

Addendum to Scheme Funding Statistics 2016

Covenant Groups

March 2017

Tranche 7

Tranche 8

Tranche 9

Covenant groups ¹ (schemes in deficit only)	Tranche 7					Tranche 8					Tranche 9				
	Number of members (%)	Assets for Part 3 (TPs) valuation (%)	Technical Provisions (TPs) (%)	Buyout Liabilities (%)	S179 Liabilities (%)	Number of members (%)	Assets for Part 3 (TPs) valuation (%)	Technical Provisions (TPs) (%)	Buyout Liabilities (%)	S179 Liabilities (%)	Number of members (%)	Assets for Part 3 (TPs) valuation (%)	Technical Provisions (TPs) (%)	Buyout Liabilities (%)	S179 Liabilities (%)
Covenant Group 1 (Strong)	37	42	39	39	39	24	29	28	27	26	38	33	33	33	33
Covenant Group 2 (Tending to Strong)	33	31	32	31	31	41	41	41	42	42	40	46	45	47	46
Covenant Group 3 (Tending to Weak)	19	17	18	18	19	20	18	18	18	18	16	16	16	15	16
Covenant Group 4 (Weak)	11	10	11	12	11	15	13	13	13	13	6	5	6	5	5

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¹ Coverage = approx. 88% of schemes in deficit for Tranches 7,8, & 9 combined.

¹ Covenant groups (1-4) are assigned at the point of initial RP reviews to facilitate prioritisation. These grades may vary to the view taken during case-level intervention, where a wider range of information is taken into account. They are defined as: Covenant group 1 – strong; 2 – tending to strong; 3 – tending to weak; 4 – weak. Covenant assessments are not usually undertaken for schemes in surplus.