Summary
- The UK pensions system is increasingly influenced by international models, particularly those from Australia and Canada, which offer insights into effective long-term investment strategies and member engagement techniques.
- While the UK is looking to learn from other systems, it maintains a leadership role in areas such as auto-enrolment, which has successfully increased participation in pensions through default design features.
- The UK pensions system could learn from other countries that are less frequently examined, such as those in Scandinavia, New Zealand and the US.

International influence

Paige Perrin explores which countries influence the UK pensions system, what lessons can be adopted, and where regulatory and cultural differences limit direct comparison

Influence: the capacity to have an effect on the character, development, or behaviour of someone or something, or the effect itself.

In the 21st century and the age of digitalisation, the terms "influenced" and "influencer" have become part of everyday language. One place you might expect not to hear them, however, is the pensions industry.

Yet anyone who has listened to speeches by the government or regulators on the future of the UK pensions system or attended an industry conference over the past few years will have noticed a recurring theme – frequent comparisons between the UK's pensions system and those of other countries.

International pension systems are increasingly being used as benchmarks to influence thinking, shape policy, and inform debate about the future direction of UK pensions.

Influenced

When identifying which countries have the strongest influence on UK pension policy thinking, attention typically turns to a small group of mature, well-developed systems.

"When policymakers look abroad for inspiration, the examples most frequently cited are Canada, Australia, and the Netherlands, largely because these markets have developed pension systems with greater scale and more experience investing across a wider range of asset classes," FINBOURNE Technology chairman, Toby Glaysher, says.

IFM Investors executive director, public affairs, Gregg McClymont, notes that, in particular, "the two biggest international influences on current UK pension policy are Australia and Canada".

He argues that Australia's "highly successful" defined contribution (DC) superannuation system has had a clear impact on recent UK reforms.

"The emphasis in the 2025 Pension Schemes Act on larger master trusts, consolidation, and greater investment in private markets reflects lessons drawn from the Australian model. The Act's value for money (VFM) framework is also designed to encourage scale and support broader investment opportunities in a similar way," he adds.

"In the Local Government Pension Scheme (LGPS), policymakers have looked closely at Canada's so-called 'Maple 8' public-sector pension funds. These funds have demonstrated how large-scale pension institutions can access a wider range of investments, particularly private markets, to improve diversification and support long-term returns."

As for the reasoning behind taking inspiration from other countries, Standard Life retirement savings director, Mike Ambery, explains that it is not to copy any one system directly, but to understand what is working well elsewhere.

"In particular, the UK is interested in how other countries approach long-term investment, deployment of capital, regulation, governance and member security. There is also a strong interest in how different systems are improving member engagement, retirement saving behaviour and ultimately outcomes for savers," he notes.

"International examples should be seen as a source of lessons rather than a blueprint," Legal & General global head of DC, Lesley-Ann Morgan, argues, adding that pension systems are shaped by different regulatory environments, markets and retirement cultures.

Influencers

However, Ambery argues that "the UK is not just following others"; instead, "it is recognised as a leader in areas such as regulation, governance and innovation – so in practice this is very much a two-way exchange of ideas rather than a one-directional process".

This positioning raises the question of whether other countries are increasingly looking to the UK pensions system for inspiration.

Nuveen head of UK institutional, Sophie Ballard, points to auto-enrolment as a key example of the UK's influence.

"Requiring employers to offer a scheme while allowing employees to opt out has significantly increased participation without full compulsion," she says.

State Street Investment Management head of European institutional strategy, Olivia Kennedy, highlights that auto-enrolment's "success has demonstrated the power of behavioural economics, inertia and well-designed defaults in driving participation".

She notes that many countries are now drawing on these lessons as they design or refine their own workplace pension systems, including Ireland's new auto-enrolment framework, alongside further initiatives in markets such as Malta and Greece.

While not explicitly modelled on the UK, Ireland's MyFutureFund system shares notable similarities and suggests the UK's auto-enrolment framework has served as a reference point, alongside comparable reforms in countries such as New Zealand and Australia.

Meanwhile, McClymont highlights the 2026 Pension Schemes Act's requirement for schemes to offer retirement income solutions to members as another potential area of international influence.

"If implemented successfully, this could provide a valuable contribution to solving what economists often call the 'annuity puzzle' – how to help retirees convert pension savings into stable, sustainable income throughout retirement. Other countries facing similar challenges will be watching closely," he says.

Potential influencers

Industry opinion is divided on which countries the UK pension system should look to for inspiration, with differing views on which international models offer the most relevant lessons.

Ballard notes that, in Nuveen's view, some of the most valuable lessons come from countries such as Chile and Switzerland, which demonstrate that outcomes can be improved without mandating behaviour.

She argues that both systems integrate the income decision directly into the retirement process, significantly increasing uptake while preserving individual choice, which she notes is "particularly relevant" for the UK, where uptake of guaranteed income remains low following pension freedoms.

Additionally, Ballard points out there are lessons from markets such as Singapore and Australia on system simplification and consolidation because "improving transparency and making it easier for savers to view and manage their assets can drive better engagement and decision-making".

McClymont, meanwhile, highlights that "the Netherlands, Sweden and Denmark all offer useful lessons".

"The Dutch collective DC (CDC) model has already attracted significant attention from UK policymakers as they develop legislation for CDC schemes," he says.

"Sweden demonstrates the benefits of scale, with retirement assets concentrated in a small number of very large funds, helping to keep costs exceptionally low.

"Denmark has developed innovative retirement income products that incorporate longevity pooling outside a traditional insurance framework, offering potential lessons for the development of the 2026 Act's mandation of default retirement products delivering sustainable retirement incomes."

Festina Finance UK country head, Dan McLaughlin, also argues that Denmark is a country worth seeking inspiration from.

"I think the pension dashboards in Denmark (and the Netherlands) are north stars where we can aim," he says. "There is more digital integration, meaning, for example, it is possible to import a member's data into a retirement proposition or adviser platform. We do this for many banks in Denmark."

McLaughlin adds that in Denmark, at the point of 'retirement', an individual's active pension provider has a responsibility to assist the member in bringing together their various accounts or pots, which he suggests could be "really useful in a DC world".

In contrast, Kennedy singles out the US as a country the UK could learn from due to its offering of "a compelling blueprint for retirement income innovation – combining flexible access with deferred guarantees to balance choice and security".

In particular, she suggests this could be helpful as the UK develops its guided retirement framework.

Kennedy also highlights New Zealand as a potential influencer.

The KiwiSaver, a government-created voluntary retirement savings scheme that offers features to assist savers with buying their first home, according to Kennedy, is a "great example of getting portability right" – making it simple for people to move their pension as they move jobs.

"That's something the UK is going to need to get better at, especially with *[the gig economy]* and flexible working patterns," she adds.

Echoing this, Vidett chief client officer, Alison Hatcher, argues that the UK should be looking to a broader set of countries that offer access to pensions for specific circumstances such as house deposits or hardship.

"Most other countries offer this benefit in some form, yet the UK does not. This simple change could drive engagement in pensions, support adequacy as people want to save and enhance the wealth profile of both the individual and the country," she says.

"The UK is interested in how other countries approach long-term investment, deployment of capital, regulation, governance and member security"

Wider outlook

Although it is useful to draw inspiration from other countries when considering how to improve the UK pensions system, direct comparisons are not always straightforward. Different pension models have evolved in response to unique economic, political and demographic circumstances. Even so, industry experts argue that the UK's current reform agenda reflects a broader international trend in pension policy.

"Globally, there is a shift toward consolidation, scale and auto-enrolment," McLaughlin says, adding that he believes there are "huge gains" to be made closer to home in Europe.

"The second pillar is largely underdeveloped, which, if reformed, could drive capital market and economic growth to a new level," he adds.

People's Pension chief investment officer, Dan Mikulskis, says many European countries are responding to the shared structural challenge of ageing populations and rising life expectancy.

"There is a broad consensus that the cost of longer retirements cannot be solely funded by the state, which is driving a shift towards greater reliance on funded pension systems and individual savings," he says. "As a result, common themes are emerging internationally, including higher pension contribution expectations, rises in state pension ages and a stronger emphasis on investment performance to deliver outcomes."

These shared pressures are driving reform across Europe. Sweden and Iceland are pursuing fund consolidation, while the Netherlands is transitioning from a DB system to a new DC framework. The Czech Republic is exploring more flexible retirement options alongside reforms to pension fees and withdrawal rules.

Elsewhere, Finland has recently implemented reforms designed to enable pension providers to achieve stronger investment returns, while also consulting on changes to self-employed pension arrangements. Meanwhile, in Germany, the Pension Commission has proposed a new state-run, capital-funded pension pillar alongside wider reforms to how the retirement age is set.

Overall, these reforms point to a growing convergence in pension policy.

While individual countries continue to take different approaches, many are pursuing the same broad objectives: building larger, more efficient pension systems, encouraging greater private saving and improving long-term investment performance.

Although the UK has traditionally focused on Canada's, Australia's and the Netherlands' pension systems for inspiration, there is growing recognition that valuable lessons can be found beyond these markets, with policymakers looking more widely for international best practice.

Written by Paige Perrin