of the PDP team was lower, at 41%.

For all three measures awareness was higher among large schemes than medium schemes.

Table 3.10.1 Awareness of pensions dashboards, the PDP team and the requirement to provide data to savers through pensions dashboards (trustees only)

	Total	Medium	Large
Aware of pensions dashboards	86%	81%	97%
Aware of the PDP team	41%	35%	56%
Aware of the change to pensions law (requiring trustees/scheme managers to provide data to savers through pensions dashboards)	68%	61%	86%

Base: Trustees of schemes with 100+ members - Total (164), Medium (105), Large (59)

The remaining questions in this section of the report were only asked of respondents who were aware of pensions dashboards, and those who had not heard of them have been excluded from the analysis.

As shown in Table 3.10.2, almost a fifth (16%) of trustees had attended an industry event about dashboards and the majority (82%) had heard of them through another source such as the trade press.

Fewer had accessed information via the PDP; 9% had visited their website, 4% had received their newsletter, 4% had attended a webinar hosted by them, and 10% had engaged with any other material put out by the PDP.

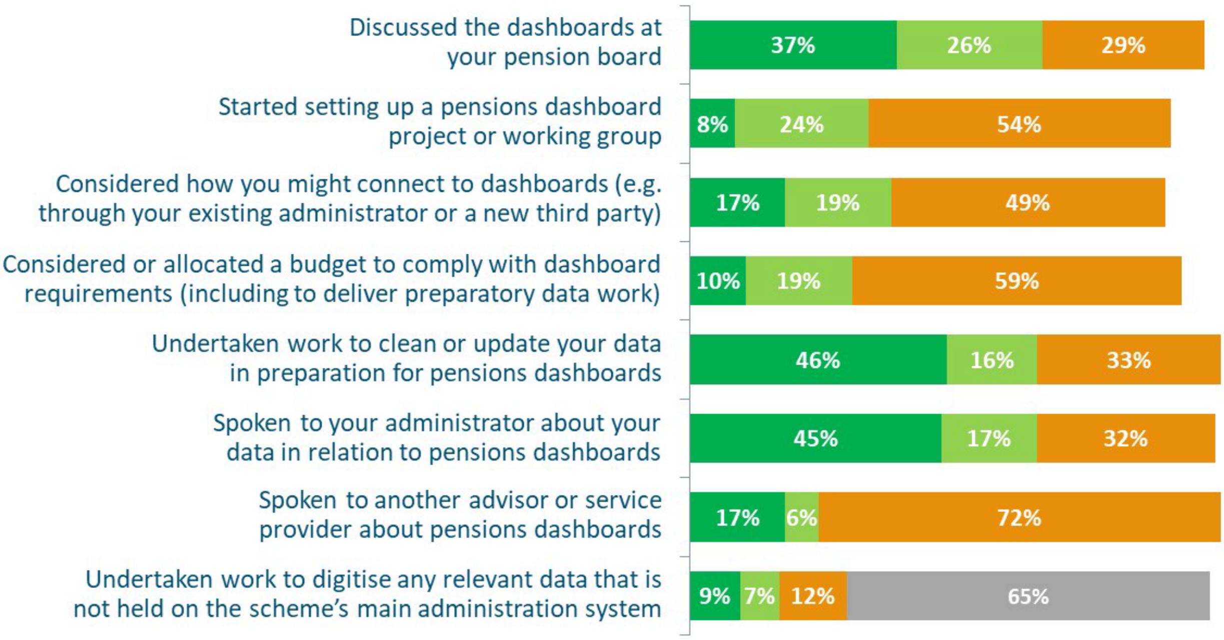
Table 3.10.2 Sources of information about pensions dashboards (trustees only)

	Total	Medium	Large
Visited the PDP website	9%	7%	14%
Received the PDP newsletter	4%	2%	9%
Attended a webinar hosted by the PDP	4%	1%	9%
Engaged with any other material put out by the PDP	10%	10%	12%
Attended an industry event about pensions dashboards	16%	12%	25%
Heard of pensions dashboards through any other source, e.g. trade press	82%	82%	84%
None of these	11%	13%	9%

Base: Trustees of schemes with 100+ members aware of pensions dashboards (Base, Don't know) Total (142, 1%), Medium (85, 1%), Large (57, 2%)

Trustees were then read a list of various actions and asked whether the scheme had already done these, was planning to do them in the next six months, or neither (Figure 3.10.1).

Figure 3.10.1 Preparation for pensions dashboards (trustees only)



Base: Trustees of schemes with 100+ members aware of pensions dashboards (Base, Don't know) Total (142, 3-14%)

The most widespread actions were undertaking work to clean or update their data (46% already done, 16% planning in next six months), speaking to the scheme's administrator about their data (45% done, 17% planning) and discussing dashboards at their pension board (37% done, 26% planning).

Schemes were least likely to have undertaken work to digitise any relevant data not held on their main administration system (9% already done, 7% planning in next six months). However, this was not applicable to 65% of schemes because all of their member records were already held electronically. When these results are analysed based solely on those who held any member records on paper or microfiche, 28% of this group had already undertaken work to digitise relevant data and 23% planned to do this in the next six months.

Table 3.10.3 provides a summary by scheme size, showing the proportions that had either already taken each action or were planning to in the next six months. There were no statistically significant differences by scheme size in this respect.

Table 3.10.3 Proportion that had taken each action or were planning to in the next six months (trustees only)

	Total	Medium	Large
Discussed the dashboards at your pension board	63%	62%	65%
Started setting up a pensions dashboard project or working group	32%	33%	32%
Considered how you might connect to dashboards	37%	32%	48%
Considered or allocated a budget to comply with dashboard requirements	29%	28%	32%
Undertaken work to clean or update your data in preparation for pensions dashboards	62%	64%	56%
Spoken to your administrator about your data in relation to pensions dashboards	62%	65%	57%
Spoken to another advisor or service provider about pensions dashboards	22%	18%	32%
Undertaken work to digitise any relevant data that is not held on the scheme's main administration system	15%	15%	16%
Alternative analysis based just on those holding any member records non-electronically Undertaken work to digitise any relevant data that is not held on the scheme's main administration system	51%	50%	54%

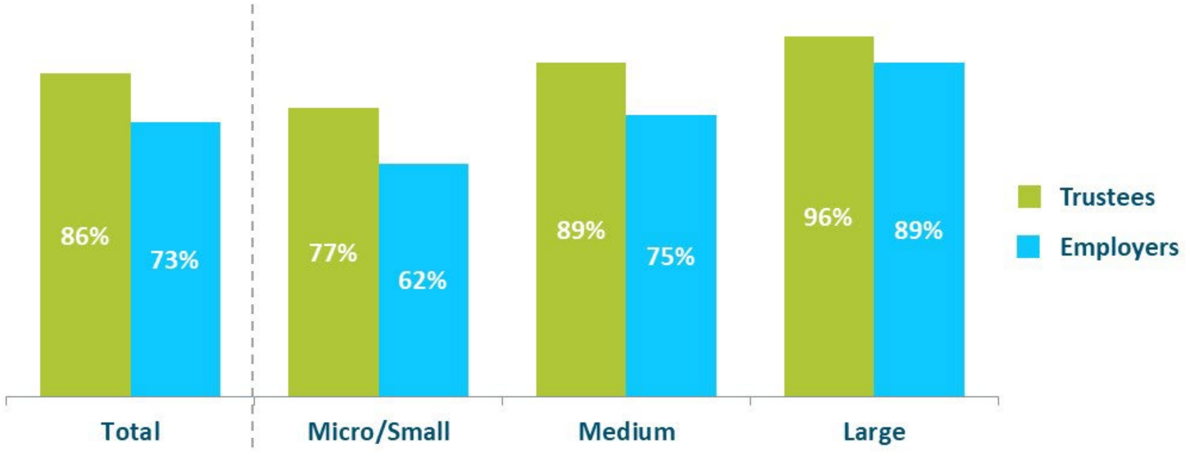
Base: Trustees of schemes with 100+ members aware of pensions dashboards (Base, Don't know)
All trustees - Total (142, 3-14%), Medium (85, 3-18%), Large (57, 2-10%)
All holding any member records non-electronically - Total (43, 9%), Medium (26, 11%), Large (17, 6%)

3.11 Communications campaign

Both trustees and employers were asked whether they were aware of TPR's new criminal powers made by the Pension Schemes Act 2021. As detailed in Figure 3.11.1, the majority of respondents were aware of these powers, with this more likely to be the case among trustees (86%) than employers (73%).

For both audiences, awareness levels increased along with scheme size. Among trustees, awareness was also higher if the scheme had a professional trustee on the board (95% vs. 79%).

Figure 3.11.1 Proportion aware of TPR's new criminal powers



Base: All respondents (Base, Don't know)
Trustees – Total (265, 0%), Micro/Small (101, 1%), Medium (105, 0%), Large (59, 0%)
Employers – Total (138, 0%), Micro/Small (61, 0%), Medium (51, 0%), Large (26, 0%)

Table 3.11.1 shows that a third of trustees (34%) and a quarter of employers (23%) knew either a lot or a fair amount about TPR's policy on these new criminal offences. Among both groups, this proportion was higher among large schemes (51% and 49% respectively).

Table 3.11.1 Knowledge of TPR's policy on new criminal offences

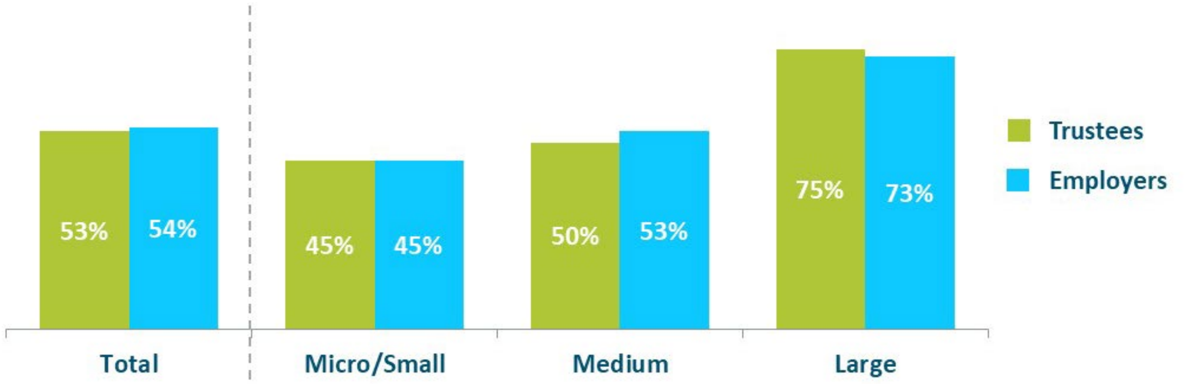
	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
A lot about it	5%	5%	5%	7%	6%	0%	4%	21%
A fair amount	29%	25%	26%	44%	18%	10%	20%	27%
A little bit	44%	39%	49%	41%	43%	41%	49%	34%
Nothing about it	8%	8%	8%	5%	7%	12%	2%	7%
Unaware of TPR's new criminal powers	14%	23%	11%	4%	27%	38%	25%	11%

Base: All respondents (Base, Don't know)
Trustees – Total (265, 0%), Micro/Small (101, 0%), Medium (105, 0%), Large (59, 0%)
Employers – Total (138, 0%), Micro/Small (61, 0%), Medium (51, 0%), Large (26, 0%)

Respondents were referred to the fact that the Pension Schemes Act 2021 also made some changes to TPR's existing contribution notice power. The Act introduced two additional methods for satisfying the 'act' element of the contribution notice power: the employer insolvency test and the employer resources test. Respondents were asked whether they were aware of these prior to the interview. As detailed in Figure 3.11.2, just over half of trustees (53%) and employers (54%) had heard of these new tests prior to interview, with awareness highest among large schemes (75% and 73% respectively).

Among trustees, awareness was higher if the scheme had a professional trustee on the board (64% vs. 45%).

Figure 3.11.2 Proportion aware of the new 'act' tests for TPR's contribution notice power



Base: All respondents (Base, Don't know)
Trustees – Total (265, 2%), Micro/Small (101, 4%), Medium (105, 0%), Large (59, 2%)
Employers – Total (138, 2%), Micro/Small (61, 2%), Medium (51, 2%), Large (26, 4%)

Table 3.11.2 shows that a minority of trustees (18%) and employers (14%) knew either a lot or a fair amount about TPR's updated Code of Practice 12 on circumstances in relation to the material detriment test, as well as those in relation to the new employer insolvency and employer resources tests. However, trustees and employers from large schemes were more likely to know at least a fair amount about this (34% and 42% respectively).

Table 3.11.2 Knowledge of TPR's updated Code of Practice 12

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
A lot about it	5%	3%	6%	7%	3%	0%	0%	18%
A fair amount	13%	10%	11%	27%	11%	5%	11%	24%
A little bit	32%	30%	32%	37%	36%	37%	41%	24%
Nothing about it	2%	2%	2%	3%	3%	3%	2%	7%
Unaware of new 'act' tests	47%	55%	50%	25%	46%	55%	47%	27%

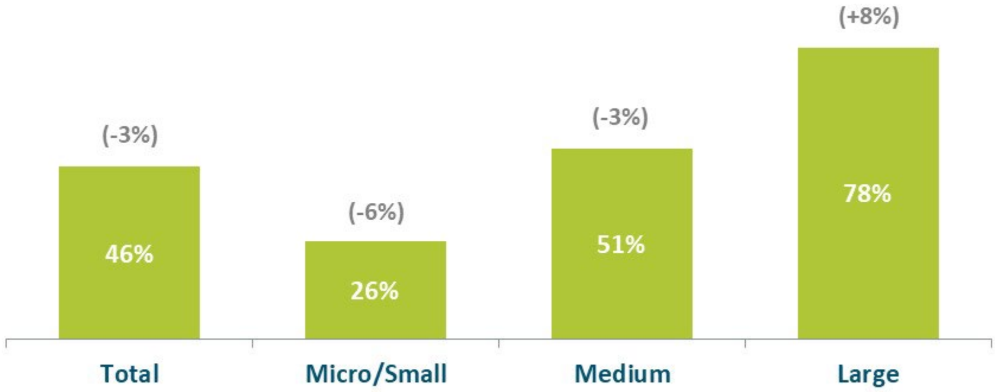
Base: All respondents (Base, Don't know)
Trustees – Total (265, 0%), Micro/Small (101, 0%), Medium (105, 0%), Large (59, 0%)
Employers – Total (138, 0%), Micro/Small (61, 0%), Medium (51, 0%), Large (26, 0%)

3.12 Climate change

Figure 3.12.1 shows the proportion of schemes that had allocated time or resources to assessing any financial risks and opportunities associated with climate change, along with any changes since the 2020 survey of DB schemes (with the percentage point change shown in brackets).

Approaching half (46%) of schemes had allocated time or resources to this, although this increased with scheme size (26% of micro/small, 51% of medium, 78% of large). There were no statistically significant changes in this respect since the 2020 survey.

Figure 3.12.1 Proportion that had allocated time or resources to assessing any financial risks and opportunities associated with climate change (trustees only)



Base: All trustees (Base, Don't know)
Total (265, 2%), Micro/Small (101, 4%), Medium (105, 1%), Large (59, 0%)
Statistically significant increases/decreases from 2020 are highlighted in green/red

Trustees were then asked whether they used various processes to manage climate-related risks and opportunities, with results shown in Table 3.12.1. Please note that the 54% of schemes that had not allocated time or resources to assessing the financial risks/opportunities associated with climate change (or were unsure if they had done this) were not asked this question but have been included in the analysis base and shown separately in the table. Again, the percentage point change since the 2020 survey has been shown in brackets.

Approaching a third of schemes had added climate-related risks to their risk register (30%), a similar proportion had included climate-related issues as a regular agenda item at trustee meetings (29%), and a quarter included, monitored and reviewed targets in the scheme's climate policy (24%). Around one in seven schemes had assigned responsibility for climate-related issues to a trustee or sub-committee (14%).

However, uptake of all these processes increased with scheme size, and over half of large schemes had added climate-related risks to their risk register (59%), included climate-related issues on the agenda at trustee meetings (59%) and included, monitored and reviewed targets in the scheme's climate policy (51%).

Although there was no change since 2020 in the overall proportion of schemes that had allocated time/resources to climate change, there has been increased uptake of most of these processes over this period (most notably among large schemes).

Table 3.12.1 Processes used to manage climate-related risks and opportunities (trustees only)

	Total	Micro/ Small	Medium	Large
Add climate-related risks to risk register	30% *(+9%)*	15% *(+2%)*	31% *(+7%)*	59% *(+29%)*
Include climate-related issues as a regular agenda item at trustee meetings	29% *(+10%)*	16% *(+7%)*	28% *(+4%)*	59% *(+33%)*
Include, monitor and review targets in the scheme's climate policy	24% *(+8%)*	14% *(+8%)*	22% *(+3%)*	51% *(+21%)*
Assign responsibility for climate-related issues to a trustee or sub-committee	14% *(+2%)*	6% *(-4%)*	12% *(0%)*	36% *(+17%)*
None of these (or don't know)	7% *(-8%)*	3% *(-9%)*	10% *(-4%)*	9% *(-13%)*
Not allocated any time or resources to climate change	54% *(+3%)*	74% *(+6%)*	49% *(+3%)*	22% *(-8%)*

Base: All trustees
Total (265), Micro/Small (101), Medium (105), Large (59)

Schemes with a professional trustee on the board were more likely to have all of these processes in place; 39% had added climate-related risks to their risk register (vs. 24% of those with no professional trustee), 34% regularly included climate-related issues on the agenda at trustee meetings (vs. 26%), 33% included, monitored and reviewed targets in their climate policy (vs. 18%), and 22% had assigned responsibility for climate-related issues to a trustee or sub-committee (vs. 8%).

Trustees were also asked whether they had taken various actions on stewardship in order to help with their management of climate risks. As set out in Table 3.12.2, they were most likely to have talked to advisers and asset managers about how this is built into their engagement and voting policies (41%) and asked prospective new asset managers how they include these factors in engagement and voting behaviour (33%).

A further 17% set out their expectations on climate stewardship and approaches in legal documents when outsourcing activities. Schemes were least likely to have joined collaborative engagement efforts on climate change (8%) or signed the UK Stewardship Code (6%).

This picture was consistent with that seen in the 2020 survey, with no statistically significant changes at the total level.

The likelihood of taking all of these stewardship actions increased with scheme size. There were also some differences between those with a professional trustee on the board and those with no professional trustee; the former were more likely to set out their expectations on climate stewardship and approaches when outsourcing activities (22% vs. 13%) and to have signed the UK Stewardship Code (11% vs. 3%).

Table 3.12.2 Stewardship actions taken on climate risk (trustees only)

	Total	Micro/ Small	Medium	Large
Talked to advisers and asset managers about how climate-related risks and opportunities are built into their engagement and voting policies	41% *(0%)*	20% *(-1%)*	45% *(+1%)*	75% *(+8%)*
When appointing new asset managers, asked the prospective manager how they include climate factors in engagement and voting behaviour	33% *(-1%)*	15% *(-7%)*	36% *(-2%)*	66% *(+14%)*
When outsourcing activities, set out in legal documents your expectations on climate stewardship and approaches	17% *(0%)*	8% *(+1%)*	18% *(-2%)*	32% *(+2%)*
Joined collaborative engagement efforts on climate change	8% *(-1%)*	4% *(-3%)*	8% *(+1%)*	17% *(-2%)*
Signed the UK Stewardship Code	6% *(-3%)*	4% *(-1%)*	5% *(-8%)*	15% *(+8%)*
None of these (or don't know)	3% *(-2%)*	5% *(-1%)*	3% *(-2%)*	0% *(-4%)*
Not allocated any time or resources to climate change	54% *(+3%)*	74% *(+6%)*	49% *(+3%)*	22% *(-8%)*

Base: All trustees
Total (265), Micro/Small (101), Medium (105), Large (59)

3.13 TPR codes of practice

Trustees were asked whether they were aware that TPR has codes of practice and, if so, when they last used or consulted any of these.

Table 3.13.1 shows that the vast majority (95%) of respondents were aware of TPR's codes, ranging from 100% of large schemes to 91% of micro/small schemes.

Over half (59%) had consulted any TPR codes in the last year (with 20% doing so within the last three months) and a fifth (19%) had used them but more than 12 months ago. However, 18% had either never consulted any TPR codes or were unaware of them, with this more likely to be the case among micro/small (25%) and medium (18%) schemes than large schemes (4%).

Frequency of using the codes was highest among large schemes. More than a third (36%) of large scheme trustees had consulted any codes in the last three months, compared with 16% of micro/small and medium scheme trustees.

Table 3.13.1 Awareness and use of TPR's codes of practice (trustees only)

	Total	Micro/ Small	Medium	Large
Aware of Codes of Practice	95%	91%	97%	100%
- *Used in the last 3 months*	*20%*	*16%*	*16%*	*36%*
- *Used 3-6 months ago*	*19%*	*20%*	*18%*	*20%*
- *Used 6-12 months ago*	*20%*	*15%*	*24%*	*20%*
- *Used over 12 months ago*	*19%*	*20%*	*19%*	*15%*
- *Never used*	*13%*	*16%*	*15%*	*4%*
Not aware	5%	9%	3%	0%

Base: All trustees (Base, Don't know)
Total (265, 4%), Micro/Small (101, 5%), Medium (105, 4%), Large (59, 5%)

As detailed in Table 3.13.2, half (53%) of trustees had ever consulted Code 3 (funding defined benefits), rising to two-thirds (66%) of large scheme trustees. Over a third had used any other TPR codes and this was again highest for large schemes (61%).

Table 3.13.2 TPR codes of practice used or consulted (trustees only)

	Total	Micro/ Small	Medium	Large
Funding defined benefits (code number 3)	53%	43%	56%	66%
Any other TPR codes of practice	38%	33%	33%	61%
Not aware of or used any TPR codes	18%	25%	18%	4%

Base: All trustees (Base, Don't know/Can't remember, None of these)
Total (265, 15%, 3%), Micro/Small (101, 16%, 4%), Medium (105, 13%, 2%), Large (59, 17%, 2%)

Those trustees that had ever consulted any TPR codes of practice were asked to rate various aspects of these codes, with results shown in Figure 3.13.1.

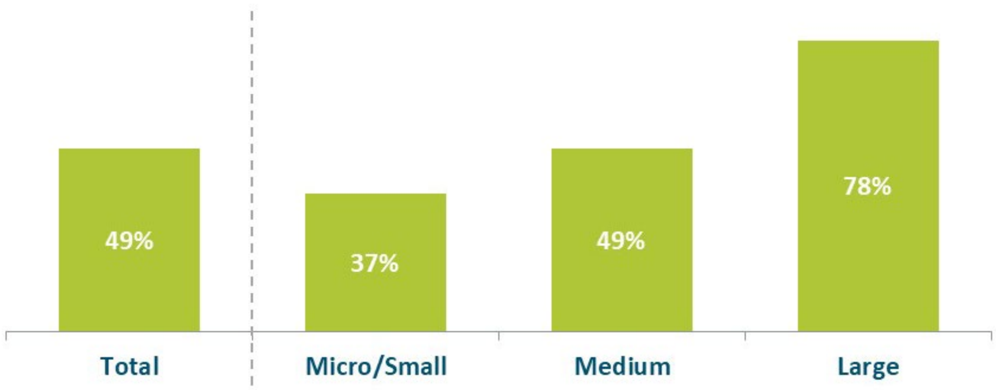
Perceptions of the codes were broadly positive. Over three-quarters felt that it was easy to understand the legal obligations placed on trustees (76%) and to understand TPR's expectations (79%). Slightly lower proportions felt that it was easy to act upon TPR's expectations (67%) and to find what they were looking for in the codes (60%). There were no statistically significant differences by scheme size in this respect.

Figure 3.13.1 Perceptions of TPR codes of practice (trustees only)

Base: All trustees who had used a TPR code (Base, Don't know)
Total (207, 2-7%)

Trustees were asked whether, prior to the interview, they were aware that most of TPR's codes of practice would soon be replaced by a new 'Single Code', which aims to improve scheme governance by being easily accessible and providing a common set of expectations for those involved in the running of all types of scheme. As shown in Figure 3.13.2, half were aware of the new Single Code, ranging from 37% of micro/small scheme trustees to 78% of large scheme trustees.

Figure 3.13.2 Proportion aware of the Single Code (trustees only)

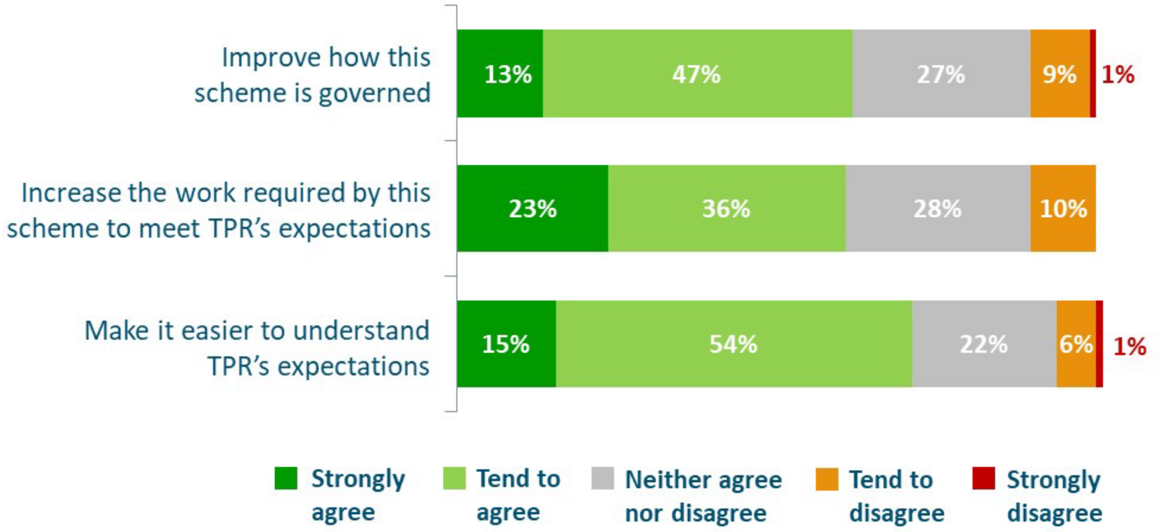


Base: All trustees (Base, Don't know)
Total (265, 2%), Micro/Small (101, 3%), Medium (105, 2%), Large (59, 0%)

Those trustees aware of the Single Code were asked the extent to which they agreed or disagreed that it would improve how their scheme was governed, increase the work required by schemes to meet TPR's expectations, and make it easier to understand TPR's expectations (Figure 3.13.3).

Over two-thirds (69%) agreed that the Single Code would make it easier to understand TPR's expectations, and comparatively few (7%) disagreed with this. Three-fifths (60%) felt that it would improve how their scheme was governed (with 10% disagreeing). However, a similar proportion (59%) agreed it would increase the work required by the scheme to meet these expectations (with 10% disagreeing).

Figure 3.13.3 Perceptions of the Single Code (trustees only)



Base: All trustees aware of Single Code (Base, Don't know)
Total (134, 2-4%)

As shown in Table 3.13.3, perceptions of the Single Code were broadly similar by scheme size. The only statistically significant difference was that trustees of medium schemes were least likely to anticipate an increase in the work required to meet TPR's expectations (49%, compared with 70% of micro/small and 63% of large schemes).

Table 3.13.3 Perceptions of the Single Code by scheme size (trustees only)

Proportion agreeing that the Single Code of Practice will…	Total	Micro/ Small	Medium	Large
Improve how this scheme is governed	60%	67%	60%	52%
Increase the work required by this scheme to meet TPR's expectations	59%	70%	49%	63%
Make it easier to understand TPR's expectations	69%	68%	74%	63%

Base: All aware of Single Code of Practice (Base, Don't know
Total (134, 2-4%), Micro/Small (37, 0-3%), Medium (51, 0-4%), Large (46, 4-6%)

4. Appendix: Underlying data for all figures/charts

This annex provides the underlying data for each of the figures/charts shown in the main body of this report.

Data for 'Figure 3.1.1 Proportion of schemes with an LTO'

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
Yes	88%	82%	90%	95%	87%	84%	90%	87%

Data for 'Figure 3.1.2 Factors influencing the LTO'

		Scheme's funding position	Employer covenant	Scheme's maturity	Employer's risk appetite
Trustees	Key factor	81%	56%	50%	37%
	Consideration	12%	28%	39%	47%
Employers	Key factor	80%	64%	48%	45%
	Consideration	14%	24%	38%	43%

		Trustees' risk appetite	Buy-out market pricing	Anything else
Trustees	Key factor	35%	31%	16%
	Consideration	50%	40%	5%
Employers	Key factor	45%	34%	18%
	Consideration	39%	38%	5%

Data for 'Figure 3.1.3 Link between the LTO and scheme funding (trustees only)'

	Total	Micro/small	Medium	Large
Drives the funding	68%	59%	71%	75%
Purely aspirational	26%	35%	20%	23%

Data for 'Figure 3.2.1 Proportion of schemes with a journey plan (trustees only)'

	Total	Micro/small	Medium	Large
Yes	70%	58%	75%	81%

Data for 'Figure 3.2.2 Whether the technical provisions and investment de-risking are aligned with the journey plan (trustees only)'

	Total	Micro/small	Medium	Large
The technical provisions	91%	92%	90%	94%
Investment de-risking	95%	85%	99%	100%
Net: Both	**87%**	**80%**	**89%**	**94%**

Data for 'Figure 3.2.3 Proportion of schemes with a defined process to review or change the journey plan (trustees only)'

	Total	Micro/small	Medium	Large
Yes	76%	69%	76%	86%

Data for 'Figure 3.3.1 Extent to which covenant risk is considered when setting the LTO, technical provisions, recovery plans and investment strategy (trustees only)'

	The long-term objective *(only asked of those with LTO)*	The technical provisions	The recovery plans	The investment strategy
To a great extent	44%	43%	51%	47%
To some extent	45%	41%	34%	40%
Not at all	9%	9%	11%	9%

Data for 'Figure 3.3.2 Extent to which ongoing monitoring of the covenant is tied into the journey plan (trustees only)'

	Total	Micro/small	Medium	Large
To a great extent	60%	50%	65%	63%
To some extent	35%	44%	31%	31%
Not at all	3%	2%	3%	4%

Data for 'Figure 3.3.3 Proportion looking at deficit volatility to measure the level of risk the covenant can support (trustees only)'

	Total	Micro/small	Medium	Large
Yes	68%	61%	70%	76%

Data for 'Figure 3.3.4 Extent to which the employer's ability to support the scheme was impacted negatively by COVID-19'

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
To a great extent	6%	5%	7%	7%	3%	5%	2%	0%
To some extent	26%	26%	21%	36%	20%	25%	19%	11%
Not at all	68%	68%	72%	58%	76%	70%	79%	83%
Net: Negative impact	**32%**	**31%**	**28%**	**42%**	**23%**	**30%**	**21%**	**11%**

Data for 'Figure 3.3.5 Whether the employer's ability to support the scheme has recovered'

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
Still ongoing	49%	45%	62%	36%	66%	68%	64%	67%
Fully recovered	51%	55%	38%	64%	31%	32%	36%	0%
Don't know	0%	0%	0%	0%	3%	0%	0%	33%

Data for 'Figure 3.4.1 Proportion of schemes with an endgame investment strategy (trustees only)'

	Total	Micro/small	Medium	Large
Yes	51%	48%	52%	59%

Data for 'Figure 3.4.2 Whether scheme has de-risking funding triggers (trustees only)'

	Total	Micro/small	Medium	Large
Yes	45%	33%	50%	58%

Data for 'Figure 3.4.3 Understanding with the employer about how it would support any downside risk (trustees only)'

	Total	Micro/small	Medium	Large
Yes, formal understanding	31%	30%	32%	29%
Yes, informal understanding	54%	53%	53%	59%
No	14%	14%	15%	12%
Net: Any understanding	**85%**	**83%**	**85%**	**88%**

Data for 'Figure 3.5.1 Proportion of schemes with a recovery plan (trustees only)'

	Total	Micro/small	Medium	Large
Yes	71%	76%	69%	63%

Data for 'Figure 3.6.1 Proportion receiving sufficient information from the employer to undertake good risk management (trustees only)'

	Total	Micro/small	Medium	Large
Yes	95%	96%	93%	98%

Data for 'Figure 3.6.2 Confidence in ability to document and articulate approach to risk management (trustees only)'

	Total	Micro/small	Medium	Large
Very confident	58%	42%	64%	73%
Fairly confident	40%	53%	35%	25%
Not particularly confident	2%	3%	1%	2%
Not at all confident	0%	0%	0%	0%
Net: Confident	**97%**	**95%**	**99%**	**98%**

Data for 'Figure 3.6.3 Extent of changes anticipated to scheme funding or investment strategy as a result of the new requirements in the Pension Schemes Act and DB Code'

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
To a great extent	4%	5%	4%	2%	3%	5%	4%	0%
To some extent	44%	40%	46%	47%	44%	46%	41%	48%
Not at all	47%	46%	47%	51%	41%	36%	48%	39%
Net: To any extent	**48%**	**45%**	**50%**	**49%**	**48%**	**51%**	**45%**	**48%**

Data for 'Figure 3.7.1 DB benefit status (trustees only)'

	Total	Micro/small	Medium	Large
Closed to new entrants & closed to future accrual	70%	67%	72%	71%
Closed to new entrants & open to future accrual	22%	23%	22%	22%
Open to new entrants & open to future accrual	3%	1%	5%	3%

Data for 'Figure 3.8.1 Perceived usefulness of TPR resources'

		Interaction with supervision/case teams	Webinars or conferences	Other guidance for DB schemes
Trustees	Very useful	40%	34%	25%
	Fairly useful	50%	56%	68%
	Not particularly useful	6%	6%	5%
	Not at all useful	0%	0%	1%
Employers	Very useful	23%	27%	19%
	Fairly useful	41%	62%	71%
	Not particularly useful	26%	11%	7%
	Not at all useful	0%	0%	1%
		Annual Funding Statement	**COVID-19 guidance**	**Blogs**
Trustees	Very useful	24%	19%	15%
	Fairly useful	63%	58%	63%
	Not particularly useful	9%	20%	12%
	Not at all useful	1%	1%	0%
Employers	Very useful	27%	15%	5%
	Fairly useful	60%	66%	77%
	Not particularly useful	11%	16%	12%
	Not at all useful	1%	2%	7%

Data for 'Figure 3.9.1 Extent to which TPR is perceived to be supportive of superfunds and consolidation'

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
Very supportive	12%	13%	12%	14%	10%	8%	6%	21%
Fairly supportive	34%	32%	35%	32%	33%	24%	39%	41%
Not particularly supportive	11%	13%	12%	3%	15%	13%	19%	11%
Not at all supportive	3%	3%	3%	2%	2%	2%	2%	4%
Don't know	40%	38%	39%	49%	39%	53%	34%	24%
Net: Supportive	**46%**	**45%**	**47%**	**46%**	**43%**	**32%**	**45%**	**62%**
Net: Not supportive	**14%**	**16%**	**15%**	**5%**	**17%**	**15%**	**21%**	**14%**

Data for 'Figure 3.9.2 Extent to which consolidation is an attractive option for the scheme'

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
Very attractive	3%	6%	2%	2%	5%	6%	6%	0%
Fairly attractive	15%	18%	16%	7%	16%	16%	20%	7%
Not particularly attractive	31%	29%	34%	29%	30%	23%	39%	24%
Not at all attractive	40%	34%	38%	59%	30%	24%	23%	56%
Don't know	10%	14%	10%	3%	19%	31%	12%	13%
Net: Attractive	**18%**	**24%**	**18%**	**9%**	**21%**	**23%**	**26%**	**7%**
Net: Not attractive	**71%**	**63%**	**72%**	**88%**	**59%**	**47%**	**62%**	**80%**

Data for 'Figure 3.9.3 Appeal of different consolidation models'

		Master trusts	Superfunds	Streamlined advisory models	Other emerging models for de-risking & journey planning
Trustees	To a great extent	8%	8%	10%	8%
	To some extent	50%	35%	24%	37%
	Not at all	15%	25%	23%	23%
	Don't know	27%	31%	43%	31%
Employers	To a great extent	10%	7%	3%	8%
	To some extent	57%	52%	43%	48%
	Not at all	17%	19%	37%	31%
	Don't know	16%	22%	17%	13%

Data for 'Figure 3.10.1 Preparation for pensions dashboards (trustees only)'

	Discussed the dashboards at your pension board	Started setting up a pensions dashboards project or working group	Considered how you might connect to dashboards (e.g. through your existing administrator or a new third party)	Considered or allocated a budget to comply with dashboard requirements (including to deliver preparatory data work)
Done this	37%	8%	17%	10%
Planning in next 6 months	26%	24%	19%	19%
Neither	29%	54%	49%	59%
N/A	-	-	-	-
	Undertaken work to clean or update your data in preparation for dashboards	**Spoken to your administrator about your data in relation to pensions dashboards**	**Spoken to another advisor or service provider about pensions dashboards**	**Undertaken work to digitise any relevant data that is not held on the scheme's main administration system**
Done this	46%	45%	17%	9%
Planning in next 6 months	16%	17%	6%	7%
Neither	33%	32%	72%	12%
N/A	-	-	-	65%

Data for 'Figure 3.11.1 Proportion aware of TPR's new criminal powers'

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
Yes	86%	77%	89%	96%	73%	62%	75%	89%

Data for 'Figure 3.11.2 Proportion aware of the new 'act' tests for TPR's contribution notice power'

	Trustees				Employers			
	Total	Micro/ small	Medium	Large	Total	Micro/ small	Medium	Large
Yes	53%	45%	50%	75%	54%	45%	53%	73%

Data for 'Figure 3.12.1 Proportion that had allocated time or resources to assessing any financial risks and opportunities associated with climate change (trustees only)'

	Total	Micro/small	Medium	Large
Yes	46%	26%	51%	78%
Change from 2020 survey	*-3%*	*-6%*	*-3%*	*+8%*

Data for 'Figure 3.13.1 Perceptions of TPR codes of practice (trustees only)'

	Find what you are looking for	Understand the legal obligations placed on trustees	Understand TPR's expectations	Act upon TPR's expectations
Very easy	11%	13%	11%	9%
Quite easy	49%	64%	68%	59%
Neither easy nor difficult	27%	13%	12%	19%
Quite difficult	6%	6%	6%	8%
Very difficult	0%	1%	0%	0%

Data for 'Figure 3.13.2 Proportion aware of the Single Code (trustees only)'

	Total	Micro/small	Medium	Large
Yes	49%	37%	49%	78%

Data for 'Figure 3.13.3 Perceptions of the Single Code (trustees only)'

	Improve how this scheme is governed	Increase the work required by this scheme to meet TPR's expectations	Make it easier to understand TPR's expectations
Strongly agree	13%	23%	15%
Tend to agree	47%	36%	54%
Neither agree nor disagree	27%	28%	22%
Tend to disagree	9%	10%	6%
Strongly disagree	1%	0%	1%