



Employer Covenant
Practitioners Association

News Release

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ECPA comment on TPR Annual Funding Statement

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Commenting on the TPR Annual Funding Statement, Luke Hartley, Chair of the Employer Covenant Practitioners Association (ECPA), said:

“The Pensions Regulator has today released its first annual funding statement under the new Funding Code. As the first statement since the Code came into practice, the Pensions Regulator has taken the opportunity to outline its expectations under the new funding regime and importantly has sought to clarify a number of areas of the December 2024 covenant guidance in Appendix 1, and the assessment of supportable risk in Appendix 2.

“The ECPA welcomes these clarifications, in particular those emphasising the continued importance of assessing and monitoring the employer covenant when submitting a valuation under fast track parameters, once a scheme is funded to low dependency and in considering its endgame strategy. The further clarifications to the assessment of cash flow, maximum affordable contributions, covenant reliability/longevity and guarantees will also be of value to our members and clients alike, albeit – as acknowledged by the Regulator - there will inevitably be situations in practice not covered by guidance where the application of professional judgement and advice will be critical to reaching agreement.”

For further details:

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About the Employer Covenant Practitioners Association (ECPA)

The **Employer Covenant Practitioners Association** was established in 2012 to discuss issues relevant to providing financial advice to clients on matters connected with the employer covenant, to participate in discussions with bodies such as the Pensions Regulator and Pension Protection Fund and to raise standards in the employer covenant financial advisory industry generally.

As well as making representations to Government and other bodies on covenant issues arising from proposed changes in regulation and legislation, the Association has produced a number of guides for advisers and sponsors, including principles of covenant assessment for scheme valuations; guidance on transactions in distressed and non-distressed environments and developing best practise on Integrated Risk Management. All guides and a list of members are available at the Association's website <https://ecpa.org.uk/>