

# 10

## Claims and schemes in assessment

This chapter looks at characteristics of schemes that were in a PPF assessment period as at 31 March 2021. Once they have made a claim, all schemes go through an assessment period to determine their ability to pay PPF levels of compensation before they are able to enter the PPF.

### Summary

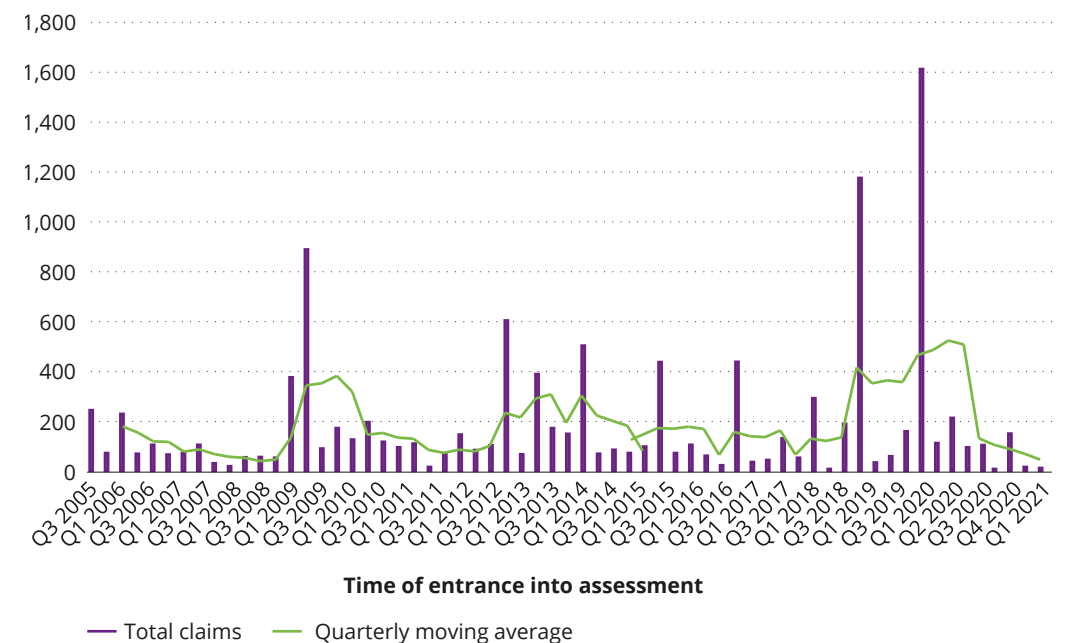
- The changes over the year since 31 March 2020 reflect new schemes entering and remaining in assessment, schemes transferring into the PPF and schemes being rescued, rejected or withdrawn.
- The following table sets out some of the statistics about schemes in PPF assessment<sup>16</sup> as at 31 March 2021, including comparisons with both the previous year and schemes in the universe.

		31 March 2021	31 March 2020
Schemes in assessment <sup>17</sup>	Number of schemes	<b>87</b>	80
	Number of records in respect of all members <sup>18</sup>	<b>98,000</b>	159,000
	Total assets	<b>£8.6bn</b>	£10.3bn
	Total PPF liabilities	<b>£9.4bn</b>	£13.6bn
	Funding ratio	<b>91%</b>	76%
Schemes in universe	Funding ratio	<b>103%</b>	95%

### Schemes entering assessment

**Figure 10.1 | Total s179 claims for schemes entering an assessment period**

The total s179 deficit of the 30 schemes that entered assessment in the year to 31 March 2021 was £182 million – the lowest annual total since the PPF's inception.



Source: PPF

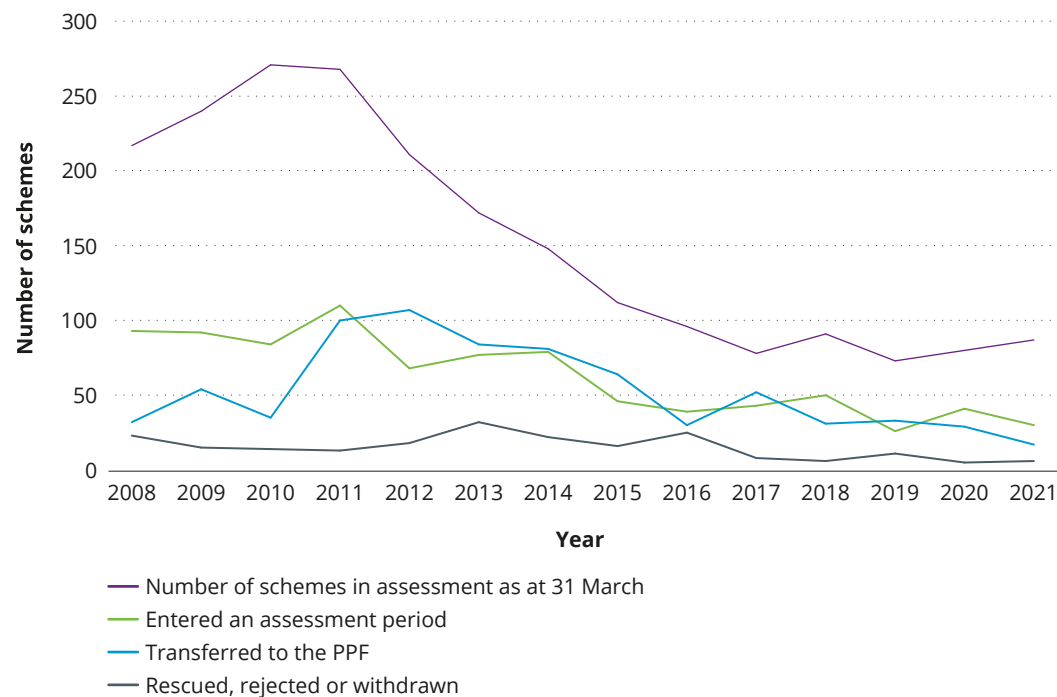
<sup>16</sup> For the purpose of this chapter we treat separate sections and segregated parts of the same scheme as one single scheme. We also include overfunded schemes. This is different from the approach in the PPF's Annual Report and Accounts which treats all segregated parts of schemes as separate schemes, and generally excludes overfunded schemes.

<sup>17</sup> These figures differ from those in the Annual Report and Accounts because of the exclusion of expected reapplications in *The Purple Book* and the use of a different set of actuarial assumptions.

<sup>18</sup> Some members have more than one record in the data.

**Figure 10.2 | Number of schemes in assessment each year as at 31 March**

87 schemes were in PPF assessment at 31 March 2021, up from 80 last year.



Note: the figures in the chart exclude those schemes that came into assessment and were subsequently rescued, rejected or withdrawn in the same year.

Source: PPF

**Figure 10.3 | Funding statistics for schemes in assessment each year as at 31 March**

The funding ratio of schemes in assessment at 31 March 2021 increased to its highest ever level of 91 per cent, from last year's 76 per cent. This increase was mainly due to a large underfunded scheme transferring to the PPF during the year to 31 March 2021.

Year	Assets (£bn)	Liabilities (£bn)	Surplus (£bn)	Funding ratio	Universe funding ratio
2007	4.0	4.7	-0.7	85%	109%
2008	4.2	5.4	-1.2	78%	99%
2009	6.7	9.4	-2.8	71%	80%
2010	8.9	10.0	-1.1	89%	104%
2011	9.5	10.9	-1.4	87%	100%
2012	6.2	8.4	-2.2	74%	83%
2013	5.8	7.6	-1.8	77%	84%
2014	5.8	7.6	-1.7	77%	97%
2015	5.3	7.5	-2.3	70%	84%
2016	5.0	7.4	-2.4	68%	86%
2017	5.6	6.6	-1.0	85%	91%
2018	6.9	9.3	-2.4	74%	96%
2019	7.7	11.2	-3.5	69%	99%
2020	10.3	13.6	-3.3	76%	95%
2021	8.6	9.4	-0.8	91%	103%

Note: the components may not sum to the total because of rounding. Also the ratios of the components may not equal the aggregate ratios because of rounding.

Source: PPF

**Scheme demographics**

**Figure 10.4 | Percentage of schemes and percentage of £179 liabilities grouped by size of liabilities for schemes in assessment as at 31 March 2021**

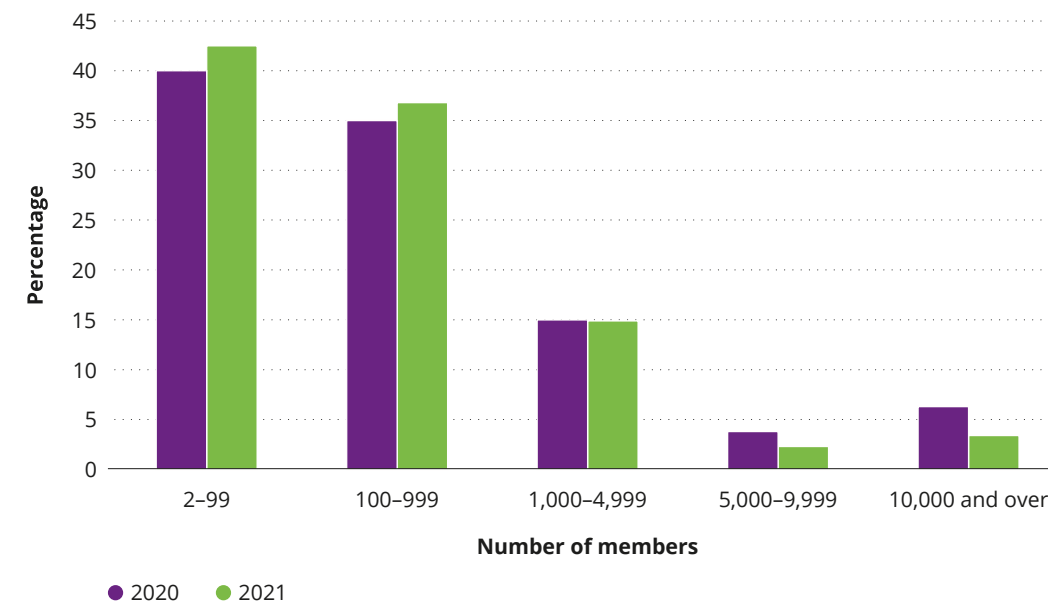
Schemes in PPF assessment that have liabilities of over £250 million represent around nine per cent of schemes and 63 per cent of liabilities.



Source: PPF

**Figure 10.5 | Proportion of schemes in assessment by membership size**

Around 80 per cent of schemes in assessment have fewer than 1,000 members.



Source: PPF

Claims and schemes in assessment continued

**Figure 10.6 | Maturity of schemes in assessment by membership size**

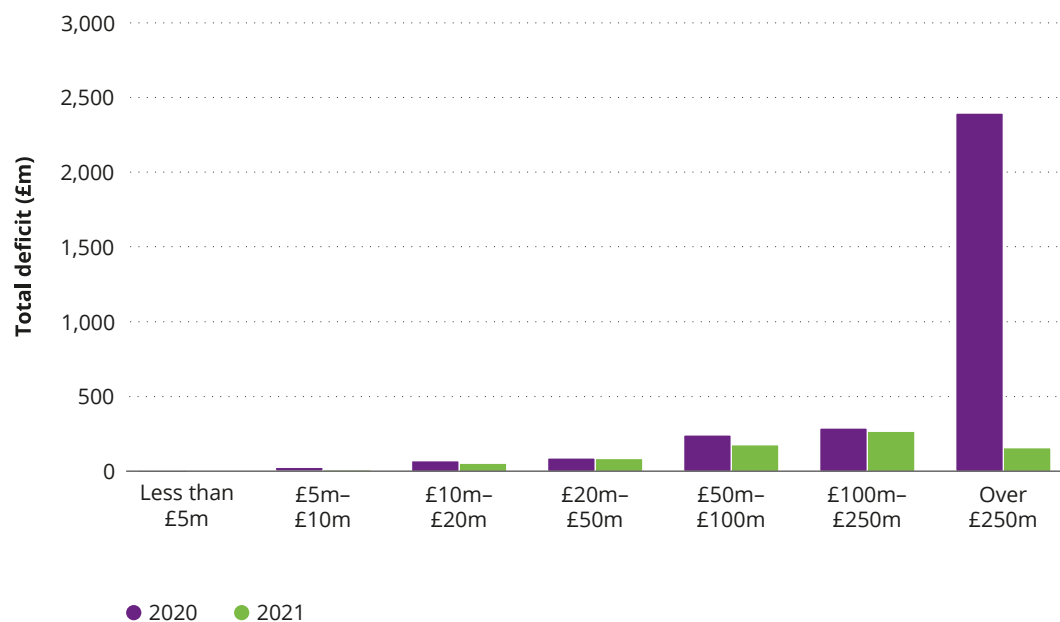
Broadly half of members in schemes in assessment are pensioners and half are deferred members.



Source: PPF

**Figure 10.7 | Total s179 deficit of schemes in assessment by liability size**

56 per cent of the deficit from schemes in assessment relates to schemes with liabilities of more than £100 million, down from 86 per cent last year. This change is mainly due to three large schemes exiting assessment over the year to 31 March 2021.



Source: PPF