

GRI 201: Economic Performance - Topic Standard - Cross-sectoral

Disclosure GRI 201-3

Defined benefit plan obligations and other retirement plans

Framework: GRI Standards

Type: Coverage + narrative

Regime: Voluntary

Effective: 2018-07-01

ESRS: ESRS E1 Climate Change

Datapoints & assurance

| Datapoint | What to capture | Owner | Risk an assurer probes | Evidence to check |
|-------------------------------|--|----------------------|--|---|
| Liability value if unfunded | Capture the estimated amount that would need to be met from the organisation's own resources if the plan's obligations were not covered by a separate fund. | Finance / Pensions | The figure is taken from the funded position instead of the amount exposed to the organisation's general resources. | Actuarial valuation, pension trustee report, finance note, or scheme funding papers showing the estimate and the date used. |
| Separate pension fund exists | Confirm whether the plan has its own ring-fenced fund used to meet pension obligations, rather than relying only on the employer's general resources. | Pensions / Legal | A funded arrangement is reported as if it were unfunded, or vice versa, because the plan structure is not checked against the governing documents. | Scheme rules, trust deed, pension plan documentation, or trustee confirmation. |
| Funding coverage estimate | Capture the estimated share of the plan's obligations that is covered by the assets set aside for them. | Finance / Pensions | The coverage percentage is calculated from the wrong liability basis, so the asset-to-obligation comparison does not match the scheme valuation. | Actuarial funding statement, trustee valuation, or funding report showing the coverage estimate. |
| Coverage estimate basis | Record the method, assumptions, and source data used to produce the coverage estimate. | Pensions / Actuarial | The estimate is reported without the same valuation basis used in the source calculation, creating a definition mismatch. | Actuarial methodology note, valuation assumptions paper, or trustee report explaining how the estimate was derived. |
| Coverage estimate date | Capture the date on which the funding coverage estimate was prepared. | Pensions / Actuarial | The date is mixed up with the reporting period end, so an out-of-date valuation is presented as current. | Valuation report date, trustee paper date, or actuarial certificate date. |
| Recovery plan and timing | If the fund is not fully covered, capture the employer's explanation of the approach being used to move toward full coverage and the expected timeframe for reaching it. | Finance / Pensions | The recovery approach is described without the agreed timetable, or the timetable is taken from a different funding cycle than the one being reported. | Recovery plan, employer funding statement, trustee agreement, or board-approved pension strategy paper. |
| Employee contribution rate | Capture the employee's contribution rate as a percentage of salary for the plan being reported. | Payroll / Benefits | The percentage is taken from a default rate and not the actual plan rate, or salary basis is defined differently from payroll. | Payroll rules, benefits schedule, or plan terms showing the employee rate. |
| Employer contribution rate | Capture the employer's contribution rate as a percentage of salary for the plan being reported. | Finance / Payroll | The rate does not reconcile to the pension funding schedule, or employer and employee percentages are swapped. | Finance contribution schedule, pension agreement, or payroll/benefits configuration showing the employer rate. |
| Retirement plan participation | Describe how many eligible people take part in retirement plans, and the level or pattern of participation across the workforce. | HR / Benefits | Participation is reported from total headcount instead of the eligible population, so non-eligible workers are included or opt-outs are missed. | Benefits enrolment report, HRIS participation extract, or pension provider summary by eligible population. |

How to prepare

- 1** Map the retirement arrangements in scope and decide which ones you will report on, so you can separate plans backed from the organisation's own resources from those supported by a dedicated pot of assets.
- 2 Set the reporting boundary and define the figures and narrative you will treat as reportable:** the estimated liability amount, whether a separate funding vehicle exists, the share of liabilities covered by set-aside assets, the method used to make that estimate, the date it was calculated, any recovery plan if coverage is incomplete, the employee and employer contribution rates, and the level of participation.
- 3** Gather the source records that support each item, such as actuarial or trustee papers, funding statements, payroll records, scheme documents, and internal approvals, so every reported point can be traced back to evidence.
- 4 Prepare the disclosure content in the required form:** use a clear text explanation for the liability estimate and funding position, provide the two contribution percentages, and describe participation in retirement arrangements in a way that is consistent with the underlying records.
- 5** Record any exclusions, assumptions, estimation basis, calculation date, or changes in method or scope, and explain them plainly so readers can understand how the numbers and narrative were produced.
- 6** Check the draft against the official source and the underlying evidence to confirm nothing required is missing, the wording matches the facts, and the reported amounts, dates, and percentages are internally consistent.

This LRA assistance tool is designed for educational and internal data-collection purposes. It is not an official interpretation of the GRI Standards, IFRS Sustainability Disclosure Standards or EU CSRD/ESRS requirements. When applying these frameworks in professional practice, users should consult and double-check the official standards, guidance and applicable regulatory sources.

For users who may require additional expert guidance or consultancy support on sustainability reporting, the application of reporting standards, data collection processes or disclosure preparation, the London Reporting Academy team would be pleased to assist. Please contact us at hello@reporting.academy or submit an enquiry through the contact form: <https://reporting.academy/en/contacts/>

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