

DC structures under the spotlight

Clare Freeman highlights the importance of reviewing established DC structures – whether its own trust, GPP or master trust – to improve governance, implement cost efficiencies and ultimately enhance member outcomes

Defined contribution (DC) pension schemes are at a structural tipping point. Regulation, governance and provider consolidation mean that how businesses deliver DC benefits has a direct impact on whether they are truly **getting the most power from their pensions pound**.

Aon's *2025/26 Global Pension Risk Survey* shows this is front of mind: **28 per cent of respondents** are planning to change how they provide DC benefits, signalling a strong appetite to rethink structures, especially among own trust DC schemes.

Among schemes currently operating their own trust-based DC, **38 per cent are considering moving away from that model**.

That shift reflects a recognition that structure can impact:

- Governance quality and trustee bandwidth
 - Cost efficiency and use of corporate cash
 - Ability to evidence value for money
- In short, DC structure is a key lever in turning each pensions pound into better outcomes.

Two choices for own trust DC

For own trust DC schemes, the decision is essentially either:

1. Wind up and consolidate into a



larger arrangement for better value and/or more efficient governance (typically a master trust); or

2. Stay in an own trust – with a clear rationale and plans for future proofing.

When an own trust still adds power

An own trust structure can still be the right answer – if it earns its keep and delivers for members. Sponsors need to show what advantage it brings.

For many, that advantage lies in the link to a defined benefit (DB) scheme. Our research found that among own trust DC schemes with an associated DB scheme and no plans to change structure, **46 per cent are exploring using DB surplus to fund DC contributions**.

This can directly improve value for the sponsor or support more generous DC contributions or enhancements.

Crucially, there are ways of reducing the increasingly heavy governance burden on own trust schemes. Many schemes are delegating investment

decision-making to advisers or fiduciary/outsourced chief investment officer arrangements within clear risk frameworks – something we already do for many clients, and which allows them to cut cost and complexity while retaining strategic control.

Aon's own DC pension plan: A practical blueprint

Aon has applied this thinking to its own arrangements through its own DC plan:

- Aon employees pay into an own trust DC section, with employer contributions currently funded from DB surplus.
- Leavers and retirees are transferred into the Aon Master Trust, benefiting from scale, strong governance and in-scheme retirement income options and support.
- The own trust DC section mirrors the Aon Master Trust, replicating these benefits for all members, while also allowing a smooth transition either on leaving, at-retirement, or if the DC section is wound up in future.

This shows that structure can be dynamic – blending own trust, DB surplus and master trust over time to extract maximum value from every pensions pound.

DC Smart Structuring: A smarter way to use structure

We call this joined up approach DC Smart Structuring: using all the structural levers available – own trust, master trust, DB surplus and delegation, to:

- Reduce unnecessary costs
- Strengthen governance and regulatory readiness
- Improve member outcomes for each pound spent

A question to consider is whether your current DC structure is getting the most power from your pensions pound?
If the answer is anything less than a

confident “yes”, it may be time for a DC structure review.

Whether you are considering consolidation, refining your own trust, or blending both (as Aon has done with its own DC plan) the key is to treat structure as a strategic asset, not a legacy constraint.

Already in a master trust or GPP? Don't 'set and forget'

For those using a master trust or group personal pension, it's important not to assume the structure is permanently 'right'. What worked in the past may not be best today.

Only around half of respondents to our research believe they are managing well the risk of their DC provider falling behind the wider market.

Regular reviews of provider performance, structure, cost and

outcomes are essential to ensure you, and your pension savers are getting good value.

Two questions for those running DC schemes:

- If you designed your DC structure from scratch today, would it look like it does now?
- Could DB surplus, consolidation, or delegation help reduce costs while improving member outcomes?

Aon's *Global Pension Risk Survey* can be downloaded here: <https://www.aon.com/uk-gprs-2025-26>



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