Summary
- The pensions industry is facing a plethora of upcoming work, with the government announcing that it will share a pension reform roadmap to help provide clarity on the ordering of change to be implemented.
- Despite broad support for the reforms, the priority list is a point of contention for many, with some raising concerns that a mis-ordering could lead to duplication.
- Regulatory changes will need to work in tandem with the government's broader pension roadmap.

The government has confirmed that it will share a pension reform roadmap, but exactly what should be at the top of this list? Sophie Smith reports

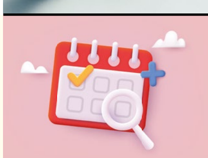
The best laid plans?

The pensions industry is on the verge of a period of potentially massive change, with a myriad of upcoming initiatives.

"Pensions have shot up the political priority list in recent years, primarily down to the ability for investments to support the economic growth agenda," Royal London director, Jamie Jenkins, points out.

But the raft of upcoming reforms goes much further than this, covering consolidation, small pot transfers, collective DC (CDC) and investment.

"Add these to the work already underway to deliver the pensions



Pension policy reform: Mapping the road to 2030 and beyond

Spring 2025
- **Final Pension Investment Review Report** expected in the "coming weeks", including Phase 2 terms of reference and timings.
- **Options for DB pensions consultation response** due from the government.

31 May 2025
- **Pensions dashboards connection deadline** for: Auto-enrolment money purchase schemes (5,000+ members), master trust schemes (5,000+ members), any remaining large money purchase and hybrid schemes (20,000+ members), excludes public service and parliamentary schemes.

30 June 2025
- **Third pensions dashboard connection deadline**: Smaller schemes (below 5,000 members) begin coming into scope.

Mid-July 2025
- **Mansion House speech**: Chancellor Rachel Reeves to reveal further pension updates.

22 July 2025
- **Parliament Rises**: Before this, the **Pension Schemes Bill** is due. This is set to include:
  - Small pots consolidation legislation,
  - DB superfunds regime,
  - Value-for-Money (VFM) framework legislation,
  - Guided retirement duty,
  - Pensions Ombudsman reform (to reaffirm the body as a 'competent court').

H2 2025
- **Governance consultation**: Looking at measures to improve scheme governance, with a focus on trustee accreditation and capability.
- **Collective DC (CDC) expansion**: Legislation to extend CDC to multi-employer schemes to be laid in parliament.
- **VFM framework**: DWP consultation for trust-based schemes expected.
- **Financial Conduct Authority (FCA)** to consult on Advice/Guidance Boundary Review (retail investments and pensions).

dashboard and this starts to look like a lot to do over the coming five years or so," Jenkins says.

There is a limit to how much can be done at once though, as Pensions Minister, Torsten Bell, recently acknowledged, arguing that the government "owes" it to the pensions industry to provide a clear roadmap of how these changes fit together.

This is good news for the industry, as Pensions and Lifetime Savings Association (PLSA) head of DC and master trust, Ruari Grant, says that "there is a huge amount of policy and regulatory change heading the way of pension schemes, and it is vital to ensure it is sequenced right".

Now Pensions director of public affairs and policy, Lizzy Holliday, also says that setting out a roadmap is crucial for schemes and savers, and to provide clarity for the industry.

Isio director, Iain McLellan, agrees, suggesting that a roadmap should bring structure, reassure stakeholders that these changes are coordinated, and help schemes plan ahead with confidence.

"Reforms around DB surplus, CDC, DC consolidation and small pots all address different challenges and have different levers for implementation," he argues. "But from an industry perspective, the pace and complexity of reform can create uncertainty."

Yet Hymans Robertson head of

Creating alignment

Alongside its pension specific reforms, the government has announced plans for a regulatory shake-up, as it looks to reduce unnecessary regulatory burdens.

The Pensions Regulator is no exception, having already committed to reducing its burden on businesses and improving data sharing.

But industry experts have been quick to stress the need for alignment between the two plans, with Isio director, Iain McLellan, arguing that "the roadmap and the regulatory programme must work in lockstep".

"The upcoming Pensions Bill may set out the legislative framework, but much of the detail will be left to regulation," he explains. "The key will be how quickly those regulations follow. If the government can publish consultation responses and draft regulations soon after the bill is introduced, that will give the industry the clarity it needs to prepare. Without that, there's a risk of delays or missed opportunities. The roadmap can act as a useful anchor – but only if it's paired with clear regulatory sequencing."

And more insight into upcoming regulatory work could also prove helpful more broadly, as LCP partner, David Fairs, points out that while various government bodies have published a two-year forward plan of activity in The Regulatory Initiatives Grid since the pandemic, including activity from TPR, the FCA and HM Treasury. DWP has been notably absent from the grid.

"For the pensions sector, this has meant only a partial view of government's plans and proposals compared to other parts of the financial system," Fairs says. "So a roadmap of future activity is extremely welcome although if the pensions roadmap similarly groups activity into three-month chunks, it will only be of limited use for those looking to carefully plan resourcing to deal with new policies.

"Including DWP proposals in the Regulatory Initiatives Grid will however flag times of significant burden for trustees, sponsors, administrators and others working in the sector and potentially lead to better sequencing of legislation and regulation."

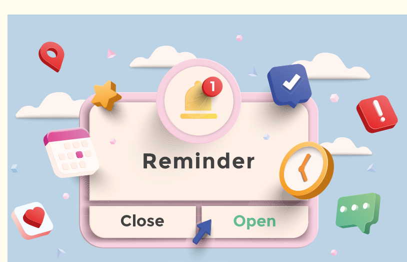
• **Pension dashboards connection work to continue:** The second half of 2025 will see work to connect to the pensions dashboards ecosystem continue, with the end of each month from August-November 2025 extending the scope for dashboards connection. This includes:
- Any remaining money purchase schemes and schemes without money purchase benefits (31 August 2025);
- Collective money purchase schemes of any size, hybrid schemes with 1,500–2,499 members (30 September 2025);
- Public sector and parliamentary schemes of any size (31 October 2025);
- Any remaining hybrid schemes; schemes without money purchase benefits; money purchase schemes with 1,000–1,499 members (31 November 2025).

2026 - A look at what's expected

• **DWP consultations set to begin following introduction of the Pension Schemes Bill**, including secondary regulations for:
- Small pots default consolidators,
- Guided retirement solutions,
- Secondary VFM regulations.

• **Multi-employer CDC schemes**: First schemes expected to seek authorisation.

• **FCA** set to consult on final rules for VFM framework (workplace contract-based).



• **State pension age review**: The government is expected to undertake a review considering acceleration of age 68 increase (from 2044–2046).

• **Dashboard connections expand to smaller schemes:** Occupational pension schemes with fewer than 1,000 members will begin to come into scope from January, with the final deadline, covering occupational schemes with between 100-124 members, applying from 30 September 2026.

pension policy innovation, Calum Cooper, says that whilst a roadmap is welcome in principle, it should not be seen as a rigid blueprint.

"In a complex and evolving pensions ecosystem, agility and responsiveness must remain central," Cooper says.

Exactly what work could be prioritised, and what work could fall to the back of the queue, is also yet to be seen. And despite the Minister's claims that there is a strong consensus in the industry on the upcoming policy changes, the ordering of these changes is a more divisive topic.

Grant suggests that the sequencing should be determined by logic – for instance, the value for money (VFM) regime is required before small pot consolidators are authorised, as a VFM assessment should feed into that authorisation regime.

However, Holliday says that if the consolidation agenda being pursued as part of the government's Pension Investment Review achieves its aim, some of the details and approach to phasing implementation of the VFM framework could be very usefully reconsidered.

Whilst Holliday acknowledges that the consolidation agenda, which will require a minimum AUM for multi-employer schemes, is a much more direct policy lever, she warns that it could overlap with some of the intended outcomes of the VFM policy.

The elephant in the room

The government's roadmap is part of what is expected to be one of the biggest shake ups in pensions in decades, with the government promising that the changes will deliver bigger, better pension schemes that will boost saver returns and the UK economy all in one go.

But it is impossible to avoid the elephant in the room, and the key reforms that are unlikely to appear in the government's roadmap at all.

"At the heart of all this is the need to deliver policy changes that help savers prepare for retirement, and the one missing element is the need for more adequate savings levels," Royal London director of policy, Jamie Jenkins, says.

"While it may be a difficult political pill to swallow, this is by far the policy change that will make the biggest difference to people's retirement outcomes. This would be a gaping pothole if excluded from any roadmap for pensions."

Adding to this, Now Pensions director of public affairs and policy, Lizzy Holliday, argues that the creation of an auto-enrolment roadmap through the Pensions Review part 2 would help build consensus around what future changes are needed to auto-enrolment to ensure pensions adequacy.

"And, if done in the right way, it should provide stability and predictability for employees, employers, and schemes," she adds.

What's confirmed so far - 2026 and beyond

March 2026

- The deadline for **Local Government Pension Scheme (LGPS)** asset pooling.
- **TPR** to have completed its review of scheme return and supervisory return data collection requirements.

31 October 2026

- **Final dashboard connection deadline**: All schemes and providers must be connected.

6 April 2027

- Death benefits and unused pension funds fall under scope of **inheritance tax.**

October 2027

- **Annual Benefit Statements**: DWP to assess effectiveness and scope for expansion.

2027/28

- First elements of **small pots legislation** to come into force.
- **DC fund transparency**: Requirement for schemes to disclose their proportion of UK investments likely to be introduced.
- Trustees to begin publishing **VFM reports.**

By 2030

- Schemes to be required to transfer **small pots** under £1,000 to default consolidators.

And more still to be confirmed

- **Final Dashboards Available Point**
- **Auto-enrolment reforms (AE 2.0)**
- **TCFD reporting review**
- **Pension transfer regulation changes**
- **Changes to the PPF levy and compensation framework**
- **Plans for a public sector consolidator**

It is not only VFM work that could be impacted by the government's push for consolidation, as Holliday says that whilst government wants more support for members at retirement, it is important to avoid confusion for members, if, in decumulation, they move into a scheme that in a short timeframe ceases to exist due to the consolidation agenda.

"Building those solutions may also be inefficient if they only serve for short-term outcomes," she warns.

McLellan, meanwhile, says that he would like to see CDC and DB surplus reforms prioritised.

"For DB surplus in particular, the direction of travel is clear and the opportunity to unlock additional value is considerable – this is where government could move most quickly," he says.

"CDC reforms already have a lot of groundwork done and just needs that final regulatory push," he adds.

"DC consolidation is already in progress, and while small pots reform is important, it's a longer-term challenge," McLellan says. "If these areas are included in the upcoming Pensions Bill, the focus should be on finalising the regulations swiftly to keep up the momentum and avoid losing industry engagement."

People's Partnership CEO, Patrick Heath-Lay, echoes this, suggesting that the decumulation reform and VFM metrics should be early priorities and that small pots reform may take longer to plan and deliver.

"The default consolidators' policy is the right solution to end the small pots problem but it's important that the sector learns lessons from the delivery of the pension dashboards programme and leverages workplace provider expertise to ensure a quality outcome," he says.

But that's not to say that industry experts don't also want progress here, as Heath-Lay says that he still expects "major progress" by 2030, consistent with the government response to the small pots delivery group report, emphasising that "the small pots problem isn't going to get better by itself".

This direction of travel seems likely, as Bell recently confirmed that the government is hoping to make "swift progress" on its plans to extend CDC to multi-employer schemes, with hopes that schemes will be able to come forward for authorisation as early as 2026.

Duties on pension schemes to transfer and consolidate eligible small pots, however, are not expected to come into force until 2030.

But even the time horizon that the roadmap should look to cover seems to be a point of contention, as Holliday says that a five to 10 year timeline would not be unreasonable for the extent of change.

Cooper agrees that this timeframe for the roadmap is appropriate, emphasising however, that this should include clear milestones, review points, and feedback loops.

However, McLellan says that a two to three year horizon feels appropriate.

"That's long enough to bring in meaningful change, but not so long that policy ambitions drift," he says, warning that, in the past, there has been pension legislation where some elements were never fully implemented.

"So it's critical this roadmap comes with delivery milestones and ministerial backing," he continues.

Cooper agrees, arguing that "reform is not linear – the government must be prepared to pause, iterate, or pivot based on outcomes and second order consequences".

Above all, however, industry experts are keen that the government doesn't bite off more than the industry can chew.

"There is a risk that reforms move faster than the industry can effectively absorb, particularly for schemes already managing complex change agendas," Cooper says. "The roadmap must reflect and adapt to capacity for change, not just ambition for it."

Grant agrees, emphasising that schemes' capacity to handle concurrent changes should be a key consideration.

Written by Sophie Smith