Second Floor (206) ▪ 40 Gracechurch Street ▪ London EC3V 0BT
020 3102 6763 ▪ www.aca.org.uk

PRESS RELEASE

ACA Chair comments on TPR Annual Funding Statement as more DB schemes look to run-on

6 May 2026: ACA Chair, Stewart Hastie comments on the Annual Funding Statement issued by The Pensions Regulator today as follows:

"The Regulator's annual funding statement continues to show the growth in healthy pension scheme funding levels with some 80% of the 5,000 UK defined benefit schemes now estimated to be fully funded on a low risk, low dependency basis. Only 10% are estimated to have a shortfall on a cash funding (or technical provisions) basis.

"It is a very different landscape to the one in which the Pensions Regulator started over 20 years ago. We support the Regulator's call for most DB schemes to be considering their endgame options and developing their "surplus policy" – particularly, in light of the new surplus release flexibility coming into effect with the Pensions Schemes Bill recently receiving Royal Assent.

"The next step on DB surplus is really important and we are seeing an increasing number of schemes looking at running on for several years rather than insuring at the earliest opportunity. Getting the secondary legislation and Regulator guidance just right is critical to supporting trustees and sponsors in taking an approach that reflects the varied characteristics and history specific to their own scheme and associated employer or sponsor. In what can be an emotive subject, it will be important to use appropriate terminology and language to support the right behaviours, recognising the requirement for solvent employers to fund DB schemes prudently meant that DB schemes were always expected to end up in surplus at some point.

"Interestingly, in this year's statement, the Regulator starts to differentiate between those schemes that are above 110% low dependency funded (some 60% of 5,000 schemes) and those between 100% and 110% funded (some 20% of schemes) perhaps giving some indication of how it might approach the DB surplus guidance expected towards the end of this year. More imminently, the Regulator has also confirmed that it intends to issue a further statement alongside the DWP's draft Regs, to provide early views on the issues trustees should consider around surplus release."

Contacts for further information:

Stewart Hastie, ACA Chair, at stewart.hastie@isio.com or 07799 893797
David Robertson, ACA Secretariat, at david.robertson@aca.org.uk or 020 3102 6763

About the Association of Consulting Actuaries (ACA)

Members of the ACA provide advice to thousands of pension schemes, including most of the country's largest schemes. Members of the Association are all qualified actuaries and all actuarial advice given is subject to the Actuaries' Code. Advice given to clients is independent and impartial. ACA members include the scheme actuaries to schemes covering the majority of members of private sector defined benefit pension schemes. The ACA is the representative body for UK consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body. The ACA is celebrating its 75th Anniversary this year.

Association of Consulting Actuaries Limited
Registered Office: 10 St James Road Wokingham RG40 4RT
Registered in England No. 10184138
Registered under the Data Protection Act ZA330750
Privacy Statement: https://aca.org.uk/privacy-accessibility-statement/