



Briefing note – Scheme Returns

Introduction

The Pensions Regulator (TPR) requires trustees or employers of registered pension schemes to complete a Scheme Return on a regular basis, detailing key pieces of information about the scheme itself, scheme membership, and the assets it holds.

For trustees of Defined Benefit and Hybrid Pension Schemes, this falls every year in March, and TPR issues a ‘Scheme Return notice’ when this is due. Hybrid schemes are those that have defined benefit and defined contribution schemes.

This note gives some detail on what’s new for Defined Benefit and Hybrid Scheme Returns this year and a reminder of some of the key deadlines.

What is it used for?

The Pensions Regulator maintains a register of pension schemes and uses the return to gather comparable information across all schemes. This can help them to identify schemes where there’s a risk or potential risk to members’ benefits and enables them to calculate annual levy charges.

TPR also passes scheme information to the Pension Protection Fund (PPF) for the purposes of calculating your scheme’s PPF levy, and the Pension Tracing Service.

What’s New?

In recent years, Scheme Returns have been completed in a single form via TPR’s Exchange system. This year sees some changes, with the Scheme Return being completed in two parts:

- **Part 1** – TPR have introduced some new questions, to be completed via a separate questionnaire. This will be emailed to the nominated Scheme Return contact for each scheme from either paperlessSRN@thepensionsregulator.gov.uk or surveys@email.formspromicrosoft.com
- **Part 2** – the usual Scheme Return form to be completed via Exchange. Again, this will be emailed to the nominated scheme Return contact for each scheme, or you can access it by logging in to Exchange at <https://login.thepensionsregulator.gov.uk>

The new questions included in Part 1 are expected to be included in the usual Exchange submission in future years but are gathering additional information, primarily linked to recent legislative changes (where applicable).

The table below sets out the new questions and the schemes to which they are applicable:

Question	Applicable Schemes
Website address where the Statement of Investment Principles and Implementation Statement have been published	Schemes with 100 or more members
Website address where the climate change report has been published	Schemes with relevant assets of £5 billion or more
The Trustee assessment of the employer covenant grading	All schemes – if available
Information about the more detailed value for members (VFM) assessment	Hybrid schemes with total assets less than £100m
Website address where relevant sections of the Chair’s statement have been published	Hybrid schemes

Please speak to your usual Broadstone contact if you are uncertain about whether the changes are applicable to your scheme.

In addition, TPR has been unable to update Exchange to enable users to select the latest s179 valuation guidance and assumptions. If your scheme’s latest s179 valuation has an effective date on or after 1 May 2021 and you have used the latest guidance and assumptions, TPR have advised that you should complete the s179 section of the Scheme Return for your latest valuation as normal but select guidance version G8 and assumption version A9. The PPF will then contact you to clarify the approach taken before calculating your levy.

Employer covenant assessment

The key new question in Part 1 relates to the trustees assessment of the employer covenant.

It is important to note that this is an assessment by the trustees and does not necessarily have to be one conducted by an independent firm. It could be the assessment you made for the last triennial valuation. However, you may want to consider how your view has changed following subsequent updates from the employer in order to record a more recent assessment.

Some trustees may not have formally assessed the employer covenant in the neat ratings that TPR would like:

Covenant grading 1 – Strong

Covenant grading 2 - Tending to strong

Covenant grading 3 - Tending to weak

Covenant grading 4 – Weak

Please speak to us if you want to better understand how these ratings might translate to your circumstances. It is possible to note that an assessment hasn't been made, although we would want to discuss with you the potential implications of this submission as it may raise a red flag with TPR.

Deadlines – Scheme Return

31 January 2022

Scheme Returns to be issued to nominated Scheme Return contacts from this date

8 February 2022

If you are the nominated Scheme Return contact for your scheme, and you haven't received your Scheme Return notices (Parts 1 and 2), contact TPR (after first checking 'spam' folders).

31 March 2022

Deadline to submit completed Scheme Return on Exchange and answer the additional questions via the online form provided.

PPF Levy related deadlines

In addition to the Scheme Return, this time of year is also busy for PPF Levy related deadlines

Employer failure score

In April, Dun & Bradstreet will issue the final monthly insolvency risk scores for the 22/23 levy year. The 12 monthly scores produced between April and March will be used to generate employer mean scores in July.

31 March 2022

Together with the Scheme Return, 31 March is also the deadline for the certification of any contingent assets and Asset Backed Contributions. Guarantor Strength reports or other backing data are also required to be emailed across by 5pm on 1 April.

29 April 2022 (5pm)

This is the deadline for certifying deficit reduction contributions.

Transfers

Exempt transfers to be submitted by **22 April 2022** and any block transfer certifications to be submitted by **30 June 2022**.

Broadstone Comment

We are very familiar with the Scheme Return process by now, and it is not unusual for TPR to make changes to the questions it asks to help monitor engagement with key messaging and new legislation. We have established systems in place to ensure that those Scheme Returns we submit on the trustees' behalf are completed accurately and in a timely manner.

If you've had any changes in key personnel, we would encourage all trustees to check the contact details currently saved on Exchange are up to date. Ultimately it is the trustees' responsibility to ensure information submitted to TPR is correct, but we will work with you to achieve this.

Contact

Please contact your usual Broadstone contact if you have any questions about the completion of your Scheme Return.

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