

**I**ntroduced in June 2025, the UK government's Pension Schemes Bill draws inspiration from international models – especially in Australia and Canada – where large-scale schemes have boosted efficiency, cut costs, and improved outcomes through diversified portfolios and access to alternative assets.<sup>1,2</sup>

The creation of 'megafunds' in the UK – requiring scheme assets to exceed £25 billion by 2030 – will expand access to domestic investments, unlock alternative assets, boost diversification, and help long-term returns.

The legislation is a positive step, but not a panacea. Improving outcomes means understanding how savers think – and rethinking our own approach.

### The future is now

Pensions are often viewed in isolation, disconnected from everyday financial pressures – a divide the industry has reinforced by treating them as standalone products rather than part of overall financial wellbeing.

By adopting a holistic approach, we can support savers' immediate needs while securing long-term outcomes. Guided income solutions in retirement that balance short-term spending with future growth are key to supporting sustainable outcomes for savers.

Improving outcomes requires a joined-up approach that engages savers early and supports them throughout the journey.

### Empowering engagement

The new legislation is an opportunity to rethink the saver journey from enrolment to retirement and beyond.

Early engagement is ideal but not guaranteed. Savers have competing priorities, so solutions must be simple, accessible, and supported by timely guidance. Some will still prefer a simple pension requiring minimal input.

We must assume limited engagement

# A holistic approach to retirement planning

➤ **The Pension Schemes Bill marks a significant change for the UK pension sector. Yet legislation alone can only do so much. How we and our members think about pensions is equally important**

and provide a pathway to help savers access and spend their savings wisely.

### X must mark the spot

Auto-enrolment has helped millions save for retirement, but its hands-off design reduces saver participation until retirement approaches.

Saving strategies generally guide savers well to retirement; the journey becomes more uncertain when they start taking their money.

### Helping the vulnerable

Supporting vulnerable customers is vital throughout the lifecycle, especially near retirement, when the shift from passive saving to generating a retirement income (decumulation) leaves many savers vulnerable.

At retirement, they must become 'experts' on tax, investments, and decumulation strategies. We must set clear decumulation strategies and support savers in managing their income.

We can help savers by:

- Improving support through clear, timely communications.
- Offering guided income solutions that provide a seamless journey from saving to spending.
- Giving customers flexibility to choose in retirement, backed by strong support.

### A frictionless retirement

The transition from saving to spending

should be frictionless, intuitive, and secure. For us, this means designing solutions around three core principles:

1. **Design for the real world** – Build systems and support for disengaged savers.
2. **Keep things simple** – Provide savers with straightforward options.
3. **Link savings to income** – Offer savers a simple investment solution that protects savings when drawing income.

### Putting members first

We regularly ask members what matters most, helping us shape better outcomes aligned with our core principles.

The industry must evolve beyond saving to support smarter, sustainable spending. Guided income strategies that are seamless and accessible are essential to a holistic approach.

By strengthening support beyond retirement, we can harness the benefits of the Pension Schemes Bill and keep savers at the heart of everything we do.

I'm looking forward to sharing more about our three core principles and how they can help savers build more sustainable and secure retirements in future updates.



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In association with

people's  
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<sup>1</sup> <https://documents1.worldbank.org/curated/en/780721510639698502/pdf/121375-The-Evolution-of-the-Canadian-Pension-Model-All-Pages-Final-Low-Res-9-10-2018.pdf>

<sup>2</sup> <https://www.apra.gov.au/annual-fund-level-superannuation-statistics>