Pension Protection Fund

PPF 7800 index
31 October 2026

The PPF 7800 index (the index) tracks the funding status of the PPF-eligible universe of defined benefit pension schemes. A monthly update of numbers first featured in the PPF's annual Purple Book publications[1], the index uses the latest scheme return information provided to The Pensions Regulator (TPR) and a roll-forward methodology to estimate figures as at the latest month-end.

A note on changes to the PPF 7800 Index

In April, the Pension Schemes Act 2026 received Royal Assent, requiring us to pay prospective indexation starting from 2027 for service accrued pre-1997 for members of schemes who provided this as a right. As well as schemes that have already transferred to the PPF, this will also impact the s179 liabilities of schemes in the PPF universe. We intend to reflect the impact of these changes in the PPF 7800 index in due course.

Highlights

Item	Last month	This month	Change
Aggregate funding position	£280.7bn surplus	£275.4bn surplus	- £5.3bn
Funding ratio	135.0%	133.7%	- 1.3pp
Total scheme assets	£1,081.9bn	£1,091.7bn	+ 0.9%
Total scheme liabilities	£801.2bn	£816.3bn	+ 1.9%
Deficit of schemes in deficit	£20.5bn	£21.2bn	+ £0.7bn
Number of schemes in universe	4,838	4,838	No change

A running history of the monthly changes to the index is available via the link to the index history on our PPF 7800 index home page.[2] Note 4 on page 6 summarises how our calculation methodology has changed over time.

Liability values in the index are according to the section 179 (s179) measure. S179 liabilities represent, broadly speaking, what would have to be paid to an insurance company to take on the payment of PPF levels of compensation (rather than full scheme benefits).

[1] https://ppf.co.uk/Purple-Book

[2] https://ppf.co.uk/ppf-7800-index

7800 statistics

No allowance for indexation on pre-97 pension

Item	One year ago	Last month	This month	Change over the...	
				Month	Year
Aggregate funding position	£254.9bn surplus	£280.7bn surplus	£275.4bn surplus	- £5.3bn	+ £20.5bn
Funding ratio	129.5%	135.0%	133.7%	- 1.3pp	+ 4.2pp
Total scheme assets	£1,119.9bn	£1,081.9bn	£1,091.7bn	+ £9.8bn / 0.9%	- £28.2bn / 2.5%
Total scheme liabilities	£865.0bn	£801.2bn	£816.3bn	+ £15.1bn / 1.9%	- £48.7bn / 5.6%
Deficit of schemes in deficit	£19.3bn	£20.5bn	£21.2bn	+ £0.7bn	+ £1.9bn
Total number of schemes	4,838	4,838	4,838	No change	No change
Number / % of schemes in deficit	1,012 / 20.9%	979 / 20.2%	1,006 / 20.8%	+ 27 / 0.6pp	- 6 / 0.1pp
Number / % of schemes in surplus	3,826 / 79.1%	3,859 / 79.8%	3,832 / 79.2%	- 27 / 0.6pp	+ 6 / 0.1pp
Dataset / assumptions	Purple 25 / A11	Purple 25 / A11	Purple 25 / A11	No change	No change

Market movements

Equity markets and gilt yields are the main drivers of funding positions. S179 liabilities are sensitive to the yields available on a range of fixed-interest and index-linked gilts. Liability values are time-sensitive in that, even if gilt yields were unchanged, and ignoring the impact of scheme cashflows and PPF drift (see note 4 on page 6 for more information), they increase as the point of payment approaches. This unwinding-of-discounting effect amounts to around 0.4 to 0.5 per cent a month in the current environment.

The value of scheme assets is affected by the change in prices of all asset classes, but owing to the volume invested and the volatility, equities and bonds are the biggest drivers behind changes – bonds dominate the asset allocation, but equities tend to be more volatile.

The following table sets out the changes in some of the key market indicators in the month and year to 31 October 2026.

	Change over the...	
Market indicator	**Month**	**Year**
10-year fixed-interest gilt yield*	-11bps	87bps
15-year fixed-interest gilt yield*	-15bps	73bps
20-year fixed-interest gilt yield*	-19bps	66bps
5–15-year index-linked gilt yield*	-11bps	44bps
FTSE All-Share Total Return Index	1.1%	13.9%
FTSE All-World Ex-UK Total Return Index	-2.7%	10.3%

* FTSE Actuaries UK gilt yields

Chart 1: Movements in UK gilt yields (source: LSEG)

15-year FI gilt yields have been above 5% p.a. since March 2026

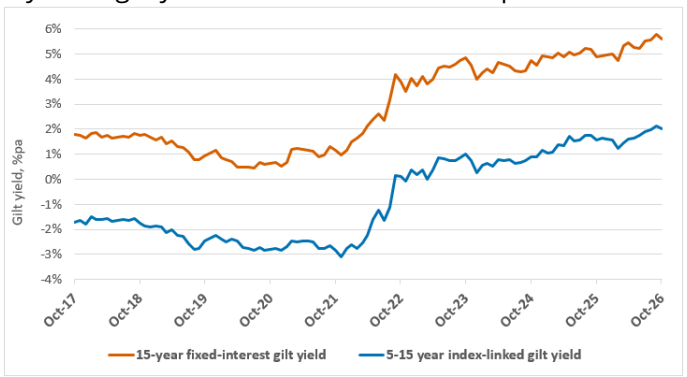
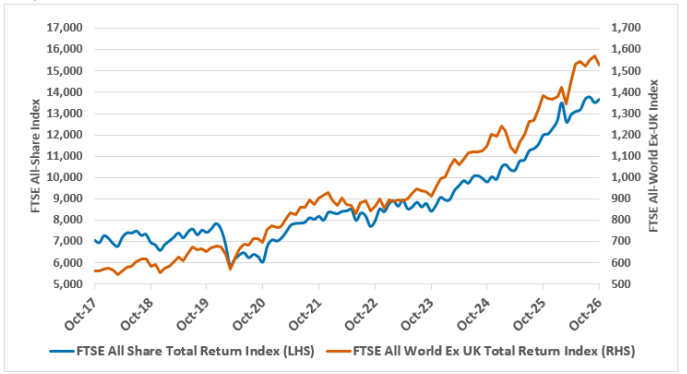


Chart 2: Movements in equity indices (source: LSEG)

Equity indices shown have continued to increase since March 2020



7800 charts

Chart 3: Historical aggregate funding position[3] and funding ratio[4] of the PPF universe

Aggregate funding levels have gradually risen since March 2024[5]

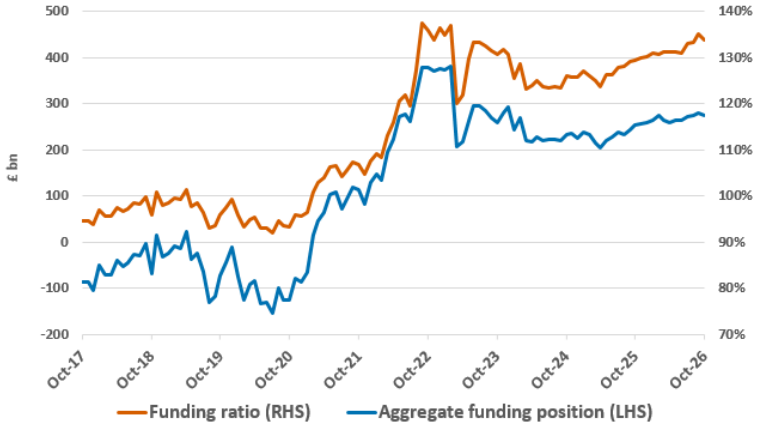


Chart 4: Historical aggregate assets and liability values

Asset and liability values have generally been falling since late 2021[5]

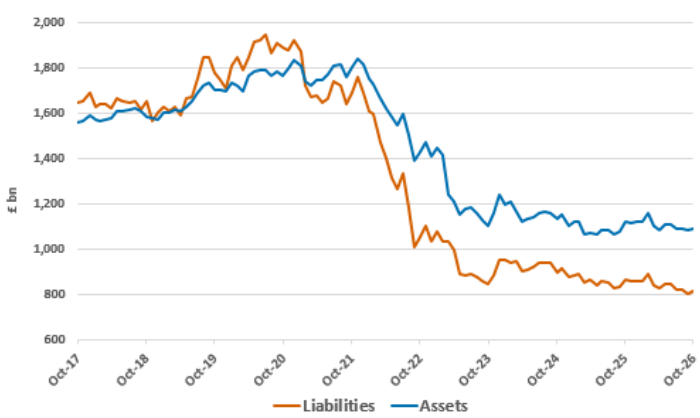


Chart 5: Distribution of liability values, by funding ratio

Around 15% of scheme liabilities relate to underfunded schemes

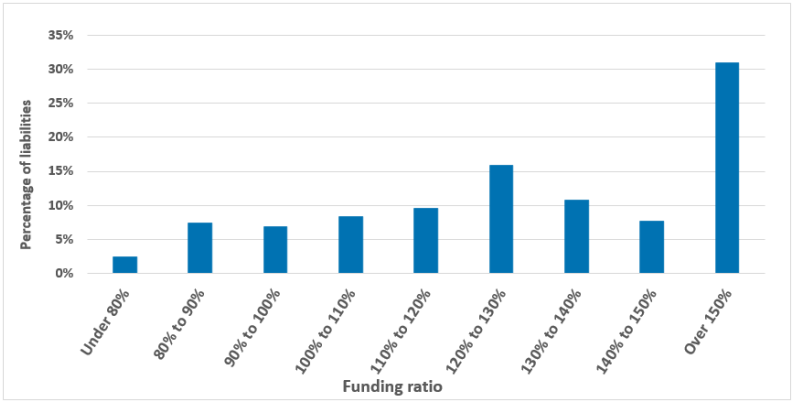


Chart 6: Historical s179 deficit (surplus) for schemes in deficit (surplus)

Aggregate deficit of schemes in deficit has been under £50bn for 4 years[5]



[3] The difference between assets and liabilities

[4] Assets as a percentage of liabilities

[5] Figures from March 2023 onwards are calculated under the new roll-forward methodology – see note 4 on page 6 for further details

Chart 7: Historical percentage of schemes in deficit on an s179 basis
Around 20% of schemes are in deficit, down from around 60% six years ago[6]



Note: From time to time, we make changes to the actuarial assumptions used to value schemes on an s179 measure. The most recent change was made in May 2023 and implemented in the end of May 2023 PPF 7800 index. This served to reduce the number of schemes in deficit by 129 (2.6 per cent of the number of schemes in the universe).

We produce the PPF 7800 in accordance with the UK Statistics Authority Code for official statistics which came into force in February 2009.

The PPF 7800 monthly results are shared in advance of publication with the following relevant parties, in line with the Pre-release Access to Official Statistics Order 2008:

- The office of the Pensions Minister (DWP)
- Defined Benefit Pensions Policy leads and economists, Pensions and Later Life Analysis (DWP)
- Actuarial leads – strategy, policy and analysis (TPR)

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[6] Figures from March 23 onwards are calculated under the new roll-forward methodology – see note 4 on page 6 for further details.

Notes

1. The PPF universe
The PPF covers certain occupational defined benefit pension schemes and defined benefit elements of hybrid schemes. More information about eligible schemes is on our website at: https://www.ppf.co.uk/levy-payers/what-levy-and-who-has-pay-it/your-scheme-eligible

2. PPF compensation
For members who have reached their scheme's normal pension age or are already in receipt of a survivor's pension or pension on the grounds of ill health, the PPF will generally pay compensation at the 100 per cent level, i.e., these members will not see any reduction in retirement income when their scheme's sponsor becomes insolvent. For most people below their scheme's normal pension age the PPF will generally pay compensation at the 90 per cent level. Increases in future payments for members may not be as much as they would have been under the original pension schemes. More information about PPF compensation is on our website: https://www.ppf.co.uk/what-it-means-ppf

3. s179 – one of many different funding measures
s179 is one particular measure of funding. The change in the deficit of schemes in deficit on an s179 basis is an illustration of the impact of changes in financial markets on the PPF's total exposure. Schemes in surplus on an s179 basis at the time of insolvency usually do not enter the PPF.

In addition to s179, there are many different measures of a scheme's funding position. Among the other common measures are full buy-out (what would have to be paid to an insurance company for it to take on the payment of full scheme benefits), IAS19 or FRS102 (the measures used in UK company accounts), and Technical Provisions (as used in the UK's scheme funding regime). The different measures can give different levels of scheme funding at any point in time and move differently over time.

4. Methodology (asset and liability roll-forward)
The figures shown throughout this document are based on adjusting the scheme valuation data supplied to TPR as part of schemes' annual scheme returns, including Deficit Reduction Contribution (DRC) certificates. The figures quoted after March 2023 have been calculated by rolling forward the asset and s179 liability values in the following way.

- We roll forward asset values using the submitted asset split information and the change in benchmark asset indices over the period.
  - We use a range of indices here to better match the more granular asset categorisation captured in the scheme returns. This is not the same as the methodology used in the PPF levy calculations. This methodology will generally only allow for unfunded LDI arrangements, such as interest rate swaps, to the extent that the exposure is reflected in the asset split information submitted. However, our modelling includes some broad assumptions about the presence of short-duration bond holdings not artificially reducing the hedging proportion of long-liability-duration schemes.

- We add DRCs that have been submitted by schemes for levy purposes[7] to the asset values submitted in s179 valuations. These DRCs represent the contributions made by the sponsoring employer between the s179 valuation date and 31 March 2025 after allowing for deductions for items such as additional benefit accrual and benefit augmentations.
- Additionally, we make allowance for benefits paid out and contributions made over the roll-forward period, including for DRCs since those certified in the scheme return. In some cases we produce our own estimates and compare these to ONS data, in others we use ONS data directly.

- We roll forward the s179 liability values to, and convert to the version of the s179 assumptions in force at, a particular date, according to changes in reference gilt yields over the period.
  - We include an allowance for benefits paid out, as well as for the estimated cost of new benefit accrual.
  - In addition, the liability calculations allow for actual inflation differing from expected and PPF drift over the roll-forward period.[8]

Regardless of these features, our roll-forward methodology remains approximate in nature and the modelling necessarily features a number of estimations and judgements.

Prior to March 2023, the asset and liabilities were rolled forward consistently with the levy determination in force at the time, with an allowance for DRCs paid to the latest scheme return date. As there was no allowance for benefit payments within this methodology, the assets and liabilities will have been overstated from their 'true' values, however the aggregate funding position will have been broadly reasonable.

5. Estimating the impact of changes in market conditions on the PPF 7800 index

We have developed a number of 'rules of thumb' to estimate the impact of changes in asset prices and gilt yields on scheme assets and s179 liabilities. For example:

- A 7.5 per cent rise in equity markets boosts aggregate scheme assets by 1.4 per cent while a 0.3 percentage point rise in gilt yields reduces scheme assets by 3.6 per cent.
- A 0.3 percentage point rise in gilt yields reduces aggregate scheme liabilities by 3.7 per cent.

Strictly speaking, the rules of thumb only apply to small changes from the level as at 31 March 2025. More information can be found in Chapter 5 (Funding sensitivities) of the Purple Book 2025.

6. The Purple Book 2025 dataset

The schemes in the Purple Book 2025 dataset are estimated to include over 99 per cent of liabilities of PPF eligible schemes. We update this dataset annually, through a standard procedure, in each Purple Book and subsequent 7800 index publications.

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[7] For more information see the 2024/25 DRC appendix and guidance on our website: https://www.ppf.co.uk/levy-payers/levy-2024-25

[8] The definition of PPF drift can be found on page 45 of the glossary in the Purple Book 2025.

7. Estimated impact of awarding indexation for service accrued pre-1997

In April, the Pension Schemes Act 2026 received Royal Assent, requiring us to pay prospective indexation starting from 2027 for service accrued pre-1997 for members of schemes who provided this as a right. In the Purple Book 2025, we estimated* allowing for pre-97 indexation could increase universe s179 liabilities by just under 12 per cent, as at 31 March 2025. However, there is no direct impact on the funding measures for most schemes such as Technical Provisions (TPs) or buyout. It's also important to note that legislation is still subject to Parliamentary scrutiny and some details will be set in regulations. The actual impact will depend on the final legislation that is brought into force.

* The estimate is an illustrative scenario only, where we've assumed indexation to be: prospective only, CPI inflation capped at 2.5 per cent per year (i.e. the same as PPF compensation in respect of pension accrued after 5 April 1997 currently receives), applied only to schemes that give non-nil increases, with no consideration of GMP in this particular calculation. The result would be different under different criteria/assumptions.