From the Chair

Lesley Titcomb
Chief Executive, The Pensions Regulator
Napier House
Trafalgar Place
Brighton, BN1 4DW

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Dear Chair,

Charities with defined benefit pension schemes

Numerous charities are directly or indirectly responsible for defined benefit pension schemes. Charitable organisations are exposed to many of the factors that have created difficulties elsewhere in the DB pension landscape and are additionally faced with the challenge of fundraising to fulfil their charitable purpose while also shouldering the burden of historic pension liabilities.

The scale of this challenge and the implications for covenant strength are a matter of concern. Might I therefore please ask the following:

- How many defined benefit schemes have a registered charity as a) their principal sponsoring employer or b) ultimate parent/owner of the principal sponsoring employer?

- What percentage of these schemes were in deficit at their last triennial valuation, and how does this percentage compare to all defined benefit schemes?

- What is the a) median, b) upper quartile, c) 95th percentile recovery plan length of these schemes in years, and how do these figures compare with all schemes?

- How are these schemes distributed across TPR’s four covenant groups (Strong, Tending to Strong, Tending to Weak, Weak) and how does this compare with the distribution of all DB schemes?

Best wishes,

Rt Hon Frank Field MP
Chair