2024: A year of change

2024 has been a year defined by transformation, marked by a new government, the introduction of the Pension Schemes Bill, a Pension Investment Review, and the introduction of several significant pieces of legislation. Paige Perrin looks back on an eventful year

January

• The Pensions Regulator (TPR) shared the long-awaited General Code of Practice
• The government shared the final DB funding regulations
• TPR published new guidance to help trustees improve member outcomes through private market investments

February

• Then Chancellor, Jeremy Hunt, shared updates on pension reforms in his Spring Budget, including the next steps for the Mansion House reforms
• TPR consulted on plans to help trustees meet new requirements for submitting a statement of strategy, with the full DB Funding Code expected to follow in 'summer'
• The Department for Work and Pensions' (DWP) Taskforce published final guidance
• Auto-enrolment thresholds for 2024/25 will remain at 2023/24 levels, despite industry frustration over delays in removing the lower earnings limit

March

• The DWP issued new pensions dashboards connection guidance, setting the end of April 2025 as the deadline for larger schemes to connect
• TPR shared early findings from its value for member requirements pilot and results of its first trustee diversity survey
• The government announced it needed time to assess the Parliamentary and Health Service Ombudsman's report on how changes to the women's state pension age were communicated
• The Financial Conduct Authority (FCA) revealed a 'mixed picture' on retirement income advice, encouraging advice firms to consider the findings of its review
• The FCA introduced a modification allowing firms to connect to the pensions dashboards' digital architecture before 31 October 2026

April

• FCA data revealed pension withdrawals continued to increase in 2022/23, with a growing number of savers failing to take advice before cashing-in their pension

May

• Analysis from the National Audit Office showed that costs for the Pensions Dashboards Programme (PDP) rose by 23 per cent since 2020, with digital skills shortage blamed for delays
• The Pensions Scams Industry Group published a consultation aimed at determining the future of the organisation
• TPR reported ongoing consolidation in the DC market, although assets growth per member has slowed since 2012

June

• The number of organisations adopting the Taskforce on Nature-related Financial Disclosures' (TNFD) reporting recommendations increased by 30 per cent since January
• Lumera entered an agreement to acquire ITM and Mercer reached an agreement to acquire Cardano, including Now Pensions

July

• Following the general election, the new Labour government appointed Emma Reynolds as Pension Minister, becoming the first to work across both the DWP and Treasury
• The Pension Schemes Bill was announced in the King's Speech, with the speech also highlighting plans for the National Wealth Fund (NWF)
• Chancellor, Rachel Reeves, launched a pension review
• TPR's long-awaited DB Funding Code was laid in parliament
• The Court of Appeal upheld the *Virgin Media v NTL* ruling

August

- The FCA launched a consultation on the proposed rules and guidance for the value for money framework for contract-based pension schemes
- The LGPS published the first version of its dashboards connection guide for LGPS administering authorities, alongside an additional voluntary contribution and dashboards guide

September

- A call for evidence was issued to help inform the first phase of the government's Pension Investment Review
- Key updates on pensions dashboards were shared by PDP and TPR
- The Pension Protection Fund proposed a £100m levy estimate, sparking calls for legislative reform to lower levies further

October

- The Autumn Budget proposed extending inheritance tax to pension pots, although other tax changes were omitted
- The UK's first collective defined contribution (CDC) scheme, the Royal Mail Collective Plan (RMCP), launched
- The DWP launched a consultation on draft legislation to extend CDC provision beyond single or connected schemes
- The FCA announced plans to launch two consultations on the Advice/Guidance Boundary Review next year
- Reynolds stated the PDP would prioritise launching the MoneyHelper dashboard service, before expanding commercial dashboard connections

- Reeves outlined the next steps for the NWF and the new British Growth Partnership
- PPF confirms bespoke s143 assumptions for small schemes

November

- The new DB Funding Code came into force
- The FCA released its final rules and regulatory framework for pensions dashboard service firms.
- Reynolds affirmed plans to extend CDC provisions beyond single or connected schemes to parliament "as soon as *[they]* are able to".
- The government announced plans to create DC and LGPS 'megafunds' in Mansion House Speech
- TPR shared CDC compliance and enforcement policy
- The FCA outlined its next steps for the Advice/Guidance Boundary Review

Labour government

Arguably the most significant change this year in pensions was the election of the Labour Party into government. In its first month following the election, the new government announced a Pension Schemes Bill during the King's Speech and launched a 'landmark' Pensions Review, to improve pension outcomes and increase investment in UK markets.

Pension Schemes Bill

The Pension Schemes Bill was announced in July, confirming plans to legislate on proposals for a value for money framework and the consolidation of small pension pots. The bill is also set to include measures for trust-based schemes to be legally required to offer members retirement income solutions, including default investment options. Proposals for legislation on DB commercial superfunds were also part of the bill. There was no mention of plans to expand auto-enrolment or allow the PPF to act as a public-sector consolidator, but both issues are still under consideration by the new government, awaiting the outcome of the Pension Review.

'Landmark' Pension Investment Review

The government's review of the UK pension landscape focuses on assessing how to improve pension outcomes, particularly through assessing retirement adequacy and increasing investment in UK markets. The first phase concentrated on increasing investment in pension pots and "tackling waste" in the pension system. A call for evidence was launched in September to help inform this first phase. This was broadly welcomed by experts but also urged the government against relying on scale alone.

Following the Chancellor's maiden Mansion House speech, the government shared the interim Pension Investment Review report, which proposed legislating for a minimum size and maximum number of DC pension scheme default funds. It also proposed legislation to require the 86 LGPS administering authorities to consolidate their assets into fewer, larger pools of capital. The report confirmed the next stage of the review will look to consider whether further interventions may be needed by the government to ensure that these reforms are benefiting UK growth.

Autumn Budget

The government's first Autumn Budget also announced big pension plans, including to remove the concession for pension pots to be passed on to anyone free of inheritance tax, as well as plans to increase employer national insurance contributions. The Chancellor also announced a rise to the state pension and committed to transferring the Investment Reserve Fund in the Mineworkers' Pension Scheme to members.

Pensions dashboards

2024 saw a continued focus on pensions dashboards, with several key updates announced throughout the year. This included the DWP publishing new connection guidance in March and setting the deadline for larger schemes to connect at the end of April 2025. In the same month, the FCA introduced a modification allowing firms to connect to the dashboard's digital architecture before 31 October 2026, even if they cannot provide 100 per cent of their relevant scheme members' data.

May revealed rising costs for the PDP, up 23 per cent since 2020, as analysis revealed that costs rose by 20 per cent since 2020. In the same month, the LGPS published the first version of its dashboard's connection guide for LGPS administering authorities, alongside an AVC and dashboards guide. It is tailored for the LGPS to support the development of project plans to implement dashboards.

Later on in the year, TPR shared a new compliance and enforcement policy, emphasising the importance of early planning to avoid regulatory action. Meanwhile, the PDP updated the dashboards technical standards and code of connection and confirmed Gov.UK One Login will be the identity service provider for anyone using the dashboards service.

In October, Pensions Minister, Emma Reynolds, said the PDP would prioritise launching the MoneyHelper dashboard service before turning to the work of connecting commercial dashboard services. She stressed the government was "firmly committed" to delivering dashboards, promoting greater engagement and finding lost pots. She confirmed that the timing for providers and schemes to connect was not expected to change. In November, the FCA published its final rules and regulatory framework for pensions dashboard service firms but emphasised that the launch of private sector dashboards is "still some way into the future".

DB Funding Code

Despite delays last year, TPR's new DB Funding Code officially came into force in November, replacing the existing 2014 framework. The new DB Funding Code was laid in parliament in July. It sets out TPR's guidance and expectations on how schemes should comply with the funding and investment strategy requirements. Industry experts welcomed the news of the code being laid in parliament, suggesting it was a "big moment" for schemes and sponsors who had been waiting for the final parameters to define their own long-term funding target. However, many noted the continued absence of updated employer covenant guidance, which was subsequently published by TPR in December.

CDC

The latter half of 2024 saw important moves in CDC schemes with the launch of RMCP, the UK's first CDC scheme. The RMCP scheme was initially announced in 2018 and became the UK's first CDC scheme after passing TPR's assessment process. Despite this scheme being hailed as a "milestone" in the industry, experts said they hoped this would act as a "stepping stone" towards scalable whole-life multi-employer CDC schemes.

The day after, the DWP launched a consultation on a draft regulation to extend CDC provision beyond single or connected schemes. Meanwhile, at the launch event for the RMCP, Pensions Minister, Emma Reynolds, stated that the government intended to extend CDC provision beyond single or connected schemes to parliament "as soon as *[they]* are able to".

The consultation closed on 19 November, with the industry expressing concerns over governance requirements. Key concerns included the safeguarding of members' pensions regardless of the type of CDC scheme selected on their behalf, ensuring robust regulation, and the "swift" extension of TPR's CDC guidance. Concerns were also raised about the role of the scheme proprietor, as well as the adequacy of marketing and communications.

The National Wealth Fund

Reeves, and Business Secretary, Jonathan Reynolds, instructed officials to work on aligning the UK Infrastructure Bank and the British Business Bank under a new NWF that will invest in "new industries of the future". The fund was aimed at "boosting" growth and unlocking investment in the UK, with a NWF Taskforce established alongside this. In October, at the International Investment Summit, Reeves outlined the next steps for the NWF and a new British Growth Partnership, in a move that was expected to release "hundreds of millions" of pension fund investment. Reeves confirmed that the UK Infrastructure Bank would operate as the NWF, to "catalyse" 10s of billions of pounds of private investment into UK clean energy and growth industries, including green hydrogen, carbon capture, and gigafactories.

Virgin Media v NTL ruling upheld

The legal landscape saw a major development in 2024 with the Court of Appeal's decision to uphold the High Court's ruling in the *Virgin Media v NTL Pension Trustees II* court case relating to section 37 and contracted-out DB scheme amendments. In June 2023, the High Court ruled that a lack of actuarial confirmation would render relevant amendments to affected contracted-out DB pension schemes' rules invalid and void. The Court of Appeal rejected the appeal to this decision in July. Industry experts warned that this could have "far-reaching implications" for a "significant" number of DB schemes. This promoted calls on the government to bring forward "clarifying" legislation or regulations to help schemes and their sponsors address the situation, suggesting that without this it could add pressure to scheme administration and member services.

Written by Paige Perrin