Long-term care

How limited policy progress continues to place
the burden of care on individuals

Retail versus institutional pensions
How the retail and institutional pensions
sectors can learn from each other

July/August 2025

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▶ Pensions roadmap: The expected timeline of action between now and the 2030s for pensions reforms

▶ *Investment:* Is now the time for a closer look at investing in emerging market debt?

A long-distance relationship

The admin challenges of having overseas members



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comment news & comment

Editorial Comment 2nd Floor, 5 Maidstone Buildings Mews, London. SE1 1GN

ormula One fans will have loved the drama that ensued on a very wet Sunday at Silverstone in July - McLaren's Lando Norris gaining his first-ever home win, with his teammate, Oscar Piastri, begrudgingly having to accept second place after a controversial penalty. But while each of these two finishes were newsworthy in their own right, it was the third-place winner that provoked some of the most emotional scenes at the famous racetrack, with Sauber's Nico Hülkenberg finally taking his first ever podium spot after an astonishing 239 races.

In Hülkenberg's words, "it's been a long time coming" and no doubt that win will have felt all the more sweet given how long it took him to get there and how hard he fought to get it.

July was also supposed to be a victory month for the UK pensions industry, with many expecting Chancellor, Rachel Reeves, to announce the launch of the long-awaited phase two of the government's pensions review during her Mansion House speech, focusing on the all-important topic of pensions adequacy.

Sadly it was, yet again, another missed opportunity. While the topic of pensions was included, adequacy was not, with Reeves focusing instead on the work being done towards the creation of DC and LGPS megafunds, and the drive towards "larger more powerful pots of funding invested productively across the country".

"Pension funds, and this government," she said, "are united in our determination to deliver higher returns for savers and more investment in the economy."

So, if that's the case, why the big disappointment from the industry? Well, it's quite obvious that, while it's all well and good to aim for higher returns, if people aren't saving enough into their pension pots to start with, or they are starting to save too late, or they are excluded from auto-enrolment because perhaps they are self-employed, or there are people who have less in their pots because they have taken breaks from work to have children (the list goes on) then we are, without a doubt, heading for a significant pensions crisis.

It's not enough to use innovative technology to deliver better member communication or invest in more exotic asset classes to boost returns - without more going in, there simply won't be enough coming out. It really doesn't help that the government's focus to date has been on consolidation and investing in productive assets. Again, how does this address the problem that not enough is going into pension pots, and that many members

are going to fall short at retirement?

The fallout from the focus on consolidation was also a big topic of discussion at our LGPS investment roundtable, which features in this issue on page 52. While the government claims to have the 'saver' at the heart of its reform, the short-sightedness of unravelling years of good work in an effort to create fewer, larger LGPS pools is staggering, especially to those who have worked in the LGPS space for years. The uncertainty – and to some funds, the chaos - that this has caused highlights again a government that is focusing on the wrong things.

There is, of course, another big catalyst on the horizon that will arguably do its bit to help mitigate the pensions crisis – the pensions dashboards, which are, excitedly, drawing ever closer. But again, dashboards alone can't solve the problem – they might well raise the bar in terms of pensions awareness and engagement but, as principal of the Pensions Dashboards Programme, Chris Curry, effectively put it at our Northern conference in June, the real work begins once people see their pensions information, and it's then about the wider industry being ready to deal with whatever follow-up may be required. [See page 32 for our conference round-up].

This message leads quite nicely onto the theme of our issue this month, 'the bigger picture', with our features taking a wider perspective in recognition of the fact that there are many different moving parts – and avenues – to delivering pensions, or more specifically retirement, success. On page 78, while we acknowledge the dangers of using property as one's pension pot, we also consider how the two assets can be integrated into a holistic retirement strategy; and on page 80 we consider the social care crisis and its links again to pensions inadequacy.

There's lots more also for our readers to enjoy, with articles on how to ensure endgame success; what emerging markets can offer pension funds today; and how to address the administration challenges of overseas members. Sadly, though, this isn't the celebratory issue we'd hoped it would be, with pensions adequacy still an ever-growing and under-addressed problem. I guess, unlike Hülkenberg, the pensions industry will just have to wait that little bit longer before it can crack open that bottle of Champagne.



🗗 Francesca Fabrizi

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Pension administration is made more difficult when seeking to manage members who live overseas, particularly if the scheme is unsure where the member is, or if they are even still alive. David Adams considers the scale of this issue and the steps the industry should take to help bridge the gap

▶ News, views & regulars

News round up and appointments Comment: TPR, PLSA, PMI Soapbox: A digital-first approach Comment: AMNT, ABI, PPI Comment: PPF, PASA, ACA

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Pensions history, the bright side and cartoon



⊘ Podcast: Who matters most in pensions?

In the latest *Pensions Age* podcast, Francesca Fabrizi speaks to Capita Pension Solutions global practice leader & chief revenue officer, Stuart Heatley, about who matters

most in pensions and how to best meet their needs



Top tips for preparing your Own Risk Assessment

Susan Hoare explores how pension scheme trustees can get the most value from their first Own Risk Assessment (ORA). Drawing on insights from Aon's work with early

adopters, and with the ORA deadline fast approaching, she shares practical tips to help schemes prepare effectively, carry out a meaningful assessment, and embed the ORA process into ongoing governance



Pension reform with long-term ambitions

The Pension Schemes Bill proposes a bold shift in UK pensions; delivering real value requires industry-wide effort



Pensions Age NorthernConference highlights 32

Chaired by CAP Services director, Jerry Gandhi, this year's Pensions Age Northern Conference

gathered influential voices from across the pensions landscape, including top industry speakers, association leaders, trustees and advisers for a thought-provoking day of fresh insight and key information relevant to all those working in the UK pensions sector now and into the future



△ Are we there yet?

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The government recently shared its proposed Pensions Roadmap, outlining the expected ordering for key reforms and initiatives from now until 2030. *Pensions Age* takes a closer look at the stops along the way and the key hurdles and opportunities that could emerge

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Features & columns

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Laying the groundwork

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Before the government can move ahead with the majority of the work outlined on its Pension Schemes roadmap, it must face the first hurdle of getting the Pension Schemes Bill through parliament. Sophie Smith reports



☑ Defined benefit pensions focus 41

Legal & General (L&G) Head of Endgame Solutions, Mathew Webb,

looks at why schemes should 'invest like an insurer' to ready themselves for surplus extraction, while its Head of Solutions Distribution, Lara Edmonstone-West, and Head of Endgame Solutions, Mathew Webb, delve deeper into the new DB endgame landscape

☑ Joining the queue

46

Pensions Age takes a closer look at the role of lead cases in The Pensions Ombudsman's plans to cut down waiting times, including in the ongoing Boots pension dispute

⊘ Common ground

49

With the ever-evolving pensions landscape in the UK, can retail and institutional pensions learn from each other – or are their differences simply too vast? Paige Perrin explores



♂ LGPS roundtable: Staying on track 52

As the government ramps up its focus on the LGPS, our panel looks at

what lies ahead for the scheme, the challenges it faces and the investment opportunities out there



As part of *Pensions Age*'s year-long
focus on diversity,
equity and
inclusion (DEI),

Pension Protection Fund (PPF) board chair, Kate Jones, outlines the fund's new DEI strategy and the importance of leading by example



A voice for the working people

Pension scheme trustee, Rory Murphy, chats to Francesca Fabrizi about the highs and

lows of his pensions career, his work with trade unions, and his passion for putting the member first



☑ Endgame focus 71

Just Defined Benefits head of proposition development, Andy Fryer, shares what he has learnt following his move from the

consultancy side to now working for an insurer, while Just Defined Benefits post transaction service manager, Hannah Wadmore, tells Francesca Fabrizi why an effective data cleanse is so crucial to ensuring a smooth de-risking journey



A better private pension system is possible

As the government prepares to launch the long-awaited next phase of its pensions review, the Institute for Fiscal Studies (IFS)

has unveiled its own comprehensive set of proposals aimed at securing better retirement outcomes for future generations. IFS senior research economist, Laurence O'Brien, explains

Home truths: Is property really the best pension?

Callum Conway dives into the age-old debate of property vs pensions, and how the argument has shifted in 2025



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Limited policy progress continues to place the burden of care on individuals and families. Alice Guy reports

Debt worth having?

84

Whilst emerging market debt has traditionally been a small proportion of pension schemes' portfolios, recent resilience amid market volatility suggests that this could be debt worth having. Sandra Haurant reports











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Pensions Age now has its new circulation figure from the Audit Bureau of Circulations (ABC); 10,499 July 2023 to June 2024. This includes both requested readers and copies sent as a member benefit (PLSA, PMI, SPP, AMNT). Pensions Age is also sent as a Tablet Edition to our 37,000+ online subscribers (Source: Publishers Statement, Jan 2024).

Managing Director John Woods

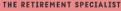
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news & comment round up ▼

Dateline - June 2025

Rounding up the major pensions-related news from the past month



☑ 2 June The government should "urgently reaffirm" its commitment to enabling a thriving market of private sector pensions dashboards, the Association of British Insurers said, warning that relying on a single, state owned dashboard could

fall short of industry expectations.



■ 3 June The Pensions and Lifetime Savings Association, now called **Pensions** UK, updated its Retirement Living Standards (RLS), revealing that whilst the cost of the minimum retirement lifestyle

has decreased, the costs associated with moderate and comfortable lifestyles have increased.

- ▶ 3 June The Financial Reporting Council published the *UK Stewardship Code 2026*, which includes a number of updates designed to support long-term sustainable value creation, while also "significantly" helping to reduce the reporting burden for its signatories.
- **②** 3 June The Pensions Regulator (TPR) published guidance for trustees and employers of defined benefit (DB) and DB/defined contribution (DC) hybrid schemes on long-term objectives and ongoing scheme management.
- **2 4 June** UK pension schemes are undergoing a structural shift in asset allocation, with a growing focus on private markets, productive finance, and long term diversification, research by the **Pensions Policy Institute** suggested.



≪ 5 June The government published the new Pension Schemes Bill, estimating that around 20 million people could stand to benefit from the

reforms outlined. The bill provides further insight into a number of the government's upcoming reforms, including the value for money framework and plans to introduce increased flexibility for DB pension schemes to release surplus funds safely.

- ▶ 6 June The government outlined a 'pensions roadmap', an indicative timeline for the next five years of pension reform, confirming that consultations and regulations for many of the initiatives included in the Pension Schemes Bill won't be launched until 2027 at the earliest [for more details, visit p36].
- **Ø** 6 June Industry experts suggested that there will be a "collective sigh of relief" after the **government** confirmed that it will introduce legislation to deal with issues arising from the Virgin Media judgment.
- **26 June TPR** announced its intention to launch a new strategy to drive up standards of trusteeship, aimed at bringing trusteeship into line with other professions and corporate governance standards.
- **6** June The Financial Ombudsman Service launched a consultation on the interest rates applied to pension compensation payments.
- **▶ 10 June** The average time to buyout for a FTSE350 DB pension scheme fell to an all-time low of 3.6 years in May 2025, according to **Barnett Waddingham**'s DB End Gauge Index.



Chancellor,
Rachel Reeves,
delivered her
Spending
Review,
announcing
an expansion
of the British
Business Bank's
(BBB) financial
capacity and a

reversal of planned cuts to winter fuel payments.

▶ 12 June A decade after the introduction of pension freedoms, fewer than half (47 per cent) of UK savers said they were aware of the options available to them at retirement, and just 27 per cent reported that they understood the reforms and their implications, new research by AKG revealed.

▼ round up news & comment

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- **20** 12 June TPR chief executive, Nausicaa Delfas, called on the pensions industry to seize the opportunity presented by the Pension Schemes Bill to raise standards and deliver better outcomes for savers.
- **2** 13 June Three quarters (75 per cent) of pension professionals identified underpins and 'better of' tests as the most challenging or complex benefits to simplify, according to research from the **Society of Pension Professionals**.



Scrimgeour, and other industry figures.

- **▶ 16 June** A new cross-sector initiative, the **Endgame Perspectives Group**, officially launched, aimed at providing impartial, expert insight as DB pension schemes face crucial endgame decisions at an "unprecedented pace".
- ▶ 17 June The trustee of the Church Mission Society Pension Scheme completed a deal with Clara Pensions, marking the first superfund transaction using Clara's 'connected covenant' structure, as well as the first deal involving a not-for-profit sponsor.
- **⊘** 18 June An increase in savings into pension funds may increase the amount of investment available for productive assets, the **Financial Services Regulation** Committee found, although concerns around mandating pension fund investments remain.
- ▶ 19 June The Pensions Ombudsman's pilot Pensions Dishonesty Unit (PDU) came to an end, after broader government funding constraints meant that funding for the PDU ended on 31 March 2025.

② 23 June The government said that it has wrote to the departments responsible for the McCloud remedy, requesting details of their plans to issue remaining remediable service statements and remediable pension savings statements to all affected members.



- ▲ 25 June The government announced that it is considering whether to update the current rules surrounding pension schemes' sustainability reporting, confirming that it will review the 2021 Climate Change Reporting Regulations this year as part of this.
- **▶ 27 June TPR** has announced that is preparing to launch a "big initiative" in the next few months, focused on trusteeship strategy, including the role of member nominated trustees on commercial master trust boards, TPR interim executive director of market oversight, Julian Lyne, revealed at the recent Pensions Age Northern Conference [see highlights from the conference on p32].



▲ 30 June The Financial Conduct Authority announced that is consulting on plans to allow firms to offer targeted support and provide suggestions to groups of consumers with common characteristics, in what has been hailed as a 'once in a generation' advice change.

news & comment round-up ▼

ndustry experts have expressed their disappointment as Chancellor, Rachel Reeves, failed to announce the launch of the second phase of the pensions review in her Mansion House speech.

Reports had previously suggested that Reeves would announce plans to appoint a commission to lead the pensions adequacy review, looking at auto-enrolment rates, alongside the state pension and savings of the self-employed.

However, whilst pensions did appear in the speech, there was no mention of the much-anticipated adequacy review.

Instead, Reeves highlighted the ongoing work being done to deliver the pension reforms announced at her previous Mansion House speech, suggesting that

Disappointment as government omits adequacy review from Mansion House speech

Reports had suggested that Reeves would announce plans to appoint a commission to lead the pensions adequacy review

the Pension Schemes Bill will be signed into law in the next few months.

She stated: "The creation of DC and Local Government Pension Scheme

megafunds...will mean larger and more powerful pots of funding invested productively across the country.

"Pension funds, and this government, are united in our determination to deliver higher returns for savers and more investment in the economy.

"That is why, since last year, funds covering the majority of the defined contribution market have committed to the Mansion House Accord...pledging to invest at least 10 per cent of their main funds into private assets such as infrastructure and growth markets... with at least half of that going into UK projects."

She also highlighted the role of the Employer Pension Pledge, which was launched by the Lord Mayor of London, Alastair King, the day before (14 July).

The voluntary pledge aims to transform the UK's pension investment culture, in order to move beyond a narrow, costfocused model and instead champion a value-for-money approach.

Signatories to the pledge include: Aberdeen Group, Aviva, BT, Canada Life UK, First Group, Goldman Sachs, Legal and General, London Stock Exchange Plc, M&G, Nationwide Building Society, NatWest Group, Octopus Energy, Octopus Investments, Phoenix Group, Samworth Brothers, Santander, Schroders, Standard Chartered, and Tesco.

"I would also like to congratulate the Lord Mayor on his employer pension pledge," Reeves said in her speech. "I am delighted, Lord Mayor, to see businesses such as Tesco, First Group and Octopus making this commitment...and like you Lord Mayor I look forward to seeing more companies joining up."

Despite the progress being made through the Pension Schemes Bill, industry experts have expressed disappointment over the failure to launch the pension adequacy review, highlighting this as a "missed opportunity".

Pensions Management Institute (PMI) chief strategy officer, Helen Forrest Hall, said: "Retirement adequacy cannot be



▼ round-up news & comment

solved in isolation. We must break down product silos and build a lifetime savings framework that reflects how people actually live – balancing pensions, ISAs, housing and emergency savings."

Given this, it urged the government to reassert its commitment to phase two of the review and to engage with stakeholders to deliver a system that works for people, not just products.

Indeed, industry experts have repeatedly urged the government to launch the second phase of the review "sooner rather than later" amid concerns that many savers are still not saving enough, with widespread disappointment over the news that the bill was not laid before the end of last year, as initially suggested by the government.

Whilst the government previously suggested that the review would be launched "in the coming months", some commentators were disappointed the government did not take advantage of earlier opportunities to address adequacy concerns, warning that "time is running out" to address pension adequacy issues.

And any changes following the review could be a long-term piece of work, as LCP noted that any legislation off the



back of phase two of the review could take years to implement.

"With every passing year that this issue goes unaddressed, time is running out for people already well through their working life to have the chance for a decent retirement," Webb stated.

Broader auto-enrolment reforms are also seemingly on hold as the industry awaits the launch of phase two. When previously asked whether the government would be looking to take forward the Private Members Bill to extend autoenrolment to lower earners and younger workers, which gained Royal Asset after passing through parliament in 2023, Pensions Minister, Torsten Bell, stated: "I want to consider wider questions in the round about the future of the pension system, and that's what phase two is going to be doing."

Bell also recently said that his shortterm focus is on pension investments, arguing that given the role of the state in encouraging pension saving rates, "it's on all of us to make sure [savers] get the best bang for every pound they are saving".

"Why do I say we need bigger, better pension funds? Because that is one of the enablers of higher returns" he stated.

However, Bell has repeatedly hit back at claims that the second phase of the review had been postponed, branding the suggestion that this issue had been kicked into the long grass as "nonsense".

And there is still time for the government to announce further updates on the second review, with some industry sources suggesting this is simply a sign that the review will be launched and led by Bell and the Department for Work and Pensions team, rather than HM Treasury.

▶ Climate protestors take centre stage

Whilst the focus on pensions within this year's Mansion House speech itself may have been less than many were hoping, there was a renewed focus on pension schemes' investments outside of the event, as activists from Money Rebellion took to the event to emphasise the need for pension funds to support climate efforts.

Protestors outside of Mansion House unfurled a large banner reading "pensions must protect people and the planet", just hours before the Chancellor was due to deliver her speech to UK finance leaders. Commenting on the protest, a spokesperson for Money Rebellion, Claude Fourcroy, said: "We are in a dangerously absurd situation: The planet is on the brink of collapse, and everyone knows it – especially the extractive industries and the financial sector. Yet because of their influence, we're continuing on the same pathway, and avoiding actions which could create a better future for us all."

Given this, the group urged the Chancellor to reform the pension sector so it delivers a better future for savers and for the planet. This is perhaps well timed, as the government has recently announced plans to review pension scheme sustainability reporting requirements as part of its broader work towards net zero [read more on page 14].

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news & comment round-up ▼



he Financial Conduct
Authority (FCA) is
consulting on plans to
allow firms to offer targeted
support to consumers
and provide suggestions to groups of
consumers with common characteristics,
in what has been hailed as a 'once-in-ageneration' advice change.

As part of its Advice/Guidance Boundary Review, the FCA previously gathered industry views on how it could ensure people have access to the right support to navigate complicated financial decisions in December 2024.

The latest consultation confirmed that, whilst it has made a small number of changes in light of industry feedback, the FCA is pushing ahead with its proposals for investments and pensions, allowing firms to offer targeted support by providing suggestions to groups of consumers with common characteristics.

This includes people who have excess cash sitting in a current account, or those who are drawing down on their pension unsustainably or not saving enough for retirement.

The FCA said targeted support has the potential to act as a stepping stone to simplified or more comprehensive investment advice, where consumers want or need more personalised advice.

In addition to this, the changes, which have inbuilt protections for consumers, are expected to support growth by enabling increased investment.

Under the current framework, targeted support would fall within the existing

FCA confirms targeted support proposals

The watchdog is consulting on the final issues surroundings its targeted support plans, with legislative changes to follow

definition of a 'personal recommendation' as set out in Article 53 of the Regulated Activities Order.

However, the FCA acknowledged that existing requirements relating to the provision of personal recommendations make it difficult for firms to establish support models such as the one proposed.

It also argued that it is "crucial" that the provision of targeted support is regulated differently from existing forms of advice, with a bespoke set of conduct standards set out in FCA rules and a dedicated authorisation gateway.

To enable this, the FCA confirmed that the government will consult on proposed amendments to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 to create a new specified activity of targeted support, establishing targeted support as a new service.

"We want to help consumers navigate their financial lives and plan for the long term," FCA deputy chief executive, Sarah Pritchard, said. "Some of the most difficult financial decisions we face are how to save, invest and prepare for a comfortable retirement. These once-in-a-generation reforms will help people navigate their financial lives and give them greater confidence to invest. This is a win-win for consumers and firms alike."

Alongside the targeted support proposals, the regulator outlined its plans to reform the framework for simplified advice. It argued that consumer access to a choice of full financial advice, simplified advice, targeted support, and guidance should help reduce the advice gap and support its ambition for consumers to

have access to the help and guidance they need to make informed decisions.

The news has been welcomed by those in the pensions industry, with Hargreaves Lansdown CEO, Dan Olley, suggesting that the changes will be "truly transformational in kickstarting a thriving retail investment culture in the UK over the coming years".

This was echoed by Aegon pensions director, Steven Cameron, who said that, for many, targeted support could be a "valuable stepping stone" towards seeking full holistic advice at a later life-stage.

However, Cameron acknowledged that there are still outstanding issues that will need to be addressed to ensure targeted support does not fall at the last hurdle.

"Some aspects such as the rules on defining customer segments or monitoring improved outcomes for customer groups, are within the FCA's full control," he explained, continuing: "While consumers must have adequate protection, unnecessarily onerous regulations could limit supply and there's detail to study here.

"We're also pleased the FCA is looking to address barriers which sit outside its remit. It's essential that the FOS doesn't assess targeted support against the same standards as full advice. Furthermore, if the Privacy and Electronic Communications Regulations class targeted support as direct marketing without any special provisions, the reach of targeted support, particularly for autoenrolees, will be much restricted."

Written by Sophie Smith



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Govt confirms plans to review climate reporting requirements

The DWP also asked The Pensions Regulator to assess the practicalities of pension schemes' transition plans



he government has said it is considering whether to update the rules surrounding pension schemes' sustainability reporting, confirming that it will review the 2021 Climate Change Reporting Regulations this year as part of this.

The update was one of several measures and consultations announced by the government as part of the first phase of its work to modernise the UK's sustainable finance framework.

The work is expected to support the 2024 Mansion House package, as well as the government's previous commitment to mandating "UK-regulated financial institutions (including banks, pension funds and insurers) and FTSE 100 companies to develop and implement credible transition plans that align with the 1.5°C goal of the Paris Agreement".

The consultations confirmed that, as part of this work, the Department for Work and Pensions (DWP) is to undertake a review of the 2021

Occupational
Pension Schemes
(Climate Change,
Governance
and Reporting)
Regulations this
year, building on
evidence provided
by The Pensions
Regulator (TPR).

"DWP considers the review to be a

natural place from which to consider the impact of the current climate disclosure regime and potential next steps on climate change-related reports," it stated.

The government will also consider the role of UK sustainability reporting standards in reporting on climaterelated matters by pension schemes, with stakeholders encouraged to provide feedback to DWP to inform this work.

In addition to the review of the existing requirements, DWP has asked TPR to assess the practicalities of transition plans for pension schemes.

It confirmed that the regulator is convening an industry working group involving stakeholders and some of the largest occupational pension schemes, with the findings from this work to be shared with the DWP later this year.

TPR has since provided further insight on this work, confirming that it will be working with industry stakeholders, advisers, and bodies to develop and test a voluntary net-zero transition plan template designed for and tailored to occupational pension schemes.

The work will build on the previous efforts of the Transition Plan Taskforce (TPT), as the template will be based on the framework and guidance developed by the TPT.

Whilst not currently a mandatory requirement, TPR argued that transition plans have the potential to catalyse change and help shape investment decisions in the interests of savers.

Given this, it said that developing them is a proactive step trustees can take to help their schemes manage transition risks, such as investments in fossil fuels or other high-carbon industries losing value or the impact of market volatility.

TPR interim executive director of market oversight and chair of the planned working group, Julian Lyne, said: "Sustainability initiatives should improve investment governance practices and help schemes make good long-term strategic decisions. That is why we plan to work with industry in advance of any legislation to make sure we deliver a transition plan template made by industry for the industry and that provides high standards of stewardship and helps mitigate financially material systemic risks."

The government's consultation also revealed that it is considering whether to redefine the scope of entities under any future transition plan requirement.

However, the government said it was "clear" that it wants any future requirements to be proportionate and that the focus will be on economically significant entities, including pension funds, where there is likely a significant investor and public interest.

It also emphasised the need to ensure the scope of any future requirements does not impact the attractiveness of the UK as a listing destination by creating additional or unnecessary burdens.

Written by Sophie Smith

▼ round-up news & comment

Use of PPF surplus faces scrutiny; govt warns of wider impact on public finance

The government has been urged to use the PPF's surplus to fund benefit and levy changes

he government has faced growing scrutiny over the potential use of the Pension Protection Fund's (PPF) reserves, with Pensions Minister, Torsten Bell, questioned over the seeming reluctance to use the PPF's surplus to fund indexation for pre-1997 benefits.

There has recently been growing calls for the government review the level of compensation received by PPF members and assistance from the Financial Assistance Scheme (FAS), specifically in relation to the award of pre-1997 indexation.

In the final session on its pensioner poverty inquiry, Work and Pensions Committee chair, Debbie Abrahams, asked the Minister for the latest updates on this, emphasising that many members impacted are in "dire circumstances".

She also pointed out that whilst there is a surplus of £12bn in the PPF, estimates to provide an uplift for pre-1997 indexation are much less.

Indeed, the PPF told the committee in December 2024 that providing prospective pre-1997 pension increases where scheme rules allowed for that, capped at 2.5 per cent, would reduce the PPF's reserves by £1.7bn, to £11.5bn.

The estimated cost of making the same change to FAS assistance, meanwhile, was £40m in years one to five and £93m in years six to 10.

"I appreciate this is several governments' responsibilities," Abrahams clarified, emphasising however, that "we are the ones holding the can now".

"I'm afraid I can't understand the

reason not to enable them to spend the last few years of their life in some comfort," she said.

In his response, Bell confirmed that he has met with many of the members impacted by this issue, emphasising that he was "absolutely aware of the issues" and of the urgency needed, given

the age of those impacted.

However, Bell emphasised that "it is not a straightforward situation of there

not a straightforward situation of 'there is a nice surplus that could fund that,' because the balance sheet of the PPF sits within the public balance sheet.'

"So this is a wider question for the public finances, and the public finance implications are not just the impact on the FAS, any increase in liabilities for the PPF immediately scores.

"It does need to be looked at properly, it needs to be considered in the round in terms of those wider impacts, just like all public policy matters are. So I'm aware and I'm looking at it, but the public finance implications are more complicated."

However, Abrahams has since pressed the Minister on this further, writing to Bell to request further insight on the expected impact of providing pre-1997 pension increases on public finances.

Broader calls for the government to make better use of the PPF's surplus have also been seen, as Pensions UK recently urged the government to use the Pension Schemes Bill to abolish the PPF administration levy and permit the PPF to cover its operating costs through its own fund and "substantial" surplus.

Currently, legislation only allows PPF and Fraud Compensation Fund administration costs to be met from the administration levy, which is collected separately from the general levy on pension schemes by The Pensions Regulator (TPR).

TPR previously confirmed that the administration levy was paused following the build-up of a surplus, with collection suspended for two years from 1 April 2023. TPR has since confirmed, however, that the surplus has reduced, with collection of the administration levy restarted from 1 April 2025 in order "to ensure sufficient funds are available to meet PPF's administration costs".

However, Pensions UK, formerly the PLSA, argued that the sudden reintroduction of this levy has raised process concerns and left many facing "significant unbudgeted" costs.

Further scrutiny on the use of the PPF's surplus funds is expected going forward, as its latest accounts revealed that, following a strong performance from the growth portfolio, the PPF's reserves grew from £13.2bn to £14.1bn in 2024/25.

Written by Sophie Smith and Paige Perrin



news & comment round-up ▼

Reynolds defends McCloud remedy delays

Whilst Reynolds said the delays were understandable given the complexity of the work, she confirmed that efforts are underway to address this

he government has written to the departments responsible for the McCloud remedy, requesting details on plans to issue remaining remediable service statements (RSS) and remediable pension savings statements (RPSS) to all affected members.

During a House of Commons (HoC) debate, Edinburgh West MP, Christine Jardine, raised concerns over the delays to the McCloud remedy, arguing that "these are having a significant impact on people's lives".

Jardine highlighted a number of example cases where savers have faced delays, demonstrating the impact that the remedy process has had on people "who have dedicated their lives to serving our communities".

"It is unfair and must be tackled," she added, querying whether the government could outline its plans to work with these authorities to ensure rapid delivery of remedial pay.

Whilst Economic Secretary to the Treasury, Emma Reynolds, said she "absolutely understands the point", she also emphasised that "delivering the remedy to more than three million affected scheme members is also an intensive administrative challenge".

Reynolds also pointed out that providing these statements to members, together with the other aspects of implementing the remedy, is the responsibility of pension scheme managers, while the devolved administrations have responsibility for administering their schemes.

"This means that the picture on implementing the remedy across the different schemes is complex and may be subject to particular factors that affect one scheme but not necessarily another," she stated.

However, Reynolds was able to provide some further insight into the progress made so far.

In particular, Reynolds confirmed that, across the police scheme in England and Wales, around 90 per cent of the total number of RSSs have so far been issued, with a similar situation in the police scheme in Scotland, with 97 per cent of deferred choice and over three quarters of immediate choice RSSs already issued.

"Although that is not yet matched by other schemes, significant progress is being made elsewhere," she said.

And despite recent delays, Reynolds stressed that "it was always anticipated that providing RSSs to members would be challenging, and that is specifically recognised in the legislation governing the remedy".

She also reassured individuals that where there is an uplift in interest on pension payments, interest will be paid on arrears, so they will not lose out financially as a result of the delays.

"But I do understand that the delays are frustrating," she added, urging scheme managers to take every step possible to resolve those cases as quickly as possible and to prioritise cases where individuals may be in particular need.

"The government is committed to ensuring that all affected members are provided with the remedy they deserve



as quickly as possible, including ensuring that members already in receipt of pension benefits or approaching their retirement are prioritised," she said.

"Where scheme managers have exercised their statutory discretion to extend the deadline for providing some members with an RSS, it is therefore important that appropriate new deadlines are set out and robust plans are in place to ensure the new deadlines are met."

In addition to this, however, Reynolds emphasised that scheme managers must ensure that the plans are properly communicated to pension scheme members to provide them with certainty.

"The Pensions Regulator must also be kept informed of plans and progress, and I know schemes have been having these discussions with the regulator," she said.

Given the concerns over the recent delays, Reynolds confirmed that the Pensions Minister, Torsten Bell, has also recently written to responsible departments, requesting details of their plans to issue remaining RSSs and RPSSs to all affected members.

"All those affected by the McCloud remedy can be assured that a robust and complete statutory remedy has been put in place and that schemes are working to ensure that members receive the information and support they need," she added.

Written by Sophie Smith

v round-up news & comment

TPR to launch trusteeship strategy in 'next few months'

▼ Further details on the scope and timing of the strategy were confirmed at the Pensions Age Northern Conference in Leeds

he Pensions
Regulator
(TPR) is
preparing to
launch a "big



MNTs as a requirement, he said: "I think there is a whole discussion about MNTs and their role in master trusts.

initiative" to drive up trustee standards in the "next few months", TPR interim executive director of market oversight, Julian Lyne, has confirmed.

Speaking at the Pensions Age Northern Conference, Lyne revealed that the new strategy includes plans to look at the role of member-nominated (MNTs) trustees on master trust boards.

Asked at the conference if now was the time for commercial master trusts to have

"I think there are different routes that organisations can have to make sure they have an employee voice. We are doing a big initiative in the next few months looking at that very aspect in terms of trusteeship."

Lyne also emphasised the importance of employee voice and diverse thinking in pension governance more broadly, stating: "We really value the role of a member-nominated voice in the governance structure and there are various options that you can look at.

"But I think as a regulator, we understand the trustee boards need to be clearly informed, they need to have diverse thoughts and we appreciate the value of a members feeling connected."

TPR initially announced plans to launch the new strategy shortly after the government shared the final Pension Schemes Bill, with TPR chief executive, Nausicaa Delfas, emphasising that trustees need to ensure they are ready for the "transformational impact" of the bill.

"Trustees lie at the heart of the pensions system. And as the system grows and evolves, so must the nature of trusteeship," she said. "We will be working closely with the government on their planned consultation on trusteeship and governance set to commence later in the year." [Read more from the Pensions Age Northern Conference on p32].

Written by Paige Perrin

HMRC updates VAT deduction on pension management

► HMRC is expected to publish further guidance on the policy change by autumn 2025

MRC has announced a further policy change to VAT deduction on the management of pension funds, confirming that it will no longer view investment costs as being subject to dual use.

As a result of a previous Court of Justice of the European Union decision, HMRC changed its policy to allow employers recovery of input tax incurred on investment costs, provided employers could show evidence they contracted and paid for the investment services.

Different arrangements were put in place for employers to achieve VAT deduction for the costs of administering occupational pension funds and managing their assets. This included arrangements where the trustees supply administration services to an employer, and arrangements with VAT grouping.

In both arrangements, HMRC considered that the VAT incurred on asset management services may have a direct and immediate link to the trustee's investment activity and the supplies made by the employer, provided it is used by the employer to make those supplies, resulting in dual use of costs.

Previously, HMRC's policy was that where there was dual use of investment



costs, a method of apportionment on a fair and reasonable basis to determine how much input tax could be deducted by each party was required.

However, HMRC has confirmed it will no longer view investment costs as being subject to dual use. Instead, all the associated input tax incurred will be seen as the employer's and deductible by the employer, subject to normal deductions.

In addition, where trustees are supplying pension management services to the employer and charging for them, they will also be able to deduct input tax incurred for the purpose of providing those services.

Written by Sophie Smith

news & comment round-up v

Keeping track of the pensions dashboards connections



he first few deadlines in the Department for Work and Pensions' pensions dashboards staged timeline guidance have now

passed. The number of pension providers that have completed their connection to the pensions dashboards ecosystem has continued to grow, with a number meeting their connection requirements early. The Pensions Dashboards Programme has also shared key updates on the dashboards standards and the work still needed to ensure future dashboards are a success. *Pensions Age* brings you the latest updates...

Connnector progress continues...



Speaking at the latest Pensions Dashboards Programme Town Hall event, programme director, Kim Webb, confirmed that a total of 14 out of 20 volunteer participants (VPs) have now completed

integration testing, which is considered the hardest part of the connection process.

In total, eight VPs have now completed the connection process, and all but one VP has now entered the final stage of the connection journey, the technical connection.

According to Webb, this has enabled hundreds of providers and schemes to connect, with more than 20m pension records now available through the ecosystem.

It is not just connection progress that has been made, as Webb revealed that "significant" progress has also been made. In particular, Webb confirmed that the suite of standards that provide rules and controls that facilitate ongoing connection to the ecosystem have now all been approved by the Secretary of State and the Department for Communities in Northern Ireland.

However, Webb admitted that there is further work to be done on standards, including finalising a process and timeline for handling uplifts and retesting of standards, and timing for changes, as well as further updates on error handling.

And providers and schemes follow suit...

• Pensions Minister, Torsten Bell, confirmed that the state pension successfully completed its connection to the pensions dashboards ecosystem.

Industry experts hailed this as a key milestone for the dashboards programme. Bell, who said that the news was "very exciting", also reiterated his commitment to dashboards more broadly, urging the industry to "keep delivering dashboards".

• LCP announced that it had connected its first pensions administration client to the pensions dashboards ecosystem, in line with their 'connect by' date.

This was highlighted as a "significant milestone" and a "pivotal step" in LCP's commitment to connecting its clients to the wider pensions dashboards project.

• Pension Fusion, a partnership between Equisoft and Lumera, has confirmed that it has onboarded a total of 29 providers to the pensions dashboards ecosystem so far, covering nearly 90 schemes and providing pension data access for over 11m members.

The news has been highlighted as a "crucial step" towards greater transparency and enhanced retirement planning across the UK, with Equisoft product director, Nick Meredith, confirming that the group is also "confident and ready to stage more schemes before the October deadline in 2026".

• LV= announced that it has connected to the pensions dashboard ecosystem ahead of schedule, using the Origo Dashboard Connector as its integrated service provider.

The next upcoming pensions dashboards connection deadline is 31 August 2025, and will cover:



- Any remaining money purchase schemes with between 2,500 and 4,999 members
- Schemes without money purchase benefits, other than public service pension schemes or parliamentary pension schemes, with between 2,500 and 4,999 members
- Hybrid schemes with between 2,500 and 4,999 members

vround-up news & comment

■ News in brief

Pensions Age summarises some of the latest news in the pensions industry, including the latest product launches, climate commitments and best practice guidance...

A changing market



The past month has seen a number of key acquisitions, rebrands and new offerings announced in the

pensions industry:

- The Pensions and Lifetime Savings Association (PLSA) announced that it was rebranding as Pensions UK, as it launched an 'ambitious' strategy outlining its plans for the next decade and beyond.
 - Pan-European savings and

retirement services group Athora Holding Limited announced that it had agreed to acquire Pension Insurance Corporation Group, the parent company of Pension Insurance Corporation (PIC), for £5.7bn.

- European life and pensions consolidator, Chesnara, announced that it had agreed to acquire HSBC Life (UK) from HSBC Bank plc for a total consideration of £260m.
- PensionPay, a new fintech platform enabling members to access their pension savings through a debit card

or digital wallet with an app interface, was launched in response to concerns that there is a 'clear gap' between how pensions are administered and how people actually live.

- The Pensions Regulator (TPR) announced plans to launch a Pensions Data and Digital Working Group.
- Aegon announced plans to introduce pension tracing and consolidation services for its master trust clients, describing this as a "significant milestone" in its ongoing collaboration with The Pension Lab.

De-risking momentum continues



Despite a growing focus on run-on, several pension risk transfer

transactions were announced over the past month:

- The Molins UK Pension Fund completed a £249m buy-in deal with Aviva, securing the benefits of over 3,500 members of the scheme.
 - The Milliken Industrials Limited

Pension Plan completed a £44m buy-in with Royal London, securing the benefits of around 500 members.

- Three pension schemes sponsored by Baker Hughes completed simultaneous buy-ins with Pension Insurance Corporation, worth a combined £900m.
- The McGregor Construction (Highlands) Limited Pension Plan completed a £7m buy-in with Just Group, securing the benefits of 66 pensioners and eight deferred members at Pension

Protection Fund+ levels.

- The MGN Pension Scheme agreed £150m buy-in with Just Group, covering benefits for 1,300 in-payment members.
- The Grant Thornton Pensions Fund secured a £275m buy-in with Royal London, securing the benefits of 2,200 members.
- Two unnamed schemes completed a multi-scheme buy-in worth £67m with Just Group, securing the benefits of all scheme members.

Early calls for change emerge



The past month has seen a renewed focus on pension adequacy in anticipation of the second

phase of the government's pension review, with many keen to share their wish list and recommendations:

• Hargreaves Lansdown urged the government has to adopt a relative

pension adequacy measure, rather than a 'pounds and pence approach', after its analysis suggested that relative measures better reflect the income needs of different groups.

• The Institute of Fiscal Studies (IFS) encouraged the government to take "decisive" action and introduce a four-point pension guarantee. The IFS, in partnership with Abrdn Financial Fairness Trust, outlined a comprehensive roadmap aimed at addressing 'serious challenges' facing the pension system.

- The Federation of Small Businesses warned that further pension reforms could see small firms raise prices, cut jobs, or slash profits, urging the government to examine how workplace pension changes impact small employers.
- Aegon urged the government to take "bold action", with particular calls to implement the 2017 auto-enrolment review recommendations and build a consensus on what adequacy means.

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appointments round up

Appointments, moves and mandates



Zedra has appointed Dean Blackburn

Blackburn joined the business as deputy chief executive officer in September 2024. He has more than 25 years of leadership experience in the financial and professional services, having previously served as chief commercial officer and group head of institutional client services at JTC. Ivo Hemelraad, current CEO, will

transition to a non-executive director position on its Group Holdings board. Commenting on his appointment, Blackburn said he is "thrilled" to take the role at such a "pivotal time" in its evolution as a business and "looks forward" to working with its team of "exceptional professionals".



Neil Godfrey

Ø M&G Investments has appointed Neil Godfrey as global head of client group, effective from 16 June 2025.

In his new role, Godfrey will become a member of the executive leadership team, reporting to M&G Investments chief executive, Joseph Pinto. He has experience designing and taking to market private asset strategies for institutional investors. Godfrey has more than 24 years of asset

management experience from Barings, formerly Babson Capital, where he was global head of distribution. Prior to this, he spent five years at Barclays Global Investors. Godfrey succeeds Neal Brooks who has decided to step down after almost 30 years, having held several senior leadership roles.



Denise Le Gal

S Lothian Pension Fund has appointed Denise Le Gal as non-executive director of the LPFI and LPFE boards.

The appointment is for four years, effective from 9 June 2025. Le Gal is an experienced non-executive director. She also brings strong experience in Financial Conduct Authority-regulated entities. Le Gal has been involved in Local Government Pension Schemes since 2009

when she was appointed as chair of Surrey Pension Fund. She currently serves as chair of Brightwell Pensions (formerly known as BT Pension Scheme Management) and of JPM Chase UK Retirement Plan. Until late 2024, she was also the chair of the Brunel Pension Partnership.



Emma Watkins

o Canada Life has appointed Emma Watkins as UK CEO, effective from 1 September 2025.

Watkins joins following a decade at Scottish Widows, where she most recently served as managing director, retirement & longstanding, and was a member of the executive committee. Before this, Watkins was a partner at LCP and held several senior roles within insurance businesses

including MetLife Assurance Ltd and Ace European Group. She succeeds Lindsey Rix-Broom, who will continue to lead Canada Life UK alongside her role as CEO of Europe, Great-West Lifeco until Watkins assumes the position. She will also join the Great-West Lifeco European Leadership Team.



Deborah Evans

> The Department for Work and Pensions has announced the appointment of Deborah Evans as the new chair of The Pensions Ombudsman (TPO).

Evans' appointment starts on 1 July 2025 for a period of five years, taking over from Anthony Arter who has been interim chair since January 2024. Evans currently serves as a non-executive director and chair of the Compliance Committee at the Property Ombudsman. Alongside her role at the Property Ombudsman, she is also director and chief executive of Lawyers in Local Government and chair of governors at Trent College. Her appointment comes as the government's Pension Schemes Bill continues its passage through parliament, which includes measures aimed at strengthening the legal standing of TPO so that pension overpayment cases can be resolved and pension overpayments refunded quicker, reducing waiting times for customers. Commenting on the appointment, Pensions Minister, Torsten Bell, said: "I am pleased to announce Deborah

Evans as the new chair of TPO. I look forward to working with her as she brings her leadership and expertise to this vital role, helping to uphold high standards of fairness and accountability across the pensions sector. I am confident she will make a positive impact for savers and pensioners across the country."

Adding to this, Evans said: "The Pensions Ombudsman plays a crucial role in ensuring that complaints are dealt with appropriately and independently, keeping the system fair. I look forward to leading the board to help the organisation succeed." round up appointments



> The Department for Work and Pensions (DWP) has confirmed that Kirstin Baker has been appointed as interim chair of The Pensions Regulator (TPR), effective from 1 August 2025.

Succeeding Sara Smart, who announced plans to step down from her role earlier this year, Baker is currently the senior independent member of the TPR board, and has had a long career in the civil service, most recently as HM Treasury finance and commercial director.

Commenting on her appointment, Baker said: "I am delighted to take on this interim chair role while a competition is undertaken for the next full-term chair of TPR. I would like to thank Sarah Smart for all the work she has done as TPR chair and look forward to building on this."

Adding to this, Pensions Minister, Torsten Bell, said: "I am pleased to welcome Kirstin Baker as the interim chair of TPR. I look forward to working with her as she brings to bear the wealth of experience from her role

as TPR senior independent board member."

However, Bell was forced to defend that this is an interim appointment after Work and Pensions Committee (WPC) chair, Debbie Abrahams, expressed concerns. Whilst Bell said he understood her "disappointment", also apologising that the committee was not given the appropriate amount of time to consider the related recruitment campaign, he said that this "simply reflects time constraints" and that a well-planned recruitment campaign is "essential".



Nick Stacev

5 TPT Investment Management (TPTIM) has announced the appointment of Nick Stacey as senior investment manager.

Stacey has 22 years in the industry and, before joining TPT, served as head of asset management and allocation for a European family office. He also spent eight years at the in-house investment team at Barclays UK Retirement Fund,

focusing on investment strategy and research relating to return-seeking assets. Stacey will report to TPTIM investment director, Peter Smith. In his new role, Stacey will be responsible for enhancing TPTIM's research activities, continuing to develop its private market investment strategy.



Louise Fitzgerald

Nest has appointed Ian Cornelius as its permanent CEO and Louise Fitzgerald as its chief financial officer.

Cornelius has served as the interim CEO of Nest since May 2024. Prior to this, he served as interim group CEO at Skipton Building Society, having previously been Skipton's commercial and strategy director for a decade. Additionally, Fitzgerald has been serving as interim chief financial

officer since March. Prior to joining Nest, she was chief financial officer at British Arab Commercial Bank for three years. Fitzgerald brings more than 25 years' experience in financial services to Nest. In addition to her role as chief financial officer, she will join Nest's trustee board.



Martin Sutherland

SECTION STATE OF STA appointed Martin Sutherland as independent non-executive chairman.

Currently, a non-executive director, Sutherland will take up the role following the company's Annual General Meeting (AGM) on 4 September 2025. This follows the current independent nonexecutive chairman, Alan Bannatyne, informing the board of his wish to step

down following the conclusion of the AGM. Independent non-executive director, Margaret Snowdon, will step down from the board following the recruitment of an additional non-executive director, the timing of which is yet to be confirmed.



Nigel Peaple

S LGPS Central has appointed Nigel Peaple as director of policy.

Peaple joins from the Pensions UK (formally the Pensions and Lifetime Savings Association) where he was chief policy counsel and prior to this director of policy and advocacy. He has more than 25 years of experience across the public and private sectors in the field of pensions and

investments. In this newly created role, Peaple will lead the group's work on public policy and external engagement. His remit includes building relationships with key stakeholders, including HM Treasury and the Ministry of Housing, Communities and Local Government (MHCLG) as well as helping shape its contribution to the future of the LGPS.

news & comment round up 🔻



▼ VIEW FROM TPR: Planting the seeds for successful pensions innovation

We are committed to encouraging an environment where new ideas can grow, fostering a spirit of experimentation and collaboration.

In June, we held a successful policy 'hackathon' to tackle pensions' biggest challenges and to develop attendees' innovation and collaboration skills. We want to work with industry to make sure it delivers good outcomes for savers. To do this, we want to help ensure innovation protects benefits, maximises compliance and results in well-administered schemes. The launch of TPR's innovation support

service is the first step towards providing a framework for saver-centred products to flourish.

We were delighted by the demand for places at our pensions innovation hackathon. We wanted a diverse but intimate group. More events and opportunities are on the way and the service is open for early-stage confidential discussion sessions.

We also wanted to share with industry our observations on what we think made the day a success. Through our support service, we hope to encourage green shoots of innovation that, with industry's energy and enthusiasm, will grow into solutions to some of pensions' biggest issues.

There is still more to come from our innovation service, including more collaborative events and thought leadership in the form or blogs, reports and information on good innovation practice.



TPR head of innovation and design practice. Marion Lean



▼ VIEW FROM PENSIONS UK: Retirement living standards for the modern age

The image of retirement as a couple strolling into the sunset feels outdated, as retirement takes many forms. We're all different, and when we clock off for the final time, our situations will vary.

Some of us may not be in a relationship but that doesn't mean we have to face retirement, or its costs, alone. Today, shared living in later life isn't just about romance. It's also about practicality, companionship, and making financial sense.

This year, the Pensions UK Retirement

Living Standards (RLS) updated its language from 'single' and 'couple' to 'one-person' and 'two-person' households. Although the standards reflect romantic couples, this small change signals a big shift: Many people are considering living with others as a way to manage expenses.

Our recent research shows that 75 per cent of people currently live with others, and 77 per cent expect to in retirement. Just 12 per cent ruled out house-sharing to cut costs. In a world of rising housing expenses, where 24 per cent expect to rent in retirement and 17 per cent still carry a mortgage, this matters.

While not everyone in a twoperson household merges all finances, overlapping costs can lead to real savings. The RLS offer realistic scenarios and provide a clear starting point.



Pensions UK director of policy and adequacy, Zoe Alexander



▼ VIEW FROM THE PMI: Raising the bar, even as the agenda gathers pace

The pensions sector is in the throes of sweeping reform - from the mandation of value for money frameworks to the rise of default decumulation and consolidation.

But as the legislative tide surges, the importance of strong trusteeship and highquality administration doesn't diminish it becomes even more critical.

When schemes are under pressure to change, governance risks can compound. This is why the Pensions Management Institute (PMI), believes that raising

professional standards isn't a distraction from reform - it's an essential part.

That's why we're working hard to expand our trustee qualifications, strengthen continued professional development (CPD) for administrators, and continue to champion higher competency frameworks across the industry. We've also created a Trustee Special Interest Group to provide trustees with timely briefings on fastevolving legislative changes.

But as expectations rise we must ensure this doesn't narrow the funnel of talent.

The future of pensions relies on diverse, capable teams that reflect the people they serve. The PMI is doubling down on widening access to qualifications and creating more inclusive pathways into trusteeship and scheme governance.

Change brings opportunity - but only if we have the skills, structures and culture to make it work.



PMI chief strategy officer, Helen

▼ round up news & comment

Soapbox: Is digital convenience costing savers their retirement futures?



In an ever-evolving world, everything seems to be moving to a digital-first approach – whether it's online banking, the growing use of AI, or even pensions.

The industry has embraced this shift to a tech-focused world with pension tracking apps, pension calculators, online support services and the upcoming pension dashboard.

The promise this technology brings to pensions is substantial. Empowering members with accurate data, simplifying all those complex decisions and encouraging greater engagement.

On the surface, this seems to be working. Reports indicate that engagement levels are rising and pension providers are reporting record usage of their digital tools and platforms.

The Scottish Widows *Master Trust Member Survey* report showed that digital engagement was popular amongst its members, with 83 per cent of those engaging with their pension at least annually interacting digitally, up from 73 per cent in 2023.

However, when considering the bigger picture, is this digital convenience serving members' long-term interests?

Research from Bravura found that many pension providers are still relying on outdated technology, with 41 per cent of pension providers still posting out letters, despite UK workplace pension savers asking for better digital tools.

Even more troubling, 75 per cent of members do not have access to retirement income estimators, savings calculators or retirement goal trackers, despite savers naming all three of these technologies as their preferred tools for retirement planning.

This suggests that despite the scale up of technologies in the pension sector, there are still gaps, which can leave savers in the dark about their pensions and their desired future retirement.

It is no surprise then that financial advice also plays a role in this conversation. One of the pensions industry's goals is to ensure that pension savers know how to effectively save for an adequate retirement.

Indeed, Bravura's research pointed out that 84 per cent believe that more people should have access to digital or financial advice to achieve better retirement outcomes.

It also showed that improvements in this area were popular. Forty-nine per cent of pension savers said they would engage more with their pension if it was accessible through their online banking account and 85 per cent preferred to access this information via a mobile app. Yet true empowerment comes not just from access to tools, but from the quality and relevance of those tools.

An app without personalisation, a calculator without context, or a dashboard lacking holistic oversight will fail to support savers in making informed, confident decisions.

Savers need more than surface-level convenience. They require insightful digital support that evolves alongside their financial journeys.

Without this, digital transformation risks reinforcing confusion rather than resolving it. Tools should not just inform – they should guide, personalise, and adjust to life stages and financial goals.

Furthermore, the risk of digital exclusion still looms large – not everyone has the skills, confidence, or access needed to navigate digital platforms. Yet, many providers are moving away from traditional communication channels. As the industry pushes forward, are people being left behind?

This brings us to The Pensions Regulator's (TPR) Digital, Data and Technology Strategy, which is aimed at guiding the pensions industry through this digital transition. TPR's strategy sets out ambitions to modernise the sector, promote smarter use of data, and improve saver outcomes.

However, is TPR doing enough to ensure providers aren't just building digital tools, but building the right ones that meet savers' needs?

So, is the pension industry prioritising convenience over meaningful outcomes?

Without access to the right tools and up to date systems, the digital experience risks becoming a false promise, one that could ultimately leave

savers underprepared for the retirement they desire.

Written by Paige Perrin

news & comment round up ▼



▼ VIEW FROM THE AMNT: Road maps and regulations

Its good to know where you are going, and how long it might take to get there.

The Department for Work and Pensions' (DWP) roadmap is a welcome way to set out the government's planned framework for the next five or so years, rather than working individually through a variety of consultations on different topics. The direction is clear (although untested) but especially welcome. Although the journey seems to be taking us through a great deal of thinly disguised government economic priorities, the eventual destination is clearly the best outcomes for savers/members.

But this is like one of those travel routes you look at online before setting off on holiday. However, when you actually get there you find there are valuable side trips to incorporate and perhaps then there is a short cut between two other points.

For example, whilst collective defined contribution (CDC) gets a mention, including as a decumulation product, it's far from clear how it integrates with megafunds or value for money (VFM). And what about allowing for innovation just as we are beginning to see new consolidation options in various forms, capital backed journeys,

etc? Will VFM actually give us better outcomes or just safe middle herding? And most of all, is all this just a temporary map and destination? Good outcomes for different generations are beginning to look very different and we must address these issues.

However, travelling is one of my favourite things and the journey is always fascinating. So thank you Minister and DWP. I look forward to getting started.



AMNT cochair, Maggie Rodger



▼ VIEW FROM THE ABI: Difficult questions

It's certainly been a busy few weeks in pensions policy. We saw the Pensions Investment Review published, closely followed by the Pension Schemes Bill's introduction to parliament. In tandem, calls for the government to promptly publish its adequacy review are growing louder.

This review is a critical opportunity to look across the pensions system to address the fact that many people are simply not saving enough for later life.

The government has signalled that

it will take a holistic view, considering adequacy across the state pension, workplace pensions and private wealth. For us, it's sparked thinking about how we can better understand adequacy at the level of household wealth, rather than concentrating purely on individuals and their income.

We hope that this coming review will ask the difficult questions needed to reform AE, balancing the competing priorities of saving for tomorrow while having enough money to spend today.

To achieve this, the simplicity that has contributed to AE's success so far will have to give way to a more tailored approach. Recognising that a 'one size fits all' system has limits, greater flexibility is also needed. We're at a key moment to define the future of AE for the next generation.

ABI policy adviser, long-term savings, Ben Infield





▼ VIEW FROM THE PPI: Key findings from the PPI's new report

DC saving, auto-enrolment (AE), and the 2015 pension freedoms have transformed UK pensions, but the decumulation market still lags behind.

A new Pensions Policy Institute report, Assessing the UK Retirement-Income Market, highlights how more than half of all pension pots are cashed out in full at first access. Nearly one in three retirees received no information, guidance or advice before proceeding, and providers remain cautious: Unclear advice-guidance rules and limited individual-level data

limit their ability to offer more support.

PPI research shows stakeholder support for effective 'blended' defaults that allow flexible drawdown early on and secure income later, supported by reforms such as Financial Conduct Authority (FCA) Targeted Support – Advice Guidance Boundary Review, DWP guided pathways, small-pot consolidation, and the pensions dashboards. Early initiatives suggest schemes could segment members, use dynamic tools, and collect richer data to fine-tune the support they offer.

As DC balances grow and early AE savers access their pots, ongoing coordination across regulators, industry, and government is vital. Developing robust default pathways and providing clearer, more comprehensive support will be critical to converting DC pots into sustainable, VFM retirement income.



PPI senior policy researcher, Mariana Garcia Requejo

PODCAST



Capita Pension Solutions global practice leader & chief revenue officer, Stuart Heatley

hen I first started out in pensions and benefits a long time ago, someone said to me the key purpose is never to forget about pension scheme members, policyholders and their dependents, and I don't think that's changed."

This was the key message put forward by Capita Pension Solutions global practice leader & chief revenue officer, Stuart Heatley, speaking on the latest *Pensions Age* podcast, which opened by looking at the different parties involved in the pensions ecosystem, including the administrator who he argued, until now, has traditionally been overlooked.

"For a long time, the value of the administrator – and also administration – has been ignored within pensions, but that is changing. Ultimately, the administrator can sometimes be the only person a pension scheme member or a policyholder is speaking to, both through their accumulation and then at the point of retirement, or when they get to a life event. So, it is an incredibly valuable and skilful role which is now becoming more recognised as such."

Heatley went on to consider what he believes should be the key priorities when it comes to delivering the best outcomes for members: "Value for money – viewing pensions delivery not as a race to the bottom in terms of cost, but delivering solid performance and

Podcast: Who matters most in pensions?

▶ In the latest Pensions Age podcast, Francesca Fabrizi speaks to Capita Pension Solutions global practice leader & chief revenue officer, Stuart Heatley, about who matters most in pensions and how to best meet their needs

providing something valuable for the individual in the future. User experience – being there when the policyholder or member needs us, providing support but also delivering that service in the way that best suits them. Communication and engagement – helping members to understand pensions. Finally, simplicity – creating the best outcome for the individual, paying pensions accurately, and paying them on time to them or their dependents."

Focusing next on whether true member engagement will ever be achieved in pensions, Heatley argued that it potentially could, but with a caveat: "We're not going to drive engagement of policyholders and members to pensions on a day-to-day basis. But what we've got to do is make sure that when people are interested, when they're either enquiring or they want to do something, or a life event means that they need to do something, that they are able to access their pension in the way that they want, in an engaging way, in a way that they get the information that they need, and that they're able to do what they need to do."

Following on from this, Heatley reflected on how the role of technology in pensions is evolving for the benefit of members: "Over the past few years, we have moved from technology just doing the background calculation work and record keeping more towards how we engage with the individual members and policyholders, how we push that information out and also allow them to

pull information in. So, there's a much greater focus now on user experience."

Saying that, he added, it's important not to lose sight of the basics: "I don't think we should forget in the background getting it right, getting the right levels of automation, having good quality data going in and coming out – these are equally as important as user experience."

Heatley also flagged up the evolving role of AI in pensions which, he commented, "is being talked about a lot, which is great, but we've got to work out how we embrace, capture and harness AI with a view to improving outcomes for pension scheme members and also their user experience".

Finally, looking to the future, Heatley stressed the importance of staying connected to the industry in order to best serve clients' needs; keeping an eye on innovation; and, importantly, listening to the members and policyholders.

"That brings us full circle to the start of our conversation. They are the most important part of the pensions ecosystem. That's why we're here – we should always remember that."

In association with



This is an edited summary.

To listen to the podcast in full, visit pensionsage.com

news & comment round up ▼



▼ VIEW FROM THE PPF: Purpose beyond pensions

Since joining the Pension Protection Fund (PPF) in February, I've been struck by the difference we make. Not just for our almost 400,000 PPF and Financial Assistance Scheme (FAS) members, but here in Croydon and in the communities our people are part of.

Volunteering is a big part of that. From mentoring young people and supporting literacy schemes in local schools, to painting community centres and baking for charity fundraisers, it's clear that community spirit lives across the whole organisation.

Every colleague here is given the

opportunity to take five volunteering days per year and this means that, for the second year running, PPF colleagues have clocked up over 500 days of volunteering.

We've also just wrapped up a twoyear partnership with Lives Not Knives, a Croydon-based charity tackling youth violence. It's been a rewarding partnership, and we're proud to have supported their mission.

Looking ahead, our new employeevoted charity partner is Reedham Children's Trust. They provide earlyintervention support to help vulnerable children access education and achieve their potential – and we're excited to support them through volunteering and fundraising over the next three years.

Outside of work, I volunteer as a trustee for Croydon Citizens Advice. I know first-hand that charities are crying out for trustees with financial or governance experiences – skills that are a second nature to many of us in pensions. If you've ever considered stepping into a trustee role, now is the time to do it.



PPF chief of staff, Kirsty Bowman-Vaughan



▼ VIEW FROM PASA: Why administrators should be central to de-risking journeys

One of the key players in ensuring the success of DB scheme de-risking exercises is the administrator. Yet, too often, their involvement can come too late.

Before any de-risking activity, trustees should identify key data needs and ensure the administrator can provide complete, accurate, and up-to-date data early on.

Updated Pensions Administration Standards Association (PASA) guidance covering data readiness for buy-ins and buyouts is a must read for any scheme with de-risking on its strategic roadmap. Prior to sharing the data, the administrator should review the benefit specification signed off by the trustee's legal adviser. This helps catch any instances where administration practice differs from the legal entitlement, and documents how any trustee discretions are applied in practice.

The administrator should also sign off the data before it's captured in the contract. Once contracts are signed, one could be forgiven for believing the hard work is done. However, in the case of a buy-in, the administrator's role has just begun. They need to work with the insurer to line up member movements and pensioner payroll on a monthly basis, and to complete data verification within the specified timeframe.

The recently created PASA Derisking Journey Management Working Group was established to help trustees and administrators in this area, and will soon be launching its jargon buster.



PASA board director, Emma Watkins



▼ VIEW FROM THE ACA: Big is beautiful

Current government mantra is that big is beautiful, and the bumper pension bill released in June is no exception.

The Association of Consulting Actuaries (ACA) is delighted to see so many policy initiatives that we together with other industry groups have been seeking – including major reforms like the new flexibilities proposed for the safe release of DB surplus and the requirement for DC trusts to provide a default decumulation product. We strongly support those policies in the Bill that look to enhance the outcomes for past, current and future workers and their UK employers.

However, this is not job done and before the end of the year, we hope to see the details of the actions announced to mitigate the unintended implications of the *Virgin Media* case and progress on reviewing the long-term steps needed to tackle the UK's retirement adequacy challenges.

We must also be careful that in moving forwards with such a large bill that the government and the regulators continue to have a close dialogue with industry to ensure appropriate safeguards are in place and the burden of implementing reforms on trustees, administrators, providers, sponsors and advisers is managed successfully. A

rushed approach could be very costly in terms of undermining achievement of the policy objectives and broad industry consensus backing for the bill.

And I have one further warning. A lack of stability and certainty on the pensions tax regime will also be detrimental to successful implementation of many of the initiatives contained in the bill. Please let's avoid 'the-will-they-or-won't-they' speculation in the lead up to the Budget in the autumn.



ACA chair, Stewart Hastie

Top tips for preparing your Own Risk Assessment

Susan Hoare explores how pension scheme trustees can get the most value from their first Own Risk Assessment (ORA). Drawing on insights from Aon's work with early adopters, and with the ORA deadline fast approaching, she shares practical tips to help schemes prepare effectively, carry out a meaningful assessment, and embed the ORA process into ongoing governance

tage 1 – Preparation
The ORA will be required at least every three years and will be embedded in your ongoing risk management activity. Preparing and documenting your governance activity on an ongoing basis is key to preparing your ORA.

Tips for preparing for your ORA:

1. Take a step back

Be clear on your scheme's long-term objectives and understand the key risks associated with these.

2. Plan a review of your Effective System of Governance (ESOG)

Think about timing of policy reviews to support you with delivering your long-term objectives.

3. Consider your assurance reporting Think about what you need to provide evidence of your controls – try to avoid accumulating unnecessary documents. Be clear on what actions you will take.

4. Maintain a detailed audit trail This will make your ORA in three years'

time easier. Consider the software you use to support you with this.

Stage 2 - Completion

While the ORA does not have to be carried out independently, the assessment must be an objective and honest assessment of the scheme's governance and risk management.

Tips for making your assessment of your ESOG:

1. Document key achievements/projects What went well? What could have been done differently? What were any lessons learned?

2. Gather a range of views

Consider using key advisers to give independent perspectives and insights.

3. Consider different perspectives For example, from a financial perspective or a member's perspective.

4. Use data rather than opinion

Where possible, use data to provide evidence of the effectiveness of your governance and risk controls – e.g. use your risk scoring pre- and post-controls to give a measure of your risk control effectiveness.

5. Document risk events

Have your long-term objectives been impacted? What have you learned from these events?

6. Reflect on your highest rated risks Can any further risk controls be added to mitigate these? How comfortable are you running these risks? Has anything changed?

7. Think outside the box

Look at risk events outside of your scheme (e.g. CrowdStrike, cyber security breaches, gilts crisis). What is your operational resilience if faced with similar incidents or events?

8. Look ahead

What emerging risks might impact your

scheme? What future scheme projects are on your agenda and how might these impact your long-term objectives? How will existing risks change over time?

Stage 3 - Post ORA Actions

The value of the ORA is in the opportunity to look objectively at your controls, to understand any weaknesses and to take away actions to continuously enhance your governance.

Tips for extracting the most value out of your ORA:

1. Clearly identify actions

Identify any areas for enhanced oversight or deep-dives to enhance the quality of your risk conversations

2. Consider your three-year business plan

What are your key projects? How will your scheme's risk profile change over the next three years?

3. Reflect on roles & responsibilities

Do you have the right expertise available to manage governance and risk effectively? Do you have sufficient time in your agendas to manage governance and risk?

4. Think about your next ORA

Reflect on how you will approach your next ORA. What worked well? What would help you to complete your next ORA?

5. Make 'Business As Usual'

Consider how to embed the principles of your ORA into your ongoing assessments of your ESOG and risk controls.

We believe huge value can be gained by trustees spending time preparing for, documenting and then following up on actions arising from the first ORA. This will support schemes with their operational resilience when the next big risk incident arises.



news & comment round up

Diary: July 2025 and beyond

Pensions Age Autumn Conference

16 September 2025

Hilton Hotel, London

The Pensions Age Autumn Conference is open to pension scheme managers, trustees, FDs, advisers, pension and HR professionals, and will offer delegates the up-to-date knowledge and guidance they need to help them run their pension schemes and meet their members' needs, whether in the DB or DC space. Topics will include regulatory updates, investment, technology, administration, communication, de-risking and more. pensionsage.com/autumnconference

Pensions UK Annual Conference 2025

14-16 October 2025

Manchester Central, Manchester

This event will bring together pension professionals for a programme of world class keynotes, roundtables and educational sessions. The conference will see the discussion of every aspect of pensions, from communications and engagement, to investment and regulatory updates. There will be networking sessions allowing attendees to connect with peers.

pensionsuk.org.uk/events/conferences

☑ Irish Pensions Awards 2025

4 November 2025

The Mansion House, Dublin

Now in their 14th year, the Irish Pensions Awards continue to go from strength to strength, giving well-deserved recognition to those pension funds, pension providers, advisers and pension professionals who strive to maintain the highest standards of excellence and professionalism in everything they do, despite the challenging economic and political landscape they find themselves operating in. The deadline for entries is 25 July 2025.

europeanpensions.net/irishawards

Pensions Age Awards 2026

3 March 2026

Grosvenor House, London

The 13th annual Pensions Age Awards aim to reward both the pension schemes and the pension providers across the UK that have proved themselves worthy of recognition in these increasingly challenging economic times. The awards are open to any UK pension scheme or provider firm that serves pension schemes in the UK. The deadline for entries is 10 October 2025, and firms can enter multiple categories, submitting each entry via the online form on the website. pensionsage.com/awards

Visit www.pensionsage.com for more diary listings

Don't forget...

Financial Conduct Authority targeted support consultation closes

29 August 2025

The consultation aims to introduce a new category of regulated service to help consumers make better pensions and investment decisions without needing full financial advice. An FCA policy statement is expected to follow by the end of 2025.



▼ VIEW FROM THE SPP: IHT, pensions and (un)foreseen circumstances

Under current proposals, most unused pension funds and death benefits will be included in a person's estate for inheritance tax (IHT) purposes from April 2027. This will stop money purchase schemes being used to transfer wealth free of IHT – a side-effect of pension freedoms, and the lifetime allowance abolition.

So, what consequences could we preempt from this latest policy shift? Here are my top three. Unmarried partners and children of single parents will be disproportionately impacted by these reforms. Survivors of a marriage are protected because a deceased's estate is generally not subject to IHT when it passes to a spouse; unused nil-rate bands also transfer to the surviving spouse. Members need to be aware of the tax 'penalty' for being unmarried and ways to mitigate this.

Interest on IHT accrues from roughly six months after the deceased's death. Pensions will quickly be eroded by interest, if families cannot find the deceased's pension schemes. Members must keep complete, accessible records, but it would also help if dashboards could be accessed by personal

representatives.

As noted in the SPP's response to the government's consultation, complex family circumstances are common. Decision-makers may have to choose between their fiduciary duty to make properly informed decisions and avoiding interest on IHT. The deadline for IHT payment should ideally be aligned with the two-year deadline for paying death benefits under the pensions tax regime.



SPP council member, Rebecca Howard ▼ comment Suzanne Rose



lead Mercer UK's DC business, which includes DC advisory services for clients across strategy, governance, investments and communications, and Mercer's master trust propositions.

I'm a qualified lawyer with over 20 years' experience in financial services, including leadership roles in propositions, strategy, operations and law across many different product lines in the UK and internationally. Prior to Mercer, I was head of Aviva's Workplace Proposition and Master Trust.

Monday

The week begins on the train from Norwich, where I live, to London to meet my DC team. It's always good to see people in person, but today I'm really excited about catching up with our UK's new DC client development lead. It doesn't seem that long since I joined Mercer myself so we talk about how leadership changes can drive new ideas and I encourage her to stay fresh and ask lots of questions. We also discuss how being part of a global DC business allows us to work in partnership across all client types, sizes and disciplines. This broadens our overall thinking, especially at times like now when the market is changing.

Tuesday

Today I work from home, which allows me to do the school run. Once back, I dive into planning meetings with our marketing team for an upcoming

A week in the life of: Mercer UK head of DC pensions, Suzanne Rose

webinar on 'Getting Retirement Right'. Recent Financial Conduct Authority (FCA) insights indicate that many people are accessing their DC pension pots without guidance or advice. It's crucial that the industry helps members make good decisions at retirement - poor ones can unwind many years of diligent saving. The FCA's targeted support proposals will undoubtedly help, but many of our clients and their members want more, so we're also committed to making advice as widely accessible as possible, using digital technology and AI to reduce costs. Onto discussions about Mercer's default retirement offerings. Using our broad data set, it's clear that one size will not fit all and multiple defaults are needed for different cohorts, balanced with ensuring the system is easy for people to navigate.

Wednesday

Today starts with a catch-up with Now Pensions' leadership. Following Mercer's acquisition of Cardano in 2024, we've been working hard to integrate the Now Pensions team into our core business, while preserving the unique capabilities our new colleagues bring. Our working principle is 'differentiation where it makes sense, integration where it adds value. We're clear about the importance of understanding the market segments that we serve and how tailored propositions can enhance member engagement and satisfaction. We're also leveraging our combined capabilities, including development of joint investment solutions. Everything I've seen over the past six months reinforces my view that Mercer and Now Pensions are stronger together.

▶ Thursday

Today's a UK partner day, where around

100 leaders from across Mercer UK meet to define how we best foster collaboration and innovation across our DC. retirement, health and career, and Marsh McLennan teams, bringing the best of our overall scale and breadth to clients and members. We also discuss a new campaign to highlight the UK's savings gap, alongside its health and skills gaps societal issues that industry, government and citizens alike have a part to play in solving. Mercer is determined to leverage our expertise to shift mindsets and find solutions. We wrap up with a presentation on the Mercer Master Trust's (MMT) AI Agent, a recent innovation developed alongside our partners.

Friday

The week ends with some reflection time and looking to the future. The Pension Schemes Bill has recently been published, so I review and analyse it to provide context for colleagues on its implications for Mercer and the industry. Meetings follow on how we communicate this to clients and help them navigate the proposals, alongside assessing our priorities for the master trust business out to 2030. We're well placed for scale as the combined MMT and Now Pensions funds are already significant - around £25 billion – but as signatories to the Mansion House Accord we're disappointed with the government's insistence on reserving powers of mandation over investment choices. Amid that excitement, I manage to attend school sports day. I was relieved to find that there was no mums' race, so my role was purely that of cheerleader. With the working week finally over, I look ahead to the weekend, which will mainly involve children's parties at soft play areas and trampoline parks. Not for the first time, I reflect that my son's social life is much more active than my own...



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pensions bill TPP



ntroduced in June, the Pension Schemes Bill represents the most significant reform of UK workplace pensions since automatic enrolment. It charts a path toward a more consolidated, transparent, and outcome-driven system – where scale and performance based on value are no longer optional but essential.

At People's Pension, we see much to welcome in the bill's direction. It aligns with principles we've built our business on, driving scale through our profit-to-member model to deliver long-term value and better outcomes for savers. However, real progress depends on the industry's ability to navigate the changes, and on government and regulators focusing on ensuring meaningful change is delivered in line with the policy intent.

Across global pension systems, larger schemes – typically with over £25 billion under management – are better positioned to deliver value. Scale enables more efficient administration, economies of scale, and greater ability to invest in private markets.

While the Mansion House Accord aims to boost returns for savers and support UK economic growth through private market investment, success depends on effective implementation. We support the ambition – but the bill's reserve powers are stronger than expected and will drive swift action. It's

Pension reform with long-term ambitions

▶ The Pension Schemes Bill proposes a bold shift in UK pensions; delivering real value requires industry-wide effort

vital we keep savers interests in focus.

Without a clear pipeline of investable assets, there's a risk of too much capital chasing too few opportunities. The government's infrastructure strategy is a good start, but it must deliver. We also need the right structures in place to enable schemes to invest in the most efficient manner. Much progress has been made over the past few years through the British Growth Partnership and others, but the sector should expect to be held to account on the productive assets issue and there is still more to do.

The bill's value for money framework is also a chance to shift the industry conversation beyond charges to a more balanced view that includes performance, service, and governance. But is the industry thinking clearly enough about what value really means – and who needs to understand it?

Delivering meaningful change will take more than a long list of metrics. The conversation must engage both members - to help them navigate the system - and advisers, whose role in scheme selection is critical. Shifting focus from cost to long-term value is challenging given entrenched mindsets. Transparency and comparability of key measures, centring on the fundamentals of performance - and confidence in how they're constructed - must be at the heart of any definition of value. As this information enters the open market, it must offer a clear, reliable picture for consumers and improve trust in the pension system.

This need for clarity and trust becomes even more pressing with

commercial dashboards coming online. These platforms need to present comparable value for money information, to help savers understand retirement outcomes.

Small, dormant pension pot growth has long been recognised as an issue needing a system-wide solution. The proposed default consolidator model could offer a practical, scalable way to address it – reducing inefficiency and helping savers build more meaningful balances.

There's a significant technical challenge here, building on pensions dashboards, and it will take time to get right. But, like dashboards, it could transform how people engage with workplace pensions. I hope we don't miss the chance to create long-term infrastructure that lets savers take their providers with them when changing jobs. There's much to learn from markets like Australia, and we should lay the groundwork now to build a system that works better for savers in the long term.

Delivering these reforms is a major task for our industry, and close collaboration with government and regulators is essential to ensure a smooth transition. At People's Pension, we're committed to making it work and collaborating across our industry to deliver better outcomes for savers.

➤ Written by Patrick Heath-Lay, CEO of People's Partnership, provider of People's Pension

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northern conference review v

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Pensions Age Northern Conference highlights: 26 June 2025, Leeds

Chaired by CAP Services director, Jerry Gandhi, this year's Pensions Age Northern Conference gathered influential voices from across the pensions landscape, including top industry speakers, association leaders, trustees and advisers for a thoughtprovoking day of fresh insight and key information relevant to all those working in the UK pensions sector now and into the future



On the set-up of pensions dashboards

"Getting the connection right is important. We need to make sure that it's robust, that it works and that it can handle the amount of traffic that we're going to have going through it. We also need to make sure that it's safe and secure – although there's no money moving through the dashboard system, there's plenty of information, and information has value as well, so we need to make sure it's done safely.

"One of the real challenges also is not just getting people to the dashboard, but what people do after they see their information — we're expecting that there will be an increase in engagement right across the industry, from people having looked at their information and either wanting to find out more, or wanting to do something with it. So, the industry needs to be ready."

Pensions Dashboards Programme (PDP) principal, Chris Curry

On implementing a run-on solution in practice

"A number of things I would highlight for anybody thinking about running on today,

either as a temporary position on the way to buyout, or looking to do run-on over an extended period of time: You need to ensure you've gone through a framework — it's important that you have a clearly documented approach, and you've considered the majority of the relevant factors, and can demonstrate effective governance back to your members, back to the corporate, but also back to the regulator.

"Secondly, make sure investment strategy is right, make sure you've got flexibility to adapt, and make sure you're





Schroders





locking down key risks, which is crucial.

"And, thirdly, the audit trail aspect is key — make sure all of this is on paper. It can be revisited. It's not 'set and forget'. You're going to look to review this on an annual basis to make sure it remains appropriate and consider whether circumstances may have changed."

Schroders head of UK client solutions, Ajeet Manjrekar

On how to assess your governance framework

"I think board effectiveness is one of the next big things on the horizon, in terms of the governance framework. We've seen the statement from the regulator indicating that they're looking at boards. We know that the regulator is going to trustee companies and having more indepth conversations with them around how they run things. The Effective System of Governance (ESOG) and Own Risk Assessment (ORA) are almost about checking our own work – checking board effectiveness brings another perspective to it all."

Vidett client director and head of governance, Claire Barnes

On how, and when, DB run-on strategies can work

"How can DB run-on benefit members and sponsors? In what circumstances can it work – and I must stress up-front that it isn't for everyone; what does it mean for



investment strategy? And what about the government policy in all of this?

"I do believe that, in the right circumstances, run-on can benefit both members and sponsors of schemes. The government and regulator policy is shifting dramatically on this issue and that is going to lead to different decisions being made, and many schemes have but many more are starting to re-assess what they should be doing now. This is a call to action to at least consider what the options might now be."

LCP partner, Steve Hodder

On trade finance

"Trade finance in the broadest sense of the word refers to private lending activity, originated by the banks, not by ourselves, and it is lending that occurs entirely outside of the public capital markets. "The loans that we invest in finance the essential goods that people across the world need in their daily lives – the energy to heat their homes, the food to feed their



families, and the electricity to power industry and keep the lights on."
Federated Hermes, portfolio manager, senior investment analyst, Maarten Offeringa

On DB endgame - an insurer view

"Endgame has gone from being somewhere on the list at trustee meetings to very much the top of the list in most cases, and there are real options out there for schemes. But most importantly as an industry, whatever decision is made, whatever path the scheme goes on, members need to be at the heart of that – schemes, trustees and advisors must have a full and complete picture of all of the risks, not just today but for the lifetime of the scheme."

Just Group business development manager, Ross Breckon

"What looks stable today can shift overnight – risks evolve, and funding positions can swing. Resilience is what matters most in the long run, and whatever solutions trustees decide to follow, these risks must be understood and mitigated."

Just Group director DB commercial, Rob Mechem

On connecting to pensions dashboards

"Lots going on, lots to be done, I am sure you are seeing that from your own personal perspectives, schemes need to be ready – today's deadlines are different to northern conference review v

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the first time around."

Lumera commercial director, UK, Mark Adamson

"One of the biggest challenges with the dashboards will arise when the data is in front of the user – can the user understand what they see? Is there adequate contextual information that's provided around there? Do they understand what they are seeing, what they are not seeing, what they can do next?"

LCP senior consultant, data services team, Marcus Renouf-Allen

"Use of the MoneyHelper pensions dashboard is hopefully going to start very soon indeed – the summer is what everyone is saying so hopefully we will see that soon."

Lumera commercial director (data and dashboards), Maurice Titley



On addressing sustainability

"The next big project that we are going to do is go around to all the ESG specialists at all the consultancies and ask them how many clients they have, how many consultants they have, and what percentage of them, do they think, actually get climate change because they think they can make a difference – not how many of them are doing work because they have to; how many of them get it because they can make a difference. My guess is that number will be quite low. We need to change that."

Trustee Sustainability Working Group (TSWG) founder and chair, Bobby Riddaway

On the role of The Pensions Regulator (TPR)

"I think most of us in this room know that we are entering the next phase of the pensions story – the critical chapter in which we move from a savings system to a fully holistic pensions system – with greater access to data, the opportunity for greater sophistication and ultimately better outcomes for savers.

"The regulator is no longer just regulating pensions – we are in the process of reshaping the future of retirement in the UK. We are building a system that is data-driven, innovation friendly and growth orientated; a system that works for employers, trustees and, most importantly,



for savers. So, whether you're a scheme provider, a fintech entrepreneur, a trustee or a policymaker, let's work together to build a pensions system that's not just fit for the future, but one that leads it."

TPR interim executive director of market oversight, Julian Lyne

On the changing pensions landscape

"We are going to see a big change in the levels of scrutiny – we see that through the value for money framework, and through the trustee consultation that is probably going to ask: Are trustees up to scratch? Are professional trustees overweighted in the market? What is the role of member-nominated trustees? What are the challenges around diversity? Big fundamental questions about what it means to be running a scheme in this system and going forward."

Pensions UK deputy director – policy, Joe Dabrowski





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roadmap industry •

Are we there yet?

The government recently shared its proposed Pensions Roadmap, outlining the expected ordering for key reforms and initiatives from now until 2030. *Pensions Age* takes a closer look at the stops along the way and the key hurdles and opportunities that could emerge

▶ The key dates to watch...

- CDC: Multi-employer regulations come into force 2026.
- Guided Retirement Duty: Master trusts to comply 2027; SETs & GPPs to comply 2028.
- Value for money framework: First assessment – 2028; annual from 2029.
- Small pots: Regulations process: 2027/28; applications open late 2028; consolidators selected 2029; transfer duties come in force 2030.
- DB superfunds and surplus flexibilities: Regulations laid – 2027; regime comes into force – by 2028.
- PPF levy changes to come into force
 2027.

2026: Laying the groundwork

Early 2026

- Pension Schemes Bill expected to receive Royal Assent
- Financial Conduct Authority (FCA) Targeted Support rules come into force

This is the first step in the government's DC roadmap, and will allow firms to offer targeted support to consumers and provide suggestions to groups of consumers with common characteristics, in what has been hailed as a 'once-in-a-generation' advice change. Work to reach this point is moving at pace [read more on page 12].

Autumn 2026

- CDC regulations laid to extend CDC to multi-employer schemes
- CDC (multi-employer) regulations come into force before year-end

As predicted by many in the industry, and previously implied by the government, work to extend CDC is one

of the first priorities on the government's pension roadmap, coming ahead of the avalanche of work set to be included in the Pension Schemes Bill

Late 2026

- Guided retirement regulations and rules development begins
- Value for money (VFM) regulations process starts

2027: Shoring up foundations

Early 2027

• Superfunds and DB surplus flexibilities regulations to be laid

Although it is a relatively early stop in the roadmap, the industry will still have around a year or so to wait for the muchanticipated DB surplus flexibilities.

However, there has been some disappointment around the expected timings, as LCP co-head of consolidation, Laura Amin, warned that "the expected date of 2028 for the *[superfund]* regulations to be fully up and running will likely be frustrating for current participants".

Adding to this, Hymans Robertson head of corporate DB endgame strategy, Sachin Patel, noted that "the government's roadmap suggests it will take some time – until the end of 2027

 before the surplus regulations and guidance will come into force".

Early 2026



Late 2026

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Indeed, Squire Patton Boggs head of pensions practice, Matthew Giles, also suggested that the 2027 date for DB surplus changes is "probably a bit later in the day than many were anticipating".

• Master trusts (MTs) begin complying with guided retirement duties

Despite concerns around the pace of change being too slow in some areas, Aegon pensions director, Steven Cameron, warned that perhaps the most surprising date on the timetable is that master trusts will have to start complying with guided retirement solutions in 2027.

"Designing and implementing appropriate default retirement solutions for non-engaged workplace members will be hugely challenging," he stated. "We do hope the government keeps an open mind on the roadmap dates, and continues to monitor progression - while we understand the government's desire for speed, it's far more important to the millions of pension savers that the changes are 'done right."

Mid to late 2027

• Surplus flexibilities regulations come into force

• Pension Protection Fund (PPF) levy measure comes into force

> Mid-Late 2027

provisions intended to give greater flexibility are a positive and important step forward. "Now that these measures are being

The PPF said that inclusion of

brought forward, we'll closely monitor their progress as the Pension Schemes Bill passes through its parliamentary stages," a spokesperson stated.

"We'll take a final decision on the calculation of the 2025/26 levy in line with the new provision in due course and don't plan to proceed with invoicing until we've concluded our decision-making. We intend to work constructively to support policy makers and stakeholders as these measures are considered further."

- Surplus flexibilities guidance issued
- Small pots regulations process begins
- Continued work on VFM regulations process begins - set to last until 2028

2028: Expansion, compliance & first outcomes

Early 2028

• SETs and GPPs begin complying with guided retirement duties

> Contractual override and internal default consolidation

In line with the push towards fewer, bigger pension schemes, this step in the government's pension roadmap will see the start of work to consolidate pensions across the market, ahead of broader scale requirements in 2030. In early 2028, DC schemes will be given more freedom through legislation to move savers into better-performing funds, introducing a contractual override mechanism for the bulk transfer of assets, where it is in savers' interests. After this, the government will establish a Ministerialled review to examine the available evidence and explore the reasons why any default arrangements remain outside the expected main scale default arrangements.

• Permanent DB superfunds regime comes into force

Mid to late 2028

• First publication of VFM data and first VFM assessment

This will mark the official start of the new VFM regime, with the first annual publication of VFM data, along with the first industry-wide assessment. This

Mid-Late 2028

roadmap industry №

is also set to support the government's push for consolidation in the pensions industry, with those schemes that are unable to meet the VFM requirements encouraged to wind up and exit the market.

• Small pots consolidator applications open

2029: Testing market readiness

- Small pots consolidators selected
- Default consolidation/fragmentation review begins

The detail of the operation of the review will depend on the number and nature of default arrangements that remain (or are not in the process of being consolidated).

However, the government said that it expects the work of the review to start from the presumption that savers should be in scale arrangements unless there is a clear and demonstrable reason for them to remain in another arrangement.

The government will also provide for a legislative underpin to be able to tackle

any remaining fragmentation as needed.

At this point, the government will also require schemes that are on route to achieving scale by 2035 to apply to regulators to access the transition pathway. The government is looking to set out the specific requirements for the transition pathway in secondary legislation following further consultation.

2030: Putting it all into action

Early 2030

• Deadline for sub-£25 billion MTs and GPPs to reach £25 billion

This marks the deadline for the government's plans to require all multiemployer DC pension schemes to operate at megafund level (£25 billion+).

• Small pots transfer duties come into force

Mid to late 2030

• Continued market consolidation (deadline for £10 billion-£25 billion MTs and GPPs) before broader small pots movement is 'switched on'. As predicted by some industry experts, small pots work has been pushed slightly later in the timeline. The government explained that the implementation of the small pots consolidation solution is purposefully designed to fully come into force once the market of a smaller number of megafunds is in place, with the implementation of the multiple default consolidator simplified by the move to a smaller number of schemes.

"Policy and delivery work will be finalised over the coming years, but the timing of requiring the movement of small pots is such as to allow a 'cooling off period' before the duties on schemes are 'switched on' to avoid schemes being required to move deferred small pots earlier than having to move other pots should they be on track to consolidate or merge with another scheme," it explained.

⊘ Written by Sophie Smith

Throughout 2029

Early 2030

Mid-Late 2030

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▼ industry Pension Schemes Bill

Laying the groundwork

Defore the government can move ahead with the majority of the work outlined on its pension schemes roadmap, it must face the first hurdle of getting the Pension Schemes Bill through parliament. Sophie Smith reports

espite cross-party support for many of the planned changes included in the Pension Schemes Bill, it seems likely that the bill is set to face some resistance during its journey through parliament, as its second reading was dominated by concerns from MPs.

The bill returned to parliament on 7 July for its second reading, with Pensions Minister, Torsten Bell, arguing that the pace of reform is now "ramping up".

Opening the debate, Bell said: "This bill aims to deliver fundamental reforms to our pensions landscape, and it's good to see the prospect of discussing a long, slightly technical pensions bill has seen so many members flooding into the chamber. These reforms have a broad consensus across the pensions industry. They also build on at least something of a consensus across the house."

However, the Minister faced a number of questions and concerns from MPs, particularly around mandating.

Conservative representatives highlighted this as an area of "fundamental disagreement", with MP for Wyre Forest, Mark Garnier, warning that this "not only goes against trustees' fiduciary duties...but means potentially worse outcomes for savers".

"If this reserve power becomes law, we have to ask the question: if investments go wrong, who carries the can?" he stated. "Will it be the pension fund manager and the trustees, or the government, who did the mandation?"

Garnier argued there are also better ways to deliver growth.

"Rather than imposing top-down mandates, we want the government to maximise growth opportunities from our pension industry by turning over every stone and seeking out the unintended consequences of old regulations, not imposing new ones," he stated.

Liberal Democrat MP for Torbay, Steve Darling, agreed with these concerns, whilst Democratic Unionist Party MP for Strangford, Jim Shannon, also stressed the need to ensure that the bill "does not become a mechanism for government to control the private pension industry and direct pension pots into government investment".

In addition to this, South West Devon MP, Rebecca Smith, raised specific concerns as to what a future government could do with these powers.

Echoing Smith's concerns over the decisions a future government could take, Work and Pensions Committee chair, Debbie Abrahams, pointed out that Pensions UK (formerly PLSA) has already called for the timeframe for the sunset clause, which prevents the use of the mandation power beyond 2035, to be reduced, and should be just for the lifetime of the parliament.

However, Bell confirmed that "the bill explicitly recognises the fiduciary duty of trustees towards their members", arguing that whilst there are concerns that the backstop power somehow undermines the duty pension providers have to savers, "that is simply wrong".

"Clause 38 includes an explicit mechanism, which I have discussed with MPs from the main three parties in this



house, to allow providers to opt out if complying risks material detriment to savers," he explained.

Mandation was not the only issue, though, as Bell also faced queries over the safeguards surrounding the proposed DB surplus rule changes.

In addition to better protections for members, Garnier pointed out that, under the legislation, there is nothing to stop these surpluses being used for share buy-backs or dividend payments from the host employer, for instance, stating: "We would welcome a strengthening of the bill to prevent trustees from facing undue pressure from host employers to release funds for non-growth purposes."

The current lack of detail is another area of concern highlighted by several MPs, as well as those in industry, as Garnier argued that "too much is *[being]* left to the discretion of regulators and to secondary legislation".

But despite the concerns raised, the debate suggested that there is cross-party support for the bill and the work needed for it to work through parliament.

Smith stated: "While this bill makes a start, there is more to do to get it right, and we look forward to working with the government to achieve that. There is plenty of food for thought for amendments to take us forward."

Calls for a cross-party approach have been welcomed by the government. But exactly what form this could take remains to be seen, particularly given Bell's previous comments, branding those relying on a cross-party consensus to drive change as "living in la la land".

Written by Sophie Smith



You choose the endgame, we'll build the bridge

Buyout, run-on or both? Whatever your scheme's preferred destination, we'll help you construct the way forward.





- **▶ Preparing for surplus extraction:** Legal & General (L&G) Head of Endgame Solutions, Mathew Webb, looks at why schemes should 'invest like an insurer' to ready themselves for surplus extraction p42
- **▶** Run-on with a plan to pivot: L&G's Head of Solutions Distribution, Lara Edmonstone-West, and Head of Endgame Solutions, Mathew Webb, delve deeper into the new DB endgame landscape p43



Defined benefit pensions focus:

Rethinking the final moves



Mathew Webb, Head of Endgame Solutions, and Lara Edmonstone-West, **Head of Solutions Distribution, L&G**



DB focus v

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Surplus extraction is here: What should DB schemes do now?

► L&G Head of Endgame Solutions, Mathew Webb, outlines what DB schemes should do now as surplus extraction rules evolve

he government is making it easier for well-funded DB schemes to release surplus, when 'safe to do so', and trustees will need to set out their proposed approach to surplus extraction as part of their statement of strategy. As we weigh up this crucial issue of 'safety', let's look to the insurance market to consider how DB schemes might run on and extract surplus for now, while preparing to pivot to buyout if needed.

What has been announced so far?

The government has set out its intention to amend the rules on surplus extraction, "to allow trustees of well-funded DB schemes to release money back to employers and their scheme members, when 'safe to do so,' unlocking some of the £160 billion surplus funds to be reinvested across the UK economy and boost business productivity and deliver for members". Following consultation, it will bring forward legislative changes as part of the Pension Schemes Bill 2025, including regulations that will specify the minimum funding level at which surplus can be extracted, currently expected to be full funding on a lowdependency basis.

The Pension Regulator (TPR) has issued guidance on new models and options in DB schemes to help trustees and employers to assess the range of new endgame models and options available across governance, financial, and insurance. Once legislation is enacted, TPR will consult and publish further guidance on releasing surplus.

With approximately three in four schemes in surplus on a low-dependency basis, endgame planning and whether to choose buyout, run-on, or both will be a key question for DB schemes.

DB schemes: Have a plan for endgame and for surplus

TPR has issued a call to action that 'schemes should have documented policies regarding their long-term objectives and endgame options, including surplus'.

A key consideration for trustees considering surplus release will be this question of safety, balancing multiple objectives to:

- 1. Manage scheme assets to pay pensions and remain fully funded on a low-dependency basis
- **2. Improve security for members** and prepare for contingent events
- **3. Release surplus** under a framework agreement with the sponsor to, for example, enhance member benefits, make payments to a DC scheme, or make payments to the employer

When is it 'safe to do so'? Learn from the insurance industry

The history of pension scheme legislation protecting against releasing

surplus will no doubt be on the mind of many trustees. The concept of safety is therefore hugely important. Insurers paying benefits until all liabilities have been discharged have similar objectives to DB schemes that are running on – what can we learn from the prudent capital framework that underpins the financial security of the insurance regime?

1. Manage scheme assets 'like an insurer'?

TPR's DB Funding Code of Practice requires DB schemes to determine a funding and investment strategy to provide benefits over the long term, so that when the scheme is fully funded on a low-dependency basis and invested in the low-dependency investment allocation, no further employer contributions would be expected to be required.

This framework has many similarities with the 'Matching Adjustment (MA)' framework for insurers, suggesting that well-funded DB schemes in run on may consider 'investing like an insurer', but with more flexibility:

Potential actions include:

- Update liability basis: refresh assumptions for a low-dependency basis, including an expense reserve, reviewing prudence and deploying a dynamic discount rate that is sensitive to credit spreads
- Create a low-dependency matching portfolio: invest cashflow-generative or liquid and low-volatility assets to pay pensions, manage risks, and generate surplus against the low-dependency basis:
- Consider a cashflow-aware approach that includes cashflow matching as well as investing in shortdated credit with reinvestment risk (see Endgame portfolios: making the most of CDI and Playing the 'weighting game')
- Consider public and privatecredit-based assets and their potential transferability to an insurer (or if they are not transferable, understanding their

Y focus DB

investment horizon and liquidity terms – see Illiquidity innovation)

2. Improve security for members by planning for contingencies?

Both pension and insurance frameworks include provisions to address contingent events, such as short-term adverse changes in market conditions or longevity (beyond the assumptions made in the low-dependency framework) or a deterioration in the employer covenant, potentially requiring a new course of action.

Potential actions include:

- Stress test assets: adapt investment guidelines to constrain the lowdependency investment strategy within an acceptable level of risk, for example a one-year, one-in-six Var measure
- Create a surplus / growth buffer portfolio: surplus assets in excess of the low-dependency funding level do not have to be invested in accordance with the low-dependency investment allocation:
- Consider a three-pot approach so that some of the surplus could be a risk buffer against adverse experience of the matching portfolio versus liabilities, with the rest invested in short- or long-term growth (see Running on into retirement?)
- Put a plan in place to move surplus assets between the matching and surplus portfolios to maintain the lowdependency funding level

3. Release surplus by agreeing an extraction policy?

So what's new? TPR's guidance states 'If you decide that you wish to extract surplus, the level at which you consider that surplus can be extracted is a matter for you as a trustee to decide. Current

legislation only allows surplus release in relation to buyout funding levels. Any changes to this basis will be set out in future legislation.

"Trustees can start
to plan now, and
prepare to 'invest like
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their low-dependency
funding level and seek
to grow surplus, while
retaining flexibility
to pivot to insurance if
you want to or need to
in the future"

Subject to this, in situations in which the scheme is likely to remain fully funded on a low-dependency basis and there is no realistic risk of employer insolvency, it is unlikely that TPR would have reservations about the release, subject to you having considered any other relevant matter related to the circumstances of the scheme and the sponsoring employer.'

By contrast, in the insurance regime, the minimum funding level for extracting profit is the total of their technical provisions, the risk margin, and the solvency capital charge. However, many insurers will also hold excess 'own funds' above this amount and maintain a higher solvency capital coverage ratio than 100 per cent before releasing profit. For example, Legal & General Group's Solvency II coverage ratio on a regulatory basis was 232 per

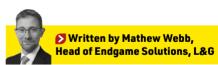
cent as at 31 December 2024. *A potential action:*

• Scenario analysis: Before setting an extraction policy (and subject to future legislation), trustees may wish to carry out scenario analysis and/or stress testing to better understand the range of possible future outcomes following surplus release, taking account funding level projections as well as future covenant strength projections. Trustees will need to balance a trade-off between surplus extraction (the opportunity to share surplus with current members) versus benefit security (safeguarding benefits for future pensioners), see our blog: Unlocking surplus in the endgame.

Prepare for surplus now, put a plan in place for the future

While we await further legislation to clarify opportunities around surplus extraction, in particular around ensuring that it is 'safe to do so', trustees can start to plan now, and prepare to 'invest like an insurer' to preserve their low-dependency funding level and seek to grow a surplus, while retaining flexibility to pivot to insurance if you want to or need to in the future.

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DB focus v





Run-on with a plan to pivot

he concept of being 'safe to do so', and with it the expectation that schemes will need to be fully funded on a low dependency basis, will be central to surplus extraction. In your view, what should 'safe to do so' mean in practice for trustees?

Lara Edmonstone-West (LEW): The ultimate objective for trustees is to make sure that members receive their benefits. This new legislation doesn't change that. What it does, is it pivots trustees to a different direction in terms of how they meet that objective. Ultimately, what's 'safe to do so' comes back to answering the same question, will my members benefit and will they still get the money that's owed to them? Trustees now have a range of options on the table, but they still need to remember their ultimate duty.

Mathew Webb (MW): The Pensions Regulator's (TPR) recent guidance on new models and options in defined benefit (DB) pension schemes is very helpful in providing a framework for trustees to help review endgame planning. To me, it really comes down to two main objectives, which is an extension of the way pension schemes already look at their funding risk; one on an ongoing basis, and the other on an insolvency basis. On an ongoing basis, the question is, 'how do we run on the scheme in compliance with the DB Funding Code, pay pensions and maintain a funding level above low dependency?' - the key point here is the low dependency requirement - i.e., a limited expectation of future contributions from the sponsor. The second, on an insolvency basis - which we hope is never needed - asks what

► L&G's Head of Solutions Distribution, Lara Edmonstone-West and Head of Endgame Solutions, Mathew Webb, sit down with Natalie Tuck to talk about how pension funds can prepare for surplus extraction when it is 'safe to do so', whilst keeping the option to buyout on the table

happens if the sponsor defaults and insolvency forces trustees to rethink their endgame strategy. A common option is buyout. So, the question becomes: 'how can we maximise the chance of buyout in that scenario?'. That depends on funding. If a scheme is already at buyout level, it must preserve that position; if not, the goal is to improve or maintain it. This varies by scheme, based on funding, investment strategy, and covenant strength, including contingent assets.

What practical steps can trustees take now to start 'investing like an insurer' while maintaining flexibility for buyout?

LEW: This is a good opportunity for trustees to go back and revisit their investment beliefs, to understand what it is they're looking to achieve in their pension scheme. Then, understanding how those investment beliefs align with the investment options on the table. I think the key for trustees is receiving the right education and support to help them make informed decisions.

MW: Trustees may consider a twostep approach which aligns with the DB Funding Code. Firstly, to evolve the matching portfolio from a liabilitydriven investment (LDI) basis to a low dependency one – still focused on paying pensions, hedging risks, and generating surplus, but investing more like an insurer in cashflowgenerating assets, and secondly, to invest residual assets in a surplus portfolio. Pension schemes can benefit from the flexibility of a broader opportunity set, for example adopting a cashflow aware rather than a cashflow-matching approach, accepting some reinvestment risk to access the best yielding assets across the credit curve. That's especially important now, with relatively low credit spreads, where shorter-dated credit or securitised assets may be more attractive. Crucially, it still leaves room to shift towards a longer-dated cashflowdriven investment (CDI) portfolio as vields evolve. Private market assets can also be an opportunity. Insurers are already major investors here - they're long-term investors, aiming to capture the illiquidity premium until the last pension is paid. Pension schemes in runon can do the same, using illiquid assets to enhance returns. At the same time, there is an opportunity to invest in noninsurance eligible assets that provide a different risk profile. However, trustees need to be mindful of what the liquidity horizon is, should they need or want to pivot in the future. And finally, the surplus portfolio can hold a range of non insurance eligible assets, for example private market growth assets, to act as a buffer for unexpected market conditions, to generate regular surplus income or to focus on longer term growth in excess of low dependency.



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Do you think there's a significant knowledge gap among trustees when it comes to how insurers invest, given that it's not necessarily something they're familiar with?

LEW: A lot more schemes now use a professional trustee. I think that question 10 years ago, it would have felt more of a hurdle, but we've definitely seen a specialisation of trustee roles, which could mean in theory, the changes that are happening now are easier for schemes and trustees to digest.

MW: The phrase 'invest like an insurer' is becoming widely used across the industry. Curiously, the DB Funding Code reads very similarly to aspects of the Solvency rules around how insurers invest.

Will smaller DB schemes with fewer resources/capital come across more challenges in regard to preparing for surplus extraction? If so,

how can these challenges be overcome?

MW: This market has traditionally been very good at innovating in larger schemes and then synthesising that down to smaller propositions. For example, LDI began in the segregated space and quickly evolved into pooled fund solutions. Structurally, schemes of all sizes can address

this in some way. The real question is whether it's cost-effective. How much yield is left after costs? How much risk remains, and how accurately can it be hedged? The smaller the scheme, the higher the costs, the less accurate the hedging, and the greater the residual risk. It's about finding the right balance. While some suggest £100 million as a minimum size, I believe innovation will drive that figure down over time.

Do you expect the new legislation to change trustee appetite for run-on versus buyout strategies?

LEW: What I love is that you don't need to make an immediate decision. It's good to have options on the table. For decades, trustees have focussed on getting to full funding on a technical provision and then often opted for buyout. Going forward, there are more options, but trustees can keep more than one path open to build flexibility in their journey plan.

MW: I'd tie it back to the fact that there's an obligation under the DB Funding Code to submit a statement of strategy every year as part of the triennial evaluation, which sets out the endgame plan for schemes, and most importantly, what they will do with surplus. I agree with Lara that having more options is a good idea but schemes will need to have a plan. They'll need to write down what they're going to do, and they'll need to set out maybe more than one option on how they might pivot between them.

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What risks should schemes be mindful of when using surplus extraction as part of a wider endgame plan?

MW: I think there are two main risks that are in contrast and balance with each other. The first is regret risk, that you give the money away now and then later on you have a funding shortfall, which begs the question, why did you give the money away? The second one is intergenerational fairness. If you keep the money forever as a buffer, just in case, then current members can't benefit from the surplus. There's going to need to be a balance between these two. What

we're seeing is that trustees want the best of both.

How can trustees effectively navigate pressure from sponsoring employers to release surplus while ensuring they uphold their fiduciary duty to protect member interests?

LEW: There has always been negotiations between sponsors, trustees, and their advisers to find pragmatic solutions to agreeing journey plans. I expect that will continue – so the first step is to discuss.

MW: The close of TPR's guidance sets out the construct of a framework agreement. This might set out a primary objective to run-on and generate surplus, with criteria around extraction levels and frequency. It should also include a secondary objective to ensure that the scheme can also pivot to buyout in the future if the trustees need to or want to,

and describe how they will get ready for that. I do have a concern about the potential for undue influence - the obvious question people might ask is, well, 'if I'm the sponsor, could I not just appoint another trustee board that will say yes to my proposal?' There has been a significant rise in professional trustees, for the good, over recent years and so I would

expect that the pensions industry should be mindful of this and adapt accordingly. Finally, the Pension Schemes Bill aims to drive consolidation, institutional investment, and a long-term growth agenda. With around 5,000 schemes tackling the same problem in different ways, we need a smart, adaptable, scalable solution. Innovation is coming – watch this space.

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Boots lead cases v



Joining the queue

Pensions Age takes a closer look at the role of lead cases in The Pensions Ombudsman's plans to cut down waiting times, including in the ongoing Boots pension dispute

hilst perhaps not the most glamorous of pension institutions, the value of The Pensions

Ombudsman (TPO) is undeniable, providing a source of redress for members who feel shortchanged or hard done by on pension disputes.

But perhaps the biggest challenge facing those savers in recent years has been the growing wait time at TPO.

Some progress has been made, as TPO's latest update suggested that the results from the first year of the Operating Model Review (OMR) improvement programme have been "excellent", with a record volume of complaints concluded during the year.

However, in a recent update, TPO chief operating officer, Robert Loughlin, admitted that, despite the improvements already made and a "Herculean effort", TPO was only able to maintain the status quo around its waiting times in 2024/25. This, according to TPO, was due to an "unprecedented" year with the number of new complaints growing by much more than expected.

Loughlin acknowledged that

"unfortunately, there is no quick answer to the challenges that we face around the caseload and the growing volumes of complaints that we are seeing – much of which remains outside our control as an organisation".

"Our strategy for tackling it, however, remains clear," he stated, confirming that TPO will continue to increase its operational efficiency in order to address issues around growing caseloads and wait times, targeting a further 4 per cent year-on-year improvement target for 2025/26.

As part of this work, TPO will be working to bring in pensions expertise at the earliest stage of its process, in order to help identify and resolve complaints much earlier in the process.

Lead cases, such as that being pursued in relation to the Boots Pension Scheme are also expected to help reduce waiting times [see boxout], as well as expedited determinations.

TPO will also streamline the current process for jurisdiction decisions and when it asks respondents for a formal response to the applicant's complaint, which is expected to have a positive impact on reducing waiting times.

And future investment is also expected to help, as Loughlin said that TPO is working closely with its Department for Work and Pensions (DWP) colleagues to set out the case for investment in the ombudsman.

"In the longer term we will be looking for investment in our systems to enable automation and AI to transform our ways of working," he said.

But if anything, financial support for TPO's activities is seemingly weakening, as TPO recently confirmed that its pilot Pensions Dishonesty Unit (PDU) had come to an end, after broader government funding constraints meant that funding for the PDU ended on 31 March 2025.

Whilst run-off funds are available until October 2025 to complete specific investigations, TPO confirmed that it will still need to discontinue up to 50 complaints, involving 17 schemes.

The ombudsman also acknowledged that the threat posed by pensions scams has not gone away, stating that it will still ensure that affected customers receive signposting to appropriate reporting avenues, such as The Pensions Regulator (TPR) and Action Fraud, which can limit the impact of wrongdoers and, where possible, hold them to account.

Despite the end of the pilot programme, TPO also said that the ombudsman may, in the future, still decide that a specific case within an occupational scheme may be investigated ▼ lead cases Boots

where there is no prospect of alternative redress, where there is a reasonable likelihood of redress and/or there is a novel legal issue or different type of scam involved.

However, it confirmed that "this is likely to be the exception rather than the rule".

Hailed as a "significant development" for the industry, the unit, which launched in November 2021, investigated allegations of serious breaches of trust, misappropriation of pension funds and dishonest or fraudulent behaviour.

To date, it has issued determinations

in relation to 12 pension schemes involving more than 800 members and directed redress of over £40 million.

However, TPO admitted that, whilst the PDU has been able to provide justice, it has proven difficult in practice to ensure that scheme members are compensated for losses by the wrongdoers directly.

This is because parties at fault have been able to delay or avoid liability by filing for bankruptcy, or by appealing our determinations, which forces the other parties, notably the affected members, into court proceedings with the ensuing litigation risk and cost.

This means that the actual recoveries to date are "substantially" more modest

than the £40 million directed.

But some are still optimistic that this funding can be clawed back, with former ombudsman and TPO chair, Anthony Arter, recently writing to the Work and Pensions Committee expressing his hope that, if there is a future easing of public finances, monies will be found to continue this important work.

"When one looks at pension complaints surely one of the most serious complaints is where someone has lost their entire pension savings through being scammed," he stated.

Written by Sophie Smith



Taking the lead

One key way that TPO is looking to address the backlog of complaints is through lead cases. According to TPO, lead cases are an efficient way of dealing with a significant volume of complaints of a similar nature caused by the same incident. They can be accelerated through our processes to final Determination, providing clarity for all parties as early as possible. This reduces the impact that large volumes of

individual incoming complaints can have on waiting times for all our customers.

Perhaps the most notable example of this is the news that TPO has chosen to take a 'lead case' approach in respect of the ongoing dispute between the trustee of the Boots Pension Scheme and some members of the scheme concerning the ability to take an unreduced pension at 60, due to the number of members potentially affected by the issue. Members of the Boots Pension Scheme previously raised concerns after the scheme's buy-in with Legal & General (L&G) removed the option to take a full pension from age 60, led by The Pharmacists' Defence Association (PDA).

The union confirmed that its members have sought support after communications from the trustee of the scheme explained that the decision to secure a buy-in with L&G included the removal of the option to take a full pension from age 60.

Commenting at the time, the union argued that there was "insufficient evidence" to fully support the trustees' claim that the option to take an unreduced pension from 60 was discretionary and not a right.

"We are therefore questioning whether this option should have been secured as part of the buy-in and not ended with immediate effect," PDA Union national officer, Paul Moloney, explained. "We believe benefit statements issued to members, at the very least are contradictory, and clearly state that a full pension will be payable from a member's 60th birthday, with no reference to this benefit being discretionary and therefore subject to a regular review by the trustees.

"Instead, the benefit statements give the impression that an unreduced pension from 60 is a right with no indication that retirement plans should not be based on the benefit statements."

And whilst Moloney recognised the potential advantages a buy-in can bring to the overall security of benefits, he argued that "it is important that it is done correctly".

Members impacted by the dispute have still been encouraged to submit a complaint in the meantime, however, as a spokesperson for TPO said: "If you are affected by this issue and may want to make a complaint to TPO about this in the future, we expect you to make a complaint to the trustee under the scheme's internal dispute resolution procedure (IDRP).

"Once the lead complaints are determined, our expectation is that these determinations will inform how the trustee responds to all IDRP complaints. At that stage, any member who has a specific situation not covered by the lead complaint determinations may apply to TPO.

"If you have a complaint about the Boots Pension Scheme regarding a separate issue, you can raise this through the scheme's IDRP in the usual way (making it clear your complaint is different to the lead cases), and then with TPO if you are not satisfied with the outcome of the IDRP."

Clare Routledge interview ▼



From PGL to pensions

Vidett client director, Clare Routledge, talks about her career, from teaching children to ride ponies, to her passion for presenting a pensions podcast



What's your employment history (including jobs outside pensions)? I started work at 13 with silver service

waitressing jobs at weddings and functions. During my university years I made money pulling pints in a nightclub, and I also had a summer job at PGL teaching children how to ride ponies.

My pensions career started once I left university with a summer placement at Bacon & Woodrow. I worked as a pensions administrator around gap year travels to Africa, then studied to be an actuary with Hewitt, before periods with Deloitte and PwC where I specialised in advising corporates.

Then in 2024, after more than 20 years in the actuarial world, I became a professional trustee with Vidett.

What is your favourite memory working in the pensions sector?

I have worked on a number of highprofile restructuring projects, including BHS and Uniq. Implementing a complex first-of-a-kind solution is very satisfying, knowing that you've been part of a solution to secure members' benefits.

▶ If you did not work in pensions, what sector do you think you would be in instead?

TV/radio presenter. I love presenting, having created and hosted a live webinar series at PwC, and now hosting Vidett's *Shaping Tomorrow* podcasts. I also recently had the pleasure of chairing sessions at Vidett's Endgame Conference

at Silverstone - what a day!

There's something of a thrill with live presenting as things could (and do) go wrong. That's all part of the fun!



What was your dream job as a child?

When I was very young, I wanted to

be a vet. I've had plenty of pets over the years but that's as close as I've come to that dream.

What do you do in your spare time? Away from work, I enjoy cultivating an impressive array of house plants,

an impressive array of house plants, spending time with family and attending as many live music events and gigs as possible.

Do you have any hidden skills or talents?

I can be quite crafty. When my daughter was younger, I made superhero capes for the children attending her birthday party, as an alternative to handing out party bags. It seemed like a great idea when I thought of it, but I was less keen by the time I was sewing my 10th cape!



Is there a particular sport/team that you follow? I love watching snooker. Living in Yorkshire

means I've been able to attend the World Snooker Championship at the Crucible in Sheffield.

If you had to choose one favourite book, what would you recommend people read?

I favour true crime and crime thrillers – I don't know what that says about me!

And what film/boxset should people see?

I have watched *The Blues Brothers* so many times – the combination of stars, music and the record for most car crashes in a film – it's my guilty pleasure.



I like to see as many

bands/artists as I can, across a range of genres. The best gigs I've been to recently were Gregory Porter, Tenacious D and Chemical Brothers.

Who would be your dream dinner party guests?

I think I could learn an awful lot from *QI* quizmaster, Sandi Toksvig, and space scientist, Dr Maggie Aderin-Pocock, and have a lot of laughs along the way.

Is there an inspirational quote/ saying you particularly like?

Around a decade ago I was given advice that has stayed with me: "You may not have a female role model to look up to, but you can be that person for those coming behind you."

I always try to live up to this, being 100 per cent unapologetically me and making sure my voice is heard where women aren't being fairly represented or given the opportunities they deserve.

✓ retail vs institutional accumulation

Summary

• Institutional and retail pensions differ significantly in structure, governance, cost, member engagement, and investment strategy.

- Retail models lead on technology, flexibility and customer-centric design, while institutional schemes benefit from scale, fiduciary oversight, and employer backing.
- As regulatory reform and technological innovation gather pace, both models are being pushed to adapt, raising the question: Could greater convergence lead to better outcomes?

Common ground

With the ever-evolving pensions landscape in the UK, can retail and institutional pensions learn from each other − or are their differences simply too vast? Paige Perrin explores

nstitutional and retail pension schemes ultimately serve the same purpose – helping people save for retirement – but they operate in "fundamentally different ways", PensionBee chief business officer UK, Lisa Picardo, says.

This divergence between these two types of schemes can be observed in everything from the governance and investment decisions to member engagement and product innovation.

Picardo also says that many individuals now hold both types of pensions simultaneously, juggling active and deferred workplace pots alongside personal plans. This overlap suggests these models not only coexist but have the potential to complement one another.

Yet, despite this, coordination and cross-learning between institutional and retail schemes remain limited. But just how different are they in practice? And can they truly learn from each other?

Investment strategy

Arguably, the biggest difference between institutional and retail schemes lies in how investment decisions are made and who drives them.

"The vast majority of members in institutional markets didn't actively

choose their investment. Conversely, retail savers all actively opted into investment either via an adviser or through the non-advised route," Hymans Robertson head of DC markets, Paul Waters, explains.

Picardo highlights that institutional schemes are often employer-driven, supported by auto-enrolment, with both employer and employee providing contributions.

Retail pensions, by contrast, serve individuals directly, offering a range of providers and products personalised to the investor.

Picardo notes that retail pensions are "particularly valuable" for consolidating multiple old workplace pots or for the self-employed who lack access to autoenrolment through a workplace scheme.

AJ Bell director of public policy, Tom Selby, points out that while both pension types share the goal of delivering retirement incomes for millions, the investment approaches and governance structures underpinning them are "very different".

Retail pensions such as self-invested personal pensions focus on delivering choice, flexibility and value to individual investors, allowing investors to build personalised portfolios from stocks,



funds, and bonds.

For these schemes, many platforms provide simple, risk-based multi-asset portfolios for those less inclined to manage investments personally.

Asset allocation therefore varies by individual preferences and retirement stage.

Selby also notes the retail market's competitiveness, which incentivises firms to offer low-cost, customer-centric solutions.

In contrast, Selby points out that institutional schemes manage "much larger" pools of assets invested on behalf of a large number of savers. This scale not only enables investment in more illiquid assets but also is covered by fiduciary duty to act in the client's best interests.

Fidelity International head of investor product, global platform solutions, Georg Bauer, highlights the "strong demand" among institutional clients for delegated investment strategies, where professional managers make investment decisions on their behalf.

He also notes "significant" innovation in new investment solutions designed to provide individual investors with flexibility throughout retirement, helping them achieve personalised objectives.

Regardless of the model, considerations such as aligning investments with retirement goals, age, values, or preferences – including options like climate-conscious or Shariah-compliant investments – remain common.

accumulation retail vs institutional v



Cost

Waters says that institutional pricing is already "significantly lower" than retail pricing, yet members often transfer from workplace to retail propositions at retirement – despite higher fees.

This, he says, may reflect perceived value or flexibility in retail offerings.

However, he points out that price competition in retail is intensifying, with charges falling – a trend he expects to continue.

Several pension professionals attribute this shift to both the downward pressure from institutional pricing and the growing availability of low-cost investment options in the retail space.

While many of these are described as "passive", Waters cautions that they are not necessarily low-risk, as they often rely heavily on fund managers' views.

"It's important that investors challenge their managers to understand and get comfort in the decisions that are being made on their behalf," he adds.

In the advised retail market, Waters anticipates that, on the back of consumer duty, there could be a "greater" focus on value and pricing.

"We anticipate adviser firms focusing on the robustness of their processes, how they can evidence value and how they can most efficiently utilise technology," he says.

Picardo says, meanwhile, that institutional schemes tend to involve more complex asset allocation strategies, determined by trustees or consultants on behalf of members, potentially bringing additional complexity and fees. She explains that certain providers use tiered pricing models based on asset classes.

"Ultimately fees charged to members of retail pensions will depend on many elements, including the nature of the underlying asset classes that the funds are invested in," Picardo says. "Pricing in personal pensions must be transparent and simple."

Engagement with members

This need for transparency extends beyond pricing to how pension schemes engage with their members. Waters says communication styles reflect differing member expectations. He claims retail members often have face-to-face meetings with advisers and receive higher-level written communications and tech-led communications, while institutional communications are "more basic due to their catch-all nature".

However, he points out that institutional communications are "quickly catching up" to their retail counterparts through workplace pension apps.

People's Partnership chief operating officer, Angela Staral, also notes this trend, saying: "Increasingly, workplace and retail pensions are delivered via similar platforms, offering comparable member experiences across both".

She says the "fundamental difference" lies in distribution: "Workplace pensions are typically mediated by employers, with communications often integrated into broader HR strategies, while retail

pensions focus on direct-to-consumer marketing".

"That said, member communication strategies are converging. While employer involvement remains central to workplace schemes, we're seeing a move towards personalised, multi-channel engagement that mirrors what retail pension providers have long employed – especially as digital expectations rise across all demographics."

People's Partnership chief information officer, Nigel Rodgers, says: "Technology forms the backbone of scalable, consistent pension experiences across both sectors."

Rodgers notes that tools and platforms are increasingly similar across sectors, saying that pension apps – originally a retail innovation – are now driving engagement in workplace schemes.

People's Partnership proposition director, Kirsty Ross, emphasises that emerging technologies like AI are set to increasingly boost efficiency, engagement, and customer support.

Bauer notes while both sectors are becoming more digitally enabled, institutional savers typically favour "simple, guided tools", whereas retail clients often seek "deeper functionality and greater control".

Despite what seems like promising advancements, some providers in the institutional space still operate legacy systems with fragmented administration, and use paper-based processes, which Picardo says creates a "poor" user experience for members, who may struggle to access "clear, timely" information and to be engaged in the way that they should be.

Aviva head of pension engagement, Laura Stewart-Smith, says how individuals interact with their pensions is important in terms of communication.

Institutional schemes, which often have many auto-enrolled members on default plans, tend to focus on early engagement and encouraging actions retail vs institutional accumulation

such as consolidating pension pots from previous employers.

In contrast, retail pension holders are generally more engaged and often have specific goals such as legacy planning or tax efficiency.

Given this, Stewart-Smith says neither group is homogenous and communications should be "inclusive and flexible".

Regulatory advancements

Pension regulation is another element in both types of schemes that are rapidly evolving, with Waters highlighting the "massive regulatory changes" underway for institutional pensions.

In particular, he points to the Mansion House Accord, which is driving investment in private markets, and the Guided Retirement concept in the Pension Schemes Bill, which is promoting the development of "a new generation" of decumulation solutions. Additionally, consolidation within the institutional market is gathering pace.

Rodgers also notes that consolidation models for deferred institutional schemes have been "widely embraced", particularly by major pension providers over the past few years.

"Good ideas tend to travel well, regardless of the channel they originate from. Providers continuously observe each other's developments and refine their offerings incrementally – it's less about workplace versus retail and more about looking at innovation across the board, especially with such important



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issues as pension engagement, which are fundamental to the success of the industry as a whole," he says.

On the retail side, Waters expects the non-advised retail market to experience the most change as regulation evolves.

A key advancement in this area is the Financial Conduct Authority's Advice and Guidance Boundary Review, which Hargreaves Lansdown head of retirement analysis, Helen Morrissey, describes as a "game changer" for client engagement.

"Being able to offer more support in terms of more personalised options based on what 'people like you' do will fill an important gap in helping people to make

"There's plenty of scope for cross-sector learning.... The best outcomes will come from combining the strengths of both"

more informed decisions and achieve good outcomes in retirement," she says.

Cross-sector innovation and future outlook

Despite structural and regulatory differences, industry experts believe there is "plenty of scope for cross-sector learning" between retail and institutional pensions to learn from each other, and, in doing so, improve outcomes across the board.

Picardo highlights the distinct strengths of each: "Retail has led on technology, transparency, customer choice, engagement and experience. Workplace schemes play an important role in facilitating auto-enrolment, bringing scale and cost efficiency.

"In an evolving regulatory and market environment, the best outcomes will come from combining the strengths of both to deliver fair, simple and trusted pensions for all."

Ross agrees that regulatory shifts

can act as a catalyst for cross-sector improvement. In particular, she points to the value-for-money (VFM) framework as a key driver of raising standards in institutional schemes, warning that regulatory consequences for underperformance are "potentially severe."

Ross adds that initiatives like pensions dashboards and targeted support will "enhance transparency and guidance" for members, across both retail and institutional pension schemes.

She believes that default decumulation should improve outcomes for non-advised customers in workplace DC pensions, noting that the 2015 pension freedoms have shown that retirement decision-making is "just too hard" for many, making additional support essential.

Looking ahead, Stewart-Smith expects "significant" regulatory change in the institutional space over the next three to five years, which could lead to greater diversification in default investments, stronger VFM frameworks, and more structured support at retirement, such as income for life solutions.

She emphasises the importance of these changes that are "stimulating innovation", which the retail and institutional markets are responding to.

As the UK pensions landscape evolves, the lines between retail and institutional offerings are beginning to blur. While each sector has its own structures, strengths, and regulatory pressures, mutual learning and innovation are clearly driving progress.

With rising regulatory scrutiny, advancing technology, and growing member expectations, the focus is shifting toward more personalised, value-driven, and accessible pension experiences. The industry has a real opportunity to create more inclusive and efficient solutions that better serve savers throughout their retirement journey.

⊘ Written by Paige Perrin

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PANEL



Phil Triggs, Tri-Borough Director of Treasury and Pensions, Westminster City Council

Phil has been tri-borough director of treasury and pensions for Westminster City Council, Royal Borough of Kensington and Chelsea and London Borough of Hammersmith and Fulham since 2017, having also worked at Surrey County Council, Warwickshire County Council and Buckinghamshire County Council. He has worked in local government finance his entire career, previously specialising in revenues collection and rating valuation at Havant Borough Council.



Tony Appiah, Managing **Director and Senior Fixed** Income Specialist, Nuveen Tony is a managing director and

this role, he serves as strategy specialist. Prior to joining Nuveen in 2022, Tony spent seven years at UBS, five in the firm's global wealth management business as lead funds analyst for fixed income. Prior to joining UBS, Tony worked at Brown Brothers Harriman Private Bank where he oversaw the firm's platform of private and public credit strategies. Tony began his career at Clearbrook Global Advisors in Stamford, Connecticut as an investment analyst.



⊘ Councillor (Cllr) John **Beesley, Dorset County** Pension Fund, Brunel Pension Partnership & LGPS Scheme **Advisory Board**

Cllr Beesley is a member of the Local Government Association Scheme Advisory Board. He was chairman of the Dorset County Pension Fund for five years, and served on the pension fund committee for 20 years. He was chairman of the Brunel oversight board, which set up the Brunel pension pool and represented the Dorset fund on Brunel. He was leader of Bournemouth Council until 2019, at which time local government reorganisation formed the new BCP council.



Laura Colliss, Pension Fund Manager, North East Scotland Pension Fund

Laura has over 20 years of experience with the North East

Scotland Pension Fund (NESPF). Initially responsible for the fund's accounting function, Laura's remit expanded to include investment oversight as the fund's assets increased. In 2013, Laura was appointed pension fund manager, assuming full responsibility for all aspects of NESPF operations. She serves on the executive committee of the Local Authority Pension Fund Forum and is an adviser to the Scottish Scheme Advisory Board.



Maria Espadinha, Policy Lead, Pensions UK

Maria is policy lead at Pensions UK (formerly the Pensions and Lifetime Savings Association)

policy and advocacy team, with a focus on the LGPS, after joining the trade association in 2023 as senior policy adviser. Previously, Maria had a career in journalism in London and Lisbon. She was editor of Pensions Expert at the Financial Times; and previously worked as a senior reporter for Financial Adviser and FTAdviser, receiving the Personal Finance Society Trade Press Personal Finance Journalist award in 2018-19.



☑ George Graham, Fund Director, South Yorkshire Pensions Authority (SYPA) George joined the South Yorkshire Pensions Authority as director

in 2018 and, as head of paid service, is responsible for the management of all aspects of the authority's activity that is concerned with the management of a £10.5 billion pension fund with over 170,000 members. Previously he was managing director of Local Pensions Partnership's pension administration business. A fellow of CIPFA, he previously held roles at Lancashire County Council and Rossendale Borough Council, among others.



☑ Alistair Jones, Senior Managing Director, Investor **Relations and Business** Development, Leadenhall Capital Partners

Alistair has over 20 years' experience in asset management and consulting advising institutional investors on investment strategies including insurance-linked securities, ESG, credit and fixed income. Alistair has worked with DB pension funds, DC pension funds, charities, corporates and other institutional investors over his career at Leadenhall, SEI, Schroders, Aon and WTW. He is a regular speaker at pensions and investment events.



☑ James Murray, Head of Social Infrastructure, AlphaReal

James is head of social infrastructure and co-fund

manager of AlphaReal's Social Impact Fund. James focuses on social infrastructure fund growth and leading the origination process. He joined from specialist property consultants, Gerald Eve. He has over 20 years' experience in real estate with a focus on the social real estate sub-sectors: Health, housing and education. James is a qualified Chartered Surveyor and a regular speaker at industry events.



Dohn Nestor, Client Director, Capital Cranfield John joined Capital Cranfield in 2016, and has more than 14 years' experience as a professional

trustee. He is an experienced chairman who also works as trustee board member and leads a sole trustee appointment. As a trustee, John has worked widely across DB and DC benefit structures, including chairing a DC master trust. He also sits on an independent governance committee and is the senior nonexecutive director of a LGPS pooling asset management company. John also worked with Henderson, Citi and UBS Global Asset Management.

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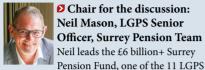






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Chair for the discussion: Neil Mason, LGPS Senior Officer, Surrey Pension Team Neil leads the £6 billion+ Surrey

partner funds that make up the Border to Coast Pension Partnership. With nearly 130,000 members and over 500 employers, the Surrey fund has received acknowledgement for its outstanding approach to risk management, governance, responsible investing and admin. Neil is a member of Pensions UK's local authority committee, independent chair of the Local Pension Board for the London Borough of Hounslow and independent adviser to the local pension board of the SYPA.



LGPS: Staying on track

As the government ramps up its focus on the LGPS, our panel looks at what lies ahead for the scheme, the challenges it faces and the investment opportunities out there

'eil Mason *[Chair]***:** What is your current feeling about the Local Government Pension Scheme (LGPS) landscape? Is it a time of opportunity, frustration or both?

Maria Espadinha: It's both – it is a time when maybe some of our members are frustrated, but we need to look at it as an opportunity and there is an opportunity to create bigger and better pools. A lot of our members are thinking this is pooling 2.0 and that there will be a pooling 3.0 and they want to be in the best position they can be. The most important thing though, at the end of the day, is the member, and I don't think that any of the funds are not thinking of their members at this point.

So, I do think that there is an opportunity to grow and to make what is already a great scheme even better.

Chair: I agree. It's incredibly

important that we don't, in all of this noise and opportunities and product launches, lose sight of why we are in this sector and that it's member outcomes that need to drive all decision-making. I do hope government has that in the forefront of their minds.

George Graham: It's an interesting time, not just because of all the pooling conversations - which is the area that understandably gets a lot of focus but it's as if, suddenly, a dam has been broken over all the things that have been on the 'to-do' list for the LGPS for the past five or six years. We recently had a consultation on a whole raft of changes to the benefits regulations that put right a lot of things that should have been put right many years ago. The fact that they've not been put right many years ago means there's a massive backdating job to be done.

To summarise, you could say all our

Christmases have come at once - all the things we've been asking for, for many years, and asking the government to fix, are being fixed, but do we have to have it all at once? There's an awful lot of change.

It is an opportunity, yes, but some people are underestimating the impact of that on our operations because people are forgetting this is also a valuation year, and that's a lot of work for our teams already. We're all reviewing our investment strategies and many other things that are part of the usual business cycle. So, challenging, but there's opportunity.

Chair: There is lots going on, not least the valuation you mentioned, but also local government reorganisation and where administering authorities are going to reside after that plays through.

Councillor Beesley: Well, I chaired the body that set up Brunel right at the beginning of pooling, and we went about it with 10 funds in a way that was truly collegiate, with trying to make sure we ended up with the outcome the thengovernment was looking for and, to a large extent, we succeeded in doing that.

We carried on doing that in consultation with the previous government and indeed with the LGPS roundtable s

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current government, and the 10 funds as constituent parts of Brunel have been completely on board in that journey – so it came as a massive shock to the officers and members of Brunel when we found out that, along with the ACCESS Pool, we were being asked to change direction.

The individual constituent funds are now looking to see whether or not we want to go en masse to join another pool, or whether we want to break away and do our own thing for our own fund. Also, Brunel has just recruited a new Chief Investment Officer (CIO), so they're probably wondering why they said yes at this stage, given the uncertainty ahead.

John Nestor: I was shocked by the announcement. Pooling has been around since George Osborne decided it was something the then government wanted to do. It hasn't been perfect, but it's been on a progressive journey and, in the past few years, there has been a lot more cooperation between the funds and the pools. But when you are dealing with an asset management business - which pools are - uncertainty is not your friend. You have people's careers in your hands, and they make decisions based on longevity. There are limited numbers of CIO positions around the country. Therefore, the individual who recently joined Brunel would have thought long and hard about making that choice.

Mergers are very destructive activities, especially in people businesses, and fund management organisations/ pools are people businesses. In the private sector, when we announced a merger, we



would have pre-planned exactly when that announcement was going to take place, and we would have secured the vital people who would be in place to manage the transition, and they would be rewarded financially. That hasn't been the case here.

So, this is a difficult situation. There is a huge amount of money invested by the local authorities within the pools of Brunel and ACCESS, and they are being asked to transition at a time when the people with the knowledge and the skill in order to do that may be tempted to move to other jobs which have a better chance of longevity.

Chair: I understand in Scotland that consolidation has also happened to some extent, but more organically?

Laura Colliss: There has been some pooling in Scotland. Lothian Pension Fund is working with several other Scottish funds around managing some money for them and helping to assist with their investment strategies, which has just come out of conversations and working organically with each other. That's probably the preferred way for Scotland to continue. Pooling hasn't particularly been on the agenda.

We have been talking about restructuring Scottish funds for years, and it's never achieved any firm outcome, and I don't think it ever will if you talk to the funds that are involved. Hopefully it will continue that way. We can work together in an organic way that works for the individual funds and for all stakeholders without getting embroiled in the very complicated setting up of pools or then having to merge. No one wants to feel like they're being taken over, whether it's at fund level or pooling level.

So, if we can manage it in Scotland in a way that is more comfortable for everybody, I think that's the way to go.

I know pooling is the big focus at the

moment in England and Wales – there are demands on you to deal with that and address the government's requests. But, at the end of the day, the LGPS is made up of the underlying funds, and offering the right remuneration and having the right resources is vitally important at fund level across the UK, whether it's Scotland, England or Wales and Northern Ireland.

The funds need to be able to recruit, retain, remunerate appropriately, because recruitment is very challenging for the LGPS, wherever you sit. So, the future of the LGPS needs to be addressed and have some element of further separation in a reasonable way with the administering authority/council that they're attached to, for us to continue to deliver an efficient, cost-effective service.

Alistair Jones: I would like to offer an investment perspective in terms of opportunities and challenges in the LGPS space. We have been talking of course about the change in the governance arrangements but there's been a change in the world of investment management as well. The past few years has seen a raft of rationalisation in investment arrangements to get to the current pooling status and, from the sounds of things, will continue going forward. So, for all the investment managers around the table, there have been challenges, but there are opportunities as well going forward to work with the pools. But there have been challenges for managers going through that process as well.

Chair: Has it been a positive development?

Jones: Well, we've talked already today about how it can disrupt organisations. It can disrupt relationships as well and you have to forge new ones looking ahead. But it can be a similar disruptor in our space as well. It presents lots of opportunities to work with bigger pools, theoretically more dynamic going

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forward. But challenges come with it as well to forge those new relationships.

Beesley: I would highlight that performance is the most important thing for all of us in the LGPS. Some seem to be quite keen to just talk about costs. Cost savings are always welcome but performance is what really matters, and getting an understanding through to Ministers about the difference between those two is key.

Even more important is making sure that performance stays on top of the agenda at all the funds - how do we make sure that the focus is on that rather than everybody trying to secure their own territory, or trying to make some kind of piecemeal arrangement with other pools? We've ended up in a really muddled way of thinking, which perhaps we need to get out of quickly. The Scheme Advisory Board (SAB) - and there are only six councillors nationally on the SAB, of which I am one - is doing its utmost to try and focus back through the department about these issues for all the pools.

Nestor: Performance is always paramount in terms of reducing the overall cost, because if you get good performance, the employer contributions can be less. I just wonder if the surplus of the LGPS is what the people at the Treasury might be looking at, and this has taken their eyes off performance as being a priority.

Graham: If it has, they are looking at the wrong thing. From an overall public finances point of view, they want to be looking at the gradual repatriation of surplus as a way of reducing financial pressure on local authorities. If they are thinking they want more investing in the UK, and that's going to lead to growth, they are looking at the wrong thing.

LGPS already invests in the UK – close to 30 per cent of my fund is invested

in the UK. That's not untypical. That's massively disproportionate relative to the UK's scale in the global economy. I might not be invested in the things they want me to invest in, that's a different debate. But do the things they want me to invest in match my risk profile? Arguably not.

Phil Triggs: Some might argue that what's happened with Brunel and ACCESS doesn't affect the rest of the LGPS, but it does, because the precedent has now been set that pools can be disbanded and that could happen to any of the six remaining. So, we need to know how this is being done, what criteria is being used.

Chair: Do we agree the government's focus is perhaps on the wrong things?

Triggs: Well, years ago, I devised a conference speech where I compared running a pension fund to piloting a plane – I discovered that, in every facet of flying, there's an equivalent in pension fund governance.

Running an LGPS fund is a bit like piloting a plane, in that we're tasked with reaching a safe and secure destination. But the guidance we're receiving from government is possibly risky, which makes it harder to feel confident that we'll get there as planned.

We need to arrive somewhere decades ahead, still with plenty of fuel in the tanks, and get that plane safely landed. There seem to be loads of distractions aside from paying pensions in full and on time. Lots of other things that we need to worry about, apart from keeping that plane straight and level with sufficient fuel and flying in the most efficient way. This latest draft legislation is very much a distraction.

Before all of these recent developments, each of us as individual fund administrators were required to get the best investment performance out of the fund, and that's the way that



we've tried to keep things on target in the funds I work with. We have managed to keep our performance going and get the funding levels to an enhanced level without being distracted by the other things that we're required to worry about. We do look at responsible investment. We don't get distracted too much by climate change apart from some really good investments in renewable energy infrastructure. We try not to get distracted by the other pressures that exist on divestment. We stick to our stewardship responsibilities.

Chair: Are we potentially losing sight of the retired member in all of this?

Triggs: I imagine we've got our retired pensioners at home looking at this and saying, 'what has all this new legislation got to do with me in terms of paying my pension in full and on time?'

We are required by our fiduciary responsibilities to get the best investment performance, not to invest 10 per cent of total funds in UK venture capital or any of these other things that we're being encouraged to get into; and that process of getting pools reduced to six, or maybe even further down the line to four, is a means of government having some form of influence on the way that the pools are managed with this supposed encouragement to invest in UK, which is not necessarily what's best for the pensioner or the employer whose contributions we rely on.

Economic backdrop

Chair: How are you feeling about the

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macro-economic and geopolitical backdrop, particularly given recent events around Trump's tariff negotiations and current conflicts around the world? What could be the investment return impact, for example, on US tariffs if implemented in future?

Colliss: There's always volatility and there's always geopolitical events going on in the world that affect markets. With Trump's tariffs recently, we all felt that pain when those markets plummeted. But it's generally a short-term pain. The LGPS has always had the ability to ride out that volatility, and it also creates opportunities. We saw that when Covid came, which was right before the Scottish valuations. But markets bounce back, and often bounce back higher, as we saw back in 2008/2009 also.

There's an awful lot of noise out there, and we've talked about noise when it comes to governments already. That's never going to go away. But, for the LGPS in particular, it's about diversification in your portfolios. If you've got good diversification and you need to have a mind on cashflows, you can ride out those storms reasonably well, and don't make immediate reactions when it comes to those fluctuations in markets. One man having the ability to wipe trillions off the markets is a very dangerous position to be in, but markets do tend to bounce back, and I think we can ride out those storms quite comfortably at the end of the day. It's just unfortunate if it happens to be in your valuation year.

Espadinha: Pensions UK did a survey of its members in April and, even though 91 per cent were affected by market volatility, 64 per cent said they were just waiting to see if the market settles. So, yes, volatility is something that is frequent for schemes, including the LGPS, but I don't think that anyone is panicking, even though there has been a big impact. Our members did say, 'we are not currently panicking, pensions are a long-term investment', and we've all heard this over and over again, and this is another situation like that.

Chair: Tony [Appiah], what's your view on the global economy?

Tony Appiah: Coming back to Phil [Triggs'] airplane analogy, 10 years ago I also decided to take flying lessons, and I had to do my first not quite solo flight, but one where you had to do a lot of the flying. So, we slowed the plane down considerably, and then we intentionally stalled, and the plane just dropped - and you're supposed to recover. I never went back after that! So, my point is, we're slowing, we're not quite stalling. Our view for the global economy is, if you look at the US, heading into 2025, we thought the US would be growing closer to 2-3 per cent. Now, we're thinking more 1 per cent based on all the tariffs, the uncertainty, some of the difficulties there.

In terms of Europe, on the flip side, we expect the continent to grow about 1 per cent – yes, the tariffs are still an overhang. But we think this 50 per cent is more of a bargaining chip than anything because I think Europe has a bigger bite than it sometimes seems. It could inflict a lot of pain on the US. Trade negotiations will remain noisy and take a longer time between the US and Europe so we remain watchful on developments.

But we think Europe is going to grow, given for example what's happening in Germany and some of the fiscal things

going on there, and even within the periphery the story is quite strong. Then if you look at the UK, earlier in the year, it looked like there was a lot of faux runins in terms of what was going to happen with tariffs. So, we saw a bit of a bounce up in growth.

That, we think, is going to slow down for the rest of the year. So, we're thinking 0.8 per cent GDP growth for 2025 for the UK. Then, at the same time, inflation remains a challenge.

Chair: What does this mean for emerging markets (EMs)?

Appiah: Well, emerging markets continue to be very robust. One of the attractive aspects of emerging markets is their heterogeneity. For instance, you have certain countries that have an even higher credit rating at the sovereign level than their developed market counterparts and then you have others that might be more challenged and perhaps even distressed. Interestingly, in the International Monetary Fund's most recent growth forecasts, they expect emerging markets to grow at nearly twice the rate of developed markets, with a fundamental picture that's actually quite healthy as well.

The bottom line here is, yes, volatility will absolutely remain. Being long term makes a lot of sense as a sound investment strategy. The stock markets have gone down and literally all the way up. So, if you traded them down, you probably made a lot of mistakes.

But on the flip side, yields are elevated and will likely remain so, which is quite attractive (from a historical perspective). In fixed income, it was not so long ago that there were no yields (low or even negative across most of the developed government bond markets) anywhere and now the yield picture is quite attractive in the UK and globally. So, we're really urging clients to think very

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global, to think very strategic and take advantage of yields, particularly at the front of the curve because I think there's going to be a lot of volatility in backend yields for some time to come. But if you're getting 4 per cent in gilts, you're getting north of that in treasuries, we think it's quite attractive.

Finally, given trends with US credit rating deterioration and policy uncertainty, we are advising clients to think about wider diversification options within high select developed markets (Europe, UK, Japan, etc) and EM bonds, without sacrificing income or quality

Chair: When I started in the business, very few funds had as sophisticated a portfolio as they do now. What place does alternative strategies hold in the portfolios that you look at?

Triggs: It's an interesting one because the Westminster committee made somewhat of a challenge when we put an alternative strategy to them following the Covid situation. There was a bit of a downturn in the market. We were looking to alternatives for further diversification/risk reduction in the overall portfolio and gilt yields were slowly rising. So, we thought gilts and bonds were attractive - and it was time to switch to a small amount into that class. We would have done quite nicely if we'd taken up that recommendation at the time. The committee rejected the option that was put to them.

So, we suggested putting further funds in our infrastructure renewable energy, which has done extremely well. So, it has turned out well for the investment performance and our overall funding level. But it was quite telling to me at the time that I couldn't get funds into the areas that we recommended because it was deemed to be too uninteresting.

The Kensington and Chelsea (K&C)

committee has always been a steady racehorse in terms of sticking to its investment beliefs, which is that long-term equities will win the day because we're running with an open, long-term fund, and that is true.

K&C switched £300 million-worth of equities to UK commercial property, whereby we buy the properties direct outright and the fund takes the rental income: the properties are in a bespoke commercial property portfolio, not in a pooled fund. That portfolio belongs to K&C. The chairman's vision was that we would have those properties in the fund for 70/80 years and maintain a steady rental income with future capital growth, which has been a winner because it transformed the fund from cashflow negative to comfortably cashflow positive; when you look at a 5 per cent vield on £300 million and zero write-offs so far in terms of the rental income that is generated and very little in terms of voids. So, that has been a winner, and global equities have tended to still hold together despite the global upsets that have transpired.

We've also looked carefully at other options for K&C, including fixed income. The only recent move there was a 5 per cent holding in index-linked gilts bought at the right time such that there is a positive real yield on those linkers.

So, on the alternative options open to us, it's all very well with consultants generating interesting ideas, but getting your committee to adopt them can be somewhat of a challenge.

James Murray: In terms of social infrastructure, which is what I am keen to talk about today, it's an asset class that can offer consistency of returns when times are more challenging. If we look at the returns that we've had in our fund over the past three and five year period, we've delivered a consistent 7 per cent IRR

and income yield of 4.5 to 4.8 per cent. During that period, we've had Covid-19, we've had rising interest rates, and we've had rising inflation that's impacted some of the development opportunities that we've been looking at. But that's one of the strengths of social infrastructure – it's needed by the people and that feeds into that sort of low standard deviation that we see between the good and bad times.

When times are particularly good, we're not going to see that significant yield compression that we might have seen with, say, the industrial sector back in 2022/2023. But equally, when times are more challenging, we're not going to see the yields move out that significantly. So, if we can deliver that appropriate riskadjusted return alongside that impact as well as that very stable IRR, that's an attractive proposition to form part of an LGPS allocation.

Chair: It is interesting to hear how social infrastructure and EM debt can potentially fit into pension portfolios, especially in the current environment. Alistair [Jones], can you tell us about Insurance-Linked Securities (ILS), and why pension funds might consider them as an option in their portfolios?

Jones: The insurance-linked asset class is very much a pure diversifier from cyclical market events. It provides societies with protection from insurance market events providing investors premium income along the way. What we've mentioned already is that a lot of local authorities, hopefully over the long



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term, can look through volatility and remain heavily invested in equities. But we do have actuarial valuations to worry about every three years when deficits and cash contributions are set. So, a lot of people have looked at ILS for their diversification characteristics especially with all the economic worries at the minute, whether it be Trump, deficit concerns, the US being downgraded or the geopolitical front more generally.

So, liquid public traded cat bonds over the past few years have delivered cash plus 10 per cent. That's very much a middle-of-the-road plain vanilla strategy in our space. So, when people talk about cashflow or yield or income, ILS are very generative for people looking to cover their liability cashflow and pension payment needs. It's a floating rate asset as well. So, when you invest in an insurance-linked security, the underlying collateral is invested in cash, which has been yielding 4 to 5 per cent for the past few years. So, it gives you a good starting position. Then, with an extra fixed coupon on top of 10 per cent per annum (pa) over the past few years, it's been a nice return-enhancing and diversifying strategy as well as providing liquidity.

Also, local authorities with their long-term time horizon can look to the private side of the asset class and where instruments can yield up to cash plus 15 per cent, cash plus 20 per cent pa. So, there's been a big opportunity, and is exactly why some local authorities have



been investing historically, and pools have been looking at it now too.

Chair: What about the default rates? **Jones:** Well, what you're doing here is protecting society and properties from disaster events, including from climate and meteorological events. This is through the provision of insurance and reinsurance. ILS can default (or attach) and be used to help pay insurance claims. The historic loss rate in liquid ILS has been around 1 to 2 per cent pa. So, similar to corporate loan, private credit and high-yield debt markets (towards the higher quality end of high yield). In practice, the default rates have been lower than expected. The reserving, the modelling that goes on in the insurance industry has been prudent and cautious. Modelling is continually updated on that front. When it comes to the biggest disaster events, whether it be hurricanes or earthquakes, for example, there is data going back a long way to the 1850s, predating a lot of stocks and bonds. So, there is a lot of data, analysis and modelling that can give investors comfort with premiums, income and pricing in the asset class.

But, as with any portfolio, it's about managing the risks, diversifying across risks, regions and counterparties. The Sustainable Finance Disclosure Regulation and EU also recognise (re) insurance as providing resilience and name it as a climate adaptation solution, because it protects people from these climate and meteorological events that are going on. If anything, the world needs more of this to help societies through the risks that we're facing. Large institutional investors around the world such as in Australia, Canada, America and Japan have been providing this protection and benefiting from nice premium income along the way. As the LGPS continues to pool and develop, there's an opportunity

for the LGPS to similarly benefit.

Recently, UK investment has been a theme in the LGPS world. Over the last year, a UK reinsurer came to market issuing ILS. That's been great for UK societies protecting them with investors also benefiting receiving premium income, showing how our ILS market continues to develop.

Chair: John *[Nestor]*, where do alternatives sit from your perspective for the funds you look after?

Nestor: You have to appreciate where you are on a scheme's maturity spectrum. It was mentioned earlier today that the mandate is to get the best performance for the fund, and I think that's right. But you have to temper that, to an extent, i.e. are you going to fully invest across all the asset classes to achieve that return?

The way I look at it is, what level of return do I need and where do I achieve diversity from? I believe alternatives do play a useful part in that and, until recent times, I've been invested in real estate debt, infrastructure debt, and private debt and those have done well. But you need to understand what your investment time horizon and what your investment return needs are. As schemes grow more and more mature, they will need to understand this further.

Appiah: When you see all this volatility, I think liquidity is actually a very underrated asset class right now. It speaks to some of the things that I talked about earlier in the emerging markets on the fixed income side. When I look at the different LGPS funds, I see quite a bit of exposure in equities in the emerging markets. A lot of the pools, I believe, have dedicated EM equity allocations. But on the fixed income side, only one in eight have dedicated EM debt exposure. Most choose to access that through multiasset credit. But if you think of emerging markets as a £23 trillion asset class, that's

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a lot of opportunity.

Historically, it has returned around 4 per cent over gilts, going all the way back 20/30 years. What's even more interesting is, if you look at EM equities and EM hard currency fixed income, their returns have been literally the same although the latter has exhibited just a fraction of the volatility of the former.

So, to John [Nestor's] point, what exactly do I need from a return standpoint and how do I get there? Yields are elevated. So, that's attractive in places like EMs where the fundamental backdrop is very nice - if you're getting paid and still having that liquidity, that's quite precious. Another angle to your point on opportunity set is that EM fixed income is much more diversified from a country and regional perspective, so when investors allocate to EM equities, they are typically getting very concentrated exposure to a few countries/regions (i.e. Asia) - this is not case with EM fixed income.

Beesley: I would like to make a final point here and it is about the position of being steered by government as to where we invest and how we invest. That's fine at one level, perhaps. We've all been doing it for as long as I can remember. But the government takes no risk in any of this. The government isn't saying, 'if we don't get this right, we'll co-underwrite it with you'. It is saying, 'get on and do it, you're on your own'. I don't think that's how the LGPS is meant to work.

Sustainability

Chair: How can we do sustainability well in an LGPS context?

Graham: Our ultimate investment objective remains: As a minimum, you must make the discount rate that the actuary sets and, unfortunately, one of the things that's happening now is, because interest rates are going up, discount rates

are going up. That's not helpful. I've got a higher discount rate this valuation than I had at the last valuation, despite the fact my funding level has gone up massively. So, that objective remains the same and that's the ultimate thing we've got to do.

But return is more difficult to find if you look in the places you've always looked. So, we go and look in places that we haven't looked before, or that we don't ordinarily look; and we have all these subsidiary objectives around net zero, making sure we invest sustainably and responsibly, and all of those things which are important. We also have some objectives around local impact.

So, we start looking at what opportunities we can find in those spaces and, in some cases, we consider how we can make better use of the assets that we already own. For example, we did a lot of work to turn our agricultural land holdings into an asset that positively contributed to our climate transition. But, as a consequence, we'll ultimately make greater returns than previously.

It's a similar thing with our local investments — we're looking to make investments in things, in places, that we wouldn't ordinarily have looked, but the opportunities are there because no one else is looking. There's a lack of competition for those assets and we are well placed to act because we have connections to the local authorities and other people in the place. Now, we serve a sizeable urban area. It's probably easier for us to do that than in other more rural areas perhaps with less opportunities. But you play to your strengths.

Espadinha: I think there's an optimal situation right now. We have the government saying LGPS funds need to increase their investment in local communities, and there's a very good link to sustainability and investing in those kinds of assets. So, there should



be a greater link between what the government wants and what sustainable assets there are available. This link is also missing when we're talking about growth and the growth debate, and the government wanting to have more investment in UK growth. But it's been siloed in terms of what sustainable assets there are around the country.

To Councillor Beesley's point, they're asking for all the risk to be on the LGPS side, but what about also having a pipeline of assets? This is something Pensions UK has been arguing for – a pipeline of assets that can identify those opportunities would help immensely and unify those two objectives.

Murray: We have a mandate with the Greater Manchester Pension Fund (GMPF) in which we look to invest in social infrastructure in the northwest of England. One of the strengths of being given an area in which we need to invest - in social infrastructure to deliver returns alongside impact - is we, as investment managers, can establish relationships at a local level, both with tenants and with local authorities, to understand what their requirements are. We have the opportunity to develop relationships with developers too, to build up that pipeline of opportunities because what we also want is repeatability. We don't just want to deliver one opportunity. We want to use that team, that partnership approach, to deliver a series of opportunities to maximise the impact being delivered.

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In Dorset, we are working on the potential delivery of a medical centre. The developer has been struggling with rising build cost inflation, and a bit of intransigence from the NHS in terms of what rents might be signed off. However, it's a live opportunity that would deliver genuine impact to around 12,500 people by improving the quality of the local primary medical facilities, but also the range of services that can be delivered. From our perspective, this is a compelling investment proposition delivering that appropriate risk-adjusted return alongside genuine impact.

So, for us, it's that ability to focus on an area, develop those relationships, and then hopefully deliver new social infrastructure at scale.

Chair: Brunel had a very strong focus on sustainability so, as you look to the new landscape, what are the threats and challenges to that if you have to come together with other funds that perhaps don't have that same view?

Beesley: It's an interesting question, because the ethos of Brunel was very much steered towards sustainability. The Environment Agency has been an important part of Brunel, and it necessarily follows that those principles were embedded right at the very start for good reasons and for sound investment reasons too.

Sustainability is fundamental to pooling working, and the reliability that the component parts can place on that carrying forward almost in perpetuity.

Fine, you change things along the way, but you need that strong foundation on which to build. If that is then put in some kind of jeopardy, everybody will be looking to their own interests.

Graham: There's also an increasing political challenge, given the results of the local elections in recent months. There's a whole raft of new councillors in positions of responsibility, generally within councils but pensions in particular, who have a much more sceptical view of sustainability and responsible investment than the norm in the marketplace. Now, each pool has had to accommodate a spectrum of views on these issues, ranging from the moderately sceptical to the wildly enthusiastic. That spectrum, I think, has shifted significantly in one direction, which is going to be somewhat challenging, because the reality for people like me, who are officers and do this job, is that these are risks to the value of our investments, which we need to manage, rather than policy imperatives.

A company that has not got a credible climate transition plan is not a sustainable business, therefore why am I investing in it? But trying to make that argument in the context of the current political debate, and appear to do it as a neutral officer, is going to become increasingly challenging.

Looking ahead

Chair: What do we think the future of the LGPS can or should look like?

Colliss: I would like politics to remove itself from the LGPS. We're here to pay pensions. I probably repeat myself at every committee meeting that I attend by emphasising that this is not a political committee.

Looking ahead, the LGPS is always going to adapt and evolve. We've got a lot of employers, and the majority of the funds are encapsulated with the authorities. For my fund, I have three local authorities, and a number of other employers that have come along on that journey throughout the years.

I think those employers are leaving the pensions marketplace, taking advantage of being in surplus, where they've been in deficit for a very long time. So, I think we will come back to perhaps a lot less employers and back to what the LGPS was set up to do in the first place which was to deliver pensions for local authorities.

Also, this is not government money, it's the members' money, and I think that's what we need to hammer home to government, whether it's local or whether it's central. There are bigger issues for government to deal with when it comes to unfunded schemes.

But getting back to the LGPS, for all the time there's local government, there should be a local government pension scheme. Officers over the years have done an amazing job in managing those funds, and we need to continue to do that, and we need to continue to bring people on, and to deliver those services. It's a very niche area, and we need to bring on staff and continue to build that expertise.

On the investment side, whether it's pooling or not, you still need to manage it at a fund level. So, you still need to have that experience, that staff, those capabilities, and those resources. But we will continue to deliver. Most of us that work in this space are very passionate about what we do, and we do need to focus, and the government needs to remind itself that this is about paying pensions. Paying pensions to, generally, members that are on lower salaries. The average pension is very low when it comes to the LGPS. It's a vital part of those members' future financial status, and that's what we, and the government, should be focusing on.









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Final thoughts

Chair: What would be your key takeaway message from today?

Murray: I appreciate Councillor Beesley just actually explaining what it means to him in terms of the potential loss of Brunel, the impact it's going to have on the staff, and the risks there are to the investments going forwards. That's been very enlightening.

Graham: I think it highlights the uncertainty that we face. The 21 funds in ACCESS and Brunel are in, arguably, an impossible position. But that is also a challenge and a difficulty for the funds in the other pools because this is going to be about the creation of new pooling partnerships. It's not about *x* pool takes over Brunel or ACCESS. This is about the creation of something that's new, or if it isn't, it's doomed to fail. It's possible to get that done by next March, because all you've got to do is sign a series of legal agreements.

But actually, the real work's in the next two to three years, and that's the really hard thing. Some of what we've been talking about actually reflects how difficult that's going to be.

Espadinha: My closing message would be to highlight the importance of never losing the member focus. The other thing is timelines – decisions need to be good and sound, not rushed.

Appiah: In a world where the narrative around US exceptionalism appears to be fading, we think the LGPS funds could really benefit from looking at areas like EM fixed income. Historically, the returns have been there. Going forward, we think it looks even better.

Then, one last thing, which I didn't point out earlier on sustainability and impact, is on the public market side – impact bonds are now a \$5 trillion asset class, larger than a lot of public markets. So, that's just something to think about

when you look at sustainability – complementing what's happening in the public markets with private exposures.

Triggs: Sticking to the topic of sustainability, it's important not just for the investment portfolio but also in terms of the governance backdrop. This is a long-term game – we'll be paying pensions in 75 years' time, so guard your current surpluses with your life, and guard your long-serving committee members too, because the long-serving ones are experienced and increasingly rare these days. Those long-serving members that you've trained up and looked after, they are so valuable to your quest for a well-governed pension fund.

Colliss: The Labour government needs to listen to officers; needs to listen to the people that manage the funds on a day-to-day basis. Central and local government in general needs to listen to us as well, and very much needs to listen to you, as pools, and how you manage those pools. Governance is key, whether it's down to the underlying funds, or whether it's down to the pools, and government needs to take time, take a step back, and listen to the people that are involved on a day-to-day basis.

Beesley: On a similar theme, the importance that the officers play in the LGPS is underplayed. My experience has always been that, in my locality, we've always had great officers, and very good external advice and that has helped members beyond measure in reaching the right sustainable decisions. That is way above everything else, and to be consulting on that as far as government is concerned is going to be key.

Nestor: Markets hate uncertainty, and we're entering into an era of uncertainty. I'm very fortunate that I've had a great deal of exposure to the LGPS. I first came across the GMPF in 1986 and, in my private world as being a trustee, I pull

on my experience of working in markets since the late 1980s. I worry about the exposure of the newly elected politicians going into an environment where they're being asked to make these decisions without the right experience.

Jones: Today's conversation reemphasises to me that times continue to change, not just from a governance perspective. That throws up challenges but also opportunities for the LGPS. What we're dealing with here are long-term investment strategies, and you don't want that to be too influenced by short-term deadlines to pool, or by changes in personnel at various levels of government.

We work with a lot of long-term overseas pension pools, like Canadian pension funds, Dutch, Australian supers, and you want to see that long-term focus on investment strategy and the ability to take advantage of investment opportunities. Hopefully LGPS pooling will similarly focus expertise and the types of investments that can be invested in by large pools.

To leave it on a positive note, hopefully we'll see the fruits of the benefits of pooling come through, despite the short-term challenges.

Chair: The key message from me is clear – from the discussion that we've had today, whether it be consultants, fund managers, committee members or officers of funds, we need to work together if we've got any chance of solving the challenges that lie ahead.



<mark>PPF</mark> DEI ▼



hen I joined the Pension Protection Fund (PPF) board back in 2016, I did so with a strong belief in public service and a commitment to good governance. Five years later, when I became chair, I brought those personal values with me, along with a determination to help lead an organisation that truly reflects the society it serves.

Now, as we launch our new diversity, equity and inclusion (DEI) strategy for 2025-28, I am immensely proud of how far we've come, and even more excited about where we're headed. Because for me, this strategy isn't just about percentages or policies, it's about people and their potential. It's about ensuring that everyone, regardless of their background, identity or circumstance, has the opportunity to thrive here at the PPF, and that our leadership reflects the richness of our members and the society in which we operate.

Making representation real

One of the things I'm most proud of during my time at the PPF is how far we've come in changing the face of our leadership. I've always believed that targets should stretch us, and I've been unapologetically bold in urging us to go further, faster.

That's why I am proud that women represent 53 per cent of our senior

The PPF: DEI in focus

☑ As part of Pensions Age's year-long focus on diversity, equity and inclusion (DEI), Pension Protection Fund (PPF) board chair, Kate Jones, outlines the fund's new DEI strategy and the importance of leading by example

leadership team, up from 41 per cent back in 2020. Not only have we met our Women in Finance Charter commitment, we've exceeded it. For an organisation of our size and scope, that's no small achievement.

It's also something that is deeply personal to me too. For much of my career in the investment industry, and indeed during my education, I've been one of the few women in the room. I know how important it is for women to see people who look like them making decisions and setting direction. Visibility matters – it says: You belong here too.

This new strategy builds on that progress, and I'm proud that gender remains one of our core focus areas. Although, we will not rest on our laurels, and we know there is still more work to do, particularly when it comes to closing our gender pay gap and nurturing the next generation of female leaders. But I'm proud that we are firmly on the right path.

A deeper emphasis on equity and intersectionality

What also excites me about our strategy is its stronger emphasis on equity. It's a word that's often misunderstood – or worse, reduced to a corporate buzzword. But here at the PPF, we're very clear on what it means: Recognising that people don't all start from the same place. The playing field is not level.

That's why we've shifted from a diversity and inclusion strategy to one that explicitly includes equity at its core. To have real impact, it's vital that we think critically about how to remove systemic barriers, support intersectional

identities, and make sure our culture works for everyone, not just the majority.

I'm pleased too, therefore, that intersectionality also features heavily in our new strategy. Whether it's the interplay between gender and ethnicity, or how class and disability intersect, we're challenging ourselves to look beyond silos and see people in all their complexity.

These are values that we have already been living through our nine employee-led community networks – including our Empowering Women Group, our Race Action Group, and our Diverse Ability and Action Awareness Group – but now we are taking the next step to codify our commitments.

Our new focus areas

In addition to our continued work on gender, ethnicity, and diverse ability, our new strategy introduces two new important focus areas: Social mobility and LGBTQ+ inclusion.

This was an important decision we took and one that reflects where we want to be as an organisation – forward-thinking, honest about where gaps still exist, and committed to supporting a broader spectrum of lived experiences.

As a former ambassador for the Diversity Project, I have long been concerned that people's career prospects are often determined by the background they are born into. I grew up in the Midlands, went to state school, and had no obvious connections to financial services, or indeed London, so it's important to me that the PPF champions initiatives that improve social mobility and enable us to attract and support

▼ DEI PPF

talent from the widest possible pool.

Similarly, our deeper focus on LGBTQ+ inclusion is a natural evolution of our values. We've long had a proud and active LGBTQ+ network within the organisation, but now we want to ensure that every LGBTQ+ colleague feels safe, seen and empowered to be themselves at work.

Leading by example

Of course, this strategy isn't just about what happens inside the PPF. As a public body, we recognise the role we play in shaping the wider pensions landscape, and the responsibility we have to lead by example.

Through initiatives like Investment 20/20, the Diversity Project, and the 10,000 Interns Foundation, we're helping to open doors across the financial sector, particularly for those from underrepresented backgrounds. These partnerships are essential to creating systemic change, and we'll continue to invest time and energy into making them succeed.

And they have helped us too to widen our own talent pool. This year I'm really pleased we've been able to offer our first permanent role to an intern we recruited through the 10,000 Interns Foundation, I hope the first of many more to come.

Data is key to accountability

I have long believed that what gets measured gets done. We've made real progress in data collection over the past five years, particularly in areas like disability and ethnicity disclosure.

But we know we need to go further, particularly in gathering meaningful data on social mobility and LGBTQ+ identities. This will help us understand what's working, what isn't, and where we need to dig deeper. Without it, DEI becomes guesswork, but with good data we can take smart, targeted action that changes lives.

"As a public body, we recognise the role we play in shaping the wider pensions landscape"

Just as importantly, we'll continue to focus on culture. Through leadership development, employee networks, and open dialogue, we'll keep working to build a workplace where every voice is heard and every individual feels they belong.

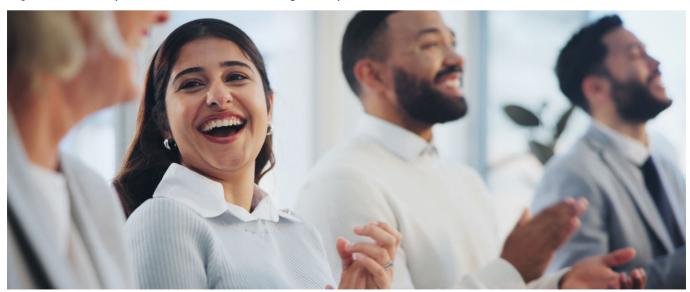
Why diversity matters Addressing diversity is a choice that

organisations make, and I won't pretend it is universally popular. We live in a world where the value of diversity is increasingly contested. But for me, and for the PPF, this isn't up for debate. Diversity enriches our organisation and we're doing it because it's right, because it makes us better, and because it's what our people and our members deserve.

As we mark the PPF's 20th anniversary, and as I near the end of my term as chair, I think a lot about legacy. What kind of organisation are we building, not just for now, but for the next 20 years? I want us to be known not only for the security we provide to our members, but for the fairness, ambition, and courage we show in how we operate. This strategy reflects that vision.

I am proud of our progress, but more than that, I'm hopeful for our future. I know the difference a truly inclusive culture can make and I am pleased that at the PPF we hold ourselves to a high standard, we listen to our people and members, and we are bold in our ambitions. We have built an organisation where everyone has the opportunity to thrive, and I hope that this legacy will continue as we evolve over many decades to come.

Written by PPF board chair, Kate Jones



Rory Murphy interview

inte



Rory Murphy

ou have a prominent background in pensions, including your recent role as chair of trustees at the Merchant Navy Officers Pension Fund (MNOPF). Could you walk us through your career journey, what led you into pensions, and what you are up to now?

I started off as a photography technician in a museum in Oxford but quickly became involved in trade unions. I represented all the university technicians in Oxford as a seconded representative and was appointed to a full-time role in Dublin. I then worked for the Royal College of Midwives as director of industrial relations, before becoming general secretary of a finance sector union. I first became involved

A voice for the working people

Pension scheme trustee, Rory Murphy, chats to Francesca Fabrizi about the highs and lows of his pensions career, his work with trade unions, and his passion for putting the member first

with pensions when the MNOPF employers were looking for advice. That then led to me being appointed as an employer-nominated trustee and then, about 10 years ago, as chair. Since then, I've developed my pension knowledge, very much from a members' perspective, and have chaired and/or been a trustee of about a dozen schemes since then.

I've also worked with unions and employers on pension issues both in the

UK and abroad.

Working people have always been my driver and I'm fortunate to have been able to be a voice for them, whether in their day-to-day work or, as now, via pensions. I've always seen pensions as deferred pay.

I'm still a trustee of one and chair of two schemes so my pension scheme involvement is still relevant. I have also started advising two start-ups who are looking to bring innovation to the pension scene. Heka Global are new entrants to the member tracing market and they bring a refreshing, speedy and innovative methodology to uniting members with their money. I don't think schemes do enough in this regard and existing players in the market have

become somewhat complacent as there is no real competition.

The second company is PensionPay, which is very close to my heart. Not being traditionally from the pension industry (something of an outsider in some respects) I've often wondered why pensioners can't access their pension when they want it each month rather than just once a month because of payroll costs. It's their money after all. Partnering with Mastercard, we now have a product that can deliver this. I know from talking to pensioners, a recent YouGov survey and my trade union background, that members want better, more flexible access to their money.

► Looking back, what have been some of the highlights of your career?

Being appointed chair of the MNOPF was a significant highlight. Representing members and working with over 300 participating employers was both a huge responsibility and a privilege. Although the MNOPF was a longestablished scheme, we were able to take some innovative steps, particularly in pioneering fiduciary management and in de-risking transactions. Those actions helped improve the scheme's funding position and secured members' benefits for the long term, and I've been pleased to see many other funds following in our wake. I've had a huge amount of help and guidance along the way, for which I am immensely grateful.

▼ interview Rory Murphy

What have been some of the most significant challenges you've encountered?

I'd focus on two. Firstly, autoenrolment. This was a significant development to help working people start to save more. We still don't save enough in this country and it's a longterm problem, but we only seem to look at short-term solutions. I was very proud when the MNOPF produced an animated film aimed at pre-school children to encourage them to save as a life skill. There is more to be done in this regard.

Secondly the MNOPF wellbeing webinars, which we started in response to Covid, were both vital and innovative. They improved our communication with members and were well received by the global membership. Speakers like Adrian Chiles, Rev Kate Botley and Ed Balls were particular highlights. I'm saddened that more schemes have not picked up on the initiative.

Now have you seen the UK pensions sector change and develop over the course of your career? Would you say it is change for the better or the worse?

My pension career is relatively short compared to others, but I do think understanding the 'member experience' has improved and is certainly spoken about more. I have some concern about having too many sole, professional trustees. Of course, there is a vital place for them but I have often said that the jewel in the crown of UK pensions is the ability of a worker, whoever they might be or in whatever job, to be a trustee and to be a custodian of their own money. Losing that on any scale would be a sad day.

"Members want better, more flexible access to their money"

▶ In your view, what does the pensions industry need to thrive in the future?

Put simply, we need to constantly remember that pensions is a 'people business'. We have a tendency to take the members for granted and focus just on the money aspect. We are a very trusted institution, and I think our fiduciary duty is very narrowly interpreted at the moment. I'd like to see us be more innovative in the services we can offer our members; the MNOPF's wellbeing seminars were a good example.

Also, I'd like to encourage trustees to be more assertive when dealing with advisors. The motivations, by definition, are different but I feel like we are too often consultant led. AI will be a challenge and could, conceivably, replace all trustees in the future.

What advice would you give to someone considering becoming a pension trustee?

I'm not one for giving advice really,

but I would say being a trustee is a worthwhile and rewarding experience. It has clearly helped my personal development and made me more aware of the world of finance and the dangers of the opaque use of jargon.

► Is there anything else you'd like to share - any reflections or thoughts?

I'm a big believer in 'keeping it simple' and in using new thinking and technologies to improve the lives of working people, either in work or in retirement. It's a huge amount of money that we, as trustees, are responsible for and I think we are only scratching the surface of what can be achieved for pensioners, the economy and wider society.

☑ Written by Francesca Fabrizi





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∑ Summary

- Scheme administration is often made more complex by members failing to inform a scheme when they move home and this may be exacerbated if a member is based overseas.
- Practical problems faced by administrators when scheme members are based overseas may be linked to payments, communications, reporting of a member's death and increased risk of fraud. It may also make it more difficult for schemes to provide data needed for pensions dashboards.
- Methods used to locate 'missing' members in the UK may not work when the member moves overseas, meaning alternative methods and technologies must be employed.
- Improved data management and communications processes, particularly using digital technologies, offer some hope of addressing this problem more effectively in future.

A long-distance relationship

uman behaviour is the bane of every pensions administrator. For example, members frequently move to new homes without informing all the schemes of which they are a member. If someone has moved to a new home within the UK, this shouldn't be a

huge problem for administrators, as there are a range of tools available to trace individuals. But if a member has moved overseas that task becomes much more difficult – as do some other tasks fundamental to scheme administration.

The accuracy of member data is a problem for many schemes even before

Pension administration is made more difficult when seeking to manage members who live overseas, particularly if the scheme is unsure where the member is, or if they are even still alive. David Adams considers the scale of this issue and the steps the industry should take to help bridge the gap

we factor in the issue of members 'missing' overseas. 2024 research compiled by Heywood Pension
Technologies, based on data accuracy surveys of 70 schemes, showed that almost one in 10 (9.44 per cent) of members' addresses as recorded by those schemes were wrong; as were 8.79 per cent of surnames. In addition, one in 50 (2.33 per cent) of members turned out to be individuals who had died, but whose deaths had not yet been reported to the scheme. When it comes to members who

overseas members admin ▼



are living abroad the figures may be even worse. But many schemes don't even know how many members are living abroad to start with.

What we do know is that this is an almost universal issue for UK schemes.

"Every scheme I'm familiar with has some overseas members, whether they are deferred or pensioners," says Hymans Robertson head of technical services, Karl Lidgley.

Some schemes that are probably more likely to have larger numbers of overseas deferred or pensioner members, are those serving employers in the oil and gas, technology, or hotel sectors, for example, or multinational firms in general. All these employers are more likely to have employed foreign nationals within their UK operations and enrolled them into a

pension. But it's also the case that almost anybody might relocate to work overseas at some stage, or might decide to retire in another country.

Gallagher principal and senior consulting actuary, Ben Cumming, says that in many of the schemes he and his colleagues work with around 5 per cent of members who are drawing their pension while living overseas.

But the proportion of overseas members is sometimes considerably higher than this: Trafalgar House client director, Daniel Taylor, says that in one of the schemes his business serves about 25 per cent of members are based overseas; and that the figure is between 10 and 20 per cent in others. But he also admits there is always some uncertainty over the exact figures, because it is usually easier

to identify pensioners who have retired abroad than deferred members who are currently based abroad.

Practical problems

Even if administrators know where pensioners have retired they may still face some additional practical problems, linked to the payment or banking systems in that country.

"All these things make everything a bit more complicated," says Taylor. "You need to make sure you've got the right tools in place to pay everybody, wherever they are across the world, without encountering unnecessary delays and charges."

Further issues may arise if a missing member dies but has dependents to whom benefits should be paid.

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✓ admin overseas members

"Finding scheme members who have moved abroad and not notified the scheme of their new address is difficult – but finding beneficiaries, contacting them and validating their identity is much more difficult overseas," says Pensions Administration Standards Association (PASA) Data Working Group chair, and PwC director, actuary and head of pensions data, Kristy Cotton.

As noted above, the other important issue related to the death of a member is that a scheme is not then informed of that person's death, resulting in overpayments and increased fraud risks. In the UK there are multiple resources available to try to establish whether a member is still alive, but these cannot yet be used at all in many other countries and may be entirely ineffective in some, because of a lack of the relevant data.

In the absence of those methods, administrators may use various other means to find missing members or beneficiaries. That could include

working with the UK consulate in a country to try to find a death certificate, and/or locate the next of kin of the missing member. Social media, or research into a member's family tree, may both also be used. If a missing member is found, biometric checks using passports can accelerate the process of verifying their identity, and reduce fraud risks.

But the relocation of a member to some countries increases fraud risks more broadly. Cotton points out that many countries do not yet adhere to the same level of data security regulation seen in the UK, countries in the EU or the US. Fraud risks may also be created by non-digital processes: In many countries postal services are unreliable and post may be intercepted and used to perpetrate fraud.

Administrators can take steps to nullify these risks, by identifying attempts being made by criminals to transfer funds into different bank accounts, or tightening up processes for authenticating official documents, for example.

There are also some countries with which the UK has a particularly difficult or adversarial relationship, where it may not be possible to pay benefits directly to scheme members.

"You need to make sure you've got the right tools in place to pay everybody, wherever they are across the world, without encountering unnecessary delays and charges"

Benefits of better tech

Holes in a scheme's knowledge about where members are located also undermine the efficacy of the pensions dashboards. But members who live overseas and want to interact with the dashboards will face some difficulties anyway, as Cotton says PASA is expecting people who live overseas "to have a much more difficult experience" when trying to use dashboards.

If they do not have a UK address they will not initially be able to use the government's GOV.UK One Login system to verify their identity, so will not be able to access the dashboard. Even if or when an overseas-based member is able to access the system, patchy data linked to that individual may make it more likely that searches for missing pensions will result in only a possible, missed or incorrect match being made, rather than a confirmed match.

But if an overseas-based member can access a dashboard and finds possible matches this will still help them find missing pensions and will help administrators to improve its management of data and administrative processes.

However, Taylor suggests that the most useful actions to take include improving data management processes and practices in general, as this increases the chances of the scheme becoming aware that a member has moved overseas. Better communications and engagement with members in general should also help.

The ongoing shift towards increased use of online interactions is helpful too, in part because so many people are now much more likely to keep the same phone number or email address for much longer than they stay at a particular address. Encourage a member to share those contact details and to engage through a well-secured online portal, and some of the problems associated with them being based overseas will disappear.

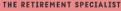
Cotton thinks that ongoing attempts to develop internationally effective versions of the tools used to trace missing members within the UK show promise, but their efficacy will always vary a great deal in different countries, due to the differing qualities of datasets.

"Progress is being made, but pension providers need to do more around overseas members," says Cotton. "There should be more processes implemented to manage the challenges connected to administration for overseas members."

Acknowledging, then seeking to quantify and address this particular problem must be the first step. But, as with the development of the dashboards, it might also help administrators and the schemes they serve to improve their management of member data more generally, leading to a range of helpful positive changes in running the scheme, making life a little easier for trustees and improving the chance of a better outcome for members.

Written by David Adams, a freelance journalist





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► What I didn't know about insurers – until I was one: Just Defined Benefits head of proposition development, Andy Fryer, shares what he has learnt following his move from the consultancy side to now working for an insurer p72

▶ Laying the groundwork: Ensuring an effective data cleanse: Just Defined Benefits post transaction service manager, Hannah Wadmore, tells Francesca Fabrizi why an effective data cleanse is so crucial to ensuring a smooth de-risking journey **p74**

Endgame:

The steps to success



Just Defined Benefits head of proposition development, Andy Fryer; and Defined Benefits post transaction service manager, Hannah Wadmore



endgame focus v



s a consultant, I thought I had a pretty good idea of what insurers did and what they brought to the table in the context of DB pensions. I'd spent years advising schemes on their end game strategies, including whether buyout was the right route for them.

I'm on the other side of the fence now and, after two years with an insurer, I see some things a bit differently. It's not that my previous views were wrong, it's that I didn't know what I didn't know.

I didn't fully understand the depth of an insurer's capabilities – or the scale of risk management that goes on behind the scenes – until I started living and breathing it every day. I had a blind spot.

Insurers passionately believe in their product. Here are a few things I've learned that have shaped how I view buyout as an endgame option.

1. Financial security

I used to think I understood insurer strength. Now I know it. The financial resilience of insurers isn't just strong – it's really strong. We're capitalised to over 200 per cent of the amount required under the insurance rules. That means we're not just built to withstand a 1-in-

What I didn't know about insurers – until I was one

☑ Just Defined Benefits head of proposition development, Andy Fryer, shares what he has learnt following his move from the consultancy side to now working for an insurer

200-year shock; we're able to withstand two of them in a row.

But strength isn't just about an assessment of capital today. We're a diversified business, with the ability to raise further capital to support growth and adapt to future needs.

And if our capital position were ever to weaken materially – a remote scenario – the PRA, our pro-active regulator, has the authority to intervene early. It can require us to take action to strengthen our position, including pausing new business or adjusting our risk profile. Even a temporary pause helps restore capital strength, as reserves tied to existing policies are released over time.

It's no coincidence that no insurer has ever defaulted on a bulk annuity. The system is built for resilience and long-term security – and when you've seen the level of scrutiny and control from the inside, it's clear how this is achieved.

2. Governance and risk management

But actually, financial resilience is not the full story. For me, the biggest eye-opener has been the depth of governance and expertise within an insurer – something I never truly appreciated as a consultant.

Risk management under Solvency UK goes well beyond capital adequacy. It's about systems, controls, and deeply embedded processes. Of course, insurers are not only doing this in a highly regulated environment, they have the experience and scale to back it up. Dedicated teams – career specialists in asset liability management, capital optimisation, longevity modelling, investment risk, regulatory risk and more – working together to constantly stress test and adapt the business to new challenges.

As I navigate new propositions through a raft of internal committees, it can sometimes feel painfully slow – but it's undeniably robust. Risks are examined in detail, with controls and safeguards firmly in place.

It's hard to get that level of integration and oversight at an individual scheme level, not least because it's partly the scale with which insurers operate that drives this higher level of risk management. That makes a huge difference.

The proof is clear: Through Covid-19, the LDI crisis and more recently the political turmoil under the Trump administration, insurer positions remained resilient and stable.

3. Member experience: Enhanced with insurance

We often talk about member outcomes in abstract terms. But at Just, we're making real investments to turn those words into action.

Our purpose, to help people achieve a better later life, shapes

Y focus endgame

everything we do, including how my team develops new propositions. We know from our research that members, both pre- and post-retirement, want more support when making decisions, clearer communication, and the right information delivered at the right time. To meet these needs, we're prioritising member communications, enhancing online services and are committed to embracing the FCA's Consumer Duty as our guide.

This commitment also extends to training our teams on supporting vulnerable members, plus providing access to financial advice. From a member's perspective, retirement is a major life event. If we can make it easier, less stressful, and better supported, that delivers a real, tangible benefit.

While insurers may have historically lagged in this area, we're now in the

overtaking lane. It's logical that the millions insurers invest in member experience – for the benefit of all schemes they serve – **translates into an enhanced experience for the vast majority of members.**

For schemes transacting bulk annuities now, these improvements are already being implemented, with more on the roadmap and available to members by the point of buyout.

"For me, the biggest eye-opener has been the depth of governance and expertise within an insurer – something I never truly appreciated as a consultant"



4. Culture matters

Culture drives our decisions. I'd argue it's the key factor that will ensure an exemplary member experience over the decades to come – not just what current administration SLAs might indicate (though those delivered by our ringfenced admin team are fantastic).

If you're an adviser or trustee, I encourage you to consider this: Is your preferred insurer proactively embracing the FCA's Consumer Duty, or simply treating it as a compliance exercise? Are they taking clear, demonstrable steps to help members 'avoid foreseeable harm' and 'pursue their financial objectives,' as required by the Duty?

Culture is a strong indicator of the level of care your members will receive. Being part of an organisation with a clear, driving purpose will make a meaningful difference in the years ahead. Culture isn't just a buzzword – it's what underpins real member care.

Informed decisions need full visibility

As the de-risking market continues to evolve, trustees face difficult and often complex choices about the best long-term strategy for their schemes. The thing I've learned is this: Insurers operate with a robust risk and capital management framework and bring extensive experience and scale – enabling them to deliver enhanced security and a better member experience.

It's up to schemes to decide what endgame is right for them. As an insurer, I care that these decisions are fully informed. Having lived and breathed both regimes, I am convinced more than ever that insurance truly represents the gold standard.

Written by Just DB head of proposition development, Andy Fryer

In association with



endgame focus v



e hear people talk about 'data cleanse' so often in relation to the buy-in or buyout process, but what does it really mean?

At its core, data cleanse is the process of reviewing, validating and improving the quality of a scheme's member data. It's about ensuring that the information held – such as dates of birth, pensions in payment, service histories and contingent entitlements – is complete, accurate and consistent. This is essential because once a scheme moves to buy-in, and ultimately buyout, that data will form the basis of how members' benefits are insured and administered for decades to come.

Why is an effective data cleanse so important for the smooth running of any buy-in or buyout transaction?

An effective data cleanse reduces the risk of errors, delays and unforeseen costs – all of which can derail a transaction or impact members later on. Clean data provides confidence to trustees and sponsors that the insured benefits will accurately reflect members' entitlements. It also makes pricing more accurate and smooths the transition process.

Laying the groundwork: Ensuring an effective data cleanse

A poor or delayed data cleanse can push out timelines significantly, which can impact costs as well as causing the overall experience – for all stakeholders, including members – to be less positive. In contrast, a well-managed data cleanse supports quicker onboarding, simpler member communications and, ultimately, a faster path to buyout.

Can you explain in a nutshell what should typically be done before, during and after a transaction to streamline the process?

Before the transaction, it's crucial to engage early with advisers and administrators to review the current state of the data and to start planning for known projects like GMP equalisation (GMPe). This is hugely important as it provides time for them to consider what will be necessary, and the resources they will need to allocate.

At the same time, doing some early work to identify potential data gaps or issues such as inconsistent formatting or missing spousal data can kickstart the process of planning for these.

The "official" data cleanse period is once the transaction is signed and we're now working with trustees, via their administrators, to really make sure the data is all accurate and useable. During this period, we'll review the initial

data and then support trustees and administrators as they resolve any gaps. Crucially, during this period, the key is to be sure that everyone understands roles and responsibilities from the outset – the trustees are ultimately responsible, but they need to be clear with their administrators on what's needed and timelines while insurers can offer useful insight and guidance based on experience.

Why would you recommend trustees to prep early and implement processes and plan ahead of time?

We tend to say this a lot because we know that data cleanse can be quite an intensive and resource-heavy process. By starting the planning early, and preparing your administrators and advisers early, there's a much better chance of being able to complete the data cleanse relatively smoothly. It can be easy to underestimate the amount of work that will be required, and the time it will take to get it to the point at which an insurer is completely comfortable taking over responsibility for all benefits. By starting early, you can identify areas that are more likely to be complex or challenging, build in time to fix any errors, align the data cleanse with other project milestones and be far more certain that your administrator will have the bandwidth to deliver the project.

It's also important to remember that

Y focus endgame

communication with members is a key step in any buy-in or buyout process so the more you plan in advance, the more likely it is that you can deliver that communication and ensure they are comfortable with the changes.

While trustees are ultimately responsible for ensuring an efficient data cleanse, they needn't feel alone – who from their wider team should they reach out to assist them along the way?

Data cleanse is 100 per cent a team effort. Trustees as project leads ultimately own the process and the data, but they need to rely on their wider team. Collaboration is one of the most important indicators for a successful data cleanse, so we always strongly recommend bringing all stakeholders in early and ensuring that roles and responsibilities are clearly defined.

This includes:

- Advisers who co-ordinate technical workstreams in line with risk transfer requirements.
- Administrators who hold the data and are best placed to answer historic practice questions and do the actual work of cleaning the data.
- Legal advisers are hugely important, particularly when clarifying benefit specifications or codifying discretionary practices.
- Insurers, of course, who provide templates, tools and guidance and who will review and assess the data.

What are some of the common pitfalls you see when it comes to the data cleanse process and how can they be avoided?

There are a few recurring challenges. GMP equalisation is probably the most significant we see currently. The GMPe makes up a significant portion of the data cleanse, and there can be delays between GMPe calculations and payroll implementation. This has a knock-

on impact on the rest of the project. Planning is essential here.

Another key challenge is the admin data itself and whether it's fit for purpose. While most admin systems work well for what's happening today, insurers are thinking about the potential future benefits. For example, a dependant's pension details may only be calculated and added to the admin system at the point at which they become payable. For the insurer however, this

"A well-managed data cleanse supports quicker onboarding, simpler member communications and, ultimately, a faster path to buyout"



information needs to be available from the start. Overcoming this challenge requires trustees and administrators to understand the state of the data, and what is required to meet the insurer's requirements. By engaging with the administrator and getting their support up front, this can be planned for and incorporated into the data cleanse journey.

What processes does Just have in place to help schemes – big and small – with their data cleanse?

At Just, we've supported over 500 transactions, so we have a selection of processes based on that experience.

For larger or more complex schemes, we assign a dedicated transition manager

who acts as a single point of contact and project lead from our side. They manage data cleanse timelines, coordinate with advisers, and guide the scheme through onboarding to buyout.

For smaller schemes, we offer a streamlined service that uses automation, templated processes, and a centralised team approach. This avoids delays caused by over-reliance on individual contacts and delivers a consistent experience from day one.

In every case, we always provide detailed data templates and share the results of our validation tools, as well as deploying automated calculation processes to reduce turnaround times. We also aim to work very closely with administrators and advisors to ensure everyone knows where the project is at and what is needed next.

What else can trustees do to ensure the data cleanse part of the journey doesn't create any kind of roadblock along the way, especially in the context of such a busy market?

The biggest differentiators are preparation and

proactivity. Trustees that treat the data cleanse as a key project, with all the planning, resources and stakeholder engagement that entails, will consistently find it goes more smoothly and more quickly. This is especially true in the case of known challenges like GMP equalisation. We also recommend that trustees become familiar with the insurance contract so that they're fully aware of what's needed. And keep communication open!

Written by Just DB post transaction service manager, Hannah Wadmore

In association with



FES report ▼



A better private pension system is possible

► As the government prepares to launch the long-awaited next phase of its pensions review, the Institute for Fiscal Studies (IFS) has unveiled its own comprehensive set of proposals aimed at securing better retirement outcomes for future generations. IFS senior research economist, Laurence O'Brien, explains

he government is expected to launch the second phase of its pensions review in the coming months, examining whether working-age people are saving enough for retirement and how policy should change to improve outcomes for future generations of retirees.

The review is, in many ways, long overdue. Despite significant policy success following the seminal work of the 2002-2006 Pensions Commission, the world has changed significantly over the past two decades, and there is a wide range of risks facing the future retirement incomes of today's workingage generations. Policymakers cannot afford to be complacent.

Fortunately, as we await the commencement of the government's review, we at the Institute for Fiscal Studies (IFS) have been working on our own review of the UK pensions system over the past two years. Our work has not only assessed the outlook for future generations of retirees but also provided concrete policy recommendations and a credible blueprint to improve the UK pension system.

The outlook for private-sector employees is at best mixed. Our analysis suggests that, on current trends, a significant minority of DC pension savers are on track for a significant drop in living standards when they retire. Exactly how many people are under-saving depends on various factors, including investment returns, how many people will own their own home by the point they retire, and whether you include the income of someone's partner and any potential future inheritances. While these factors change the numbers somewhat, the big-picture conclusion remains the same: Many private-sector employees are on track for retirement incomes that will make it hard to match the living standards they enjoyed in working life.

More saving therefore needs to be done. And, for employees, reforming automatic enrolment would be the most natural way to achieve this.

But more saving comes at a cost. Higher employee pension contributions mean lower take-home pay during working life. While this will be fine for many, others are already struggling with low levels of disposable income today. Higher employer pension contributions would increase employer costs at a time when these have already been hit by the recent rise in employers' National Insurance contributions and the minimum wage. And there is good evidence that higher employer contributions ultimately lead firms

to reduce wage growth, at least in the medium run, again hitting take-home pay. Finally, any increase in saving into a private pension would mean a reduction in government tax revenues, since private pension saving is tax-advantaged. The government could be forgiven for finding this slightly off-putting given the tight fiscal constraints they are currently facing.

In the face of these constraints, our recommended reforms to automatic enrolment are intended to strike a balance between the benefits and costs of increased saving, while being realistic about how and when changes should be implemented.

Our first recommendation is to increase default minimum total pension contributions, particularly for middle and higher earners. This would increase contributions at those parts of people's careers when they can most afford it. One way to achieve this, which we model in our report, is to increase the default minimum total contribution rate to 10 per cent of a new qualifying earnings band (£9,000 to £90,000) for those earning more than £10,000 per year.

Second, employer pension contributions should become near universal for employees, so that even more people benefit from building up a private pension. We suggest employers should have to make a contribution worth at least 3 per cent of pay for all employees, except those earning less than £4,000 per year (to prevent very small pension contributions) and those in the first three months of their job. This would prevent employees from losing out on a part of their remuneration – their employer pension contribution

▼ report IFS

- if they want to opt out of making an employee pension contribution, for example for affordability reasons.

We also recommend that eligibility for automatic enrolment should be expanded from the current age range (22 to state pension age) to encompass all ages from 16 to 74. This age range expansion would, together with our other recommendations, bring an extra 1.5 million employees into workplace pension saving. Finally, to future-proof the system, all the thresholds in the system should be uprated in line with average earnings growth in the economy.

Together, this package of reforms would boost the future retirement incomes of low- to middle-income people by almost 15 per cent, while also protecting the take-home pay of low earners. In contrast, abolishing the lower limit of qualifying earnings, so that automatic enrolment contributions start from the first pound – as set out on legislation passed under the previous government – would hit the take-home pay of lower earners the hardest.

We therefore think this package is the right next step for automatic enrolment. However, that does not mean it should be implemented immediately given

the economic constraints. Indeed, the contrasting reaction from employers to the recent, and sudden, increase in employers' National Insurance contributions, and the initial gradual introduction of automatic enrolment highlights the benefits of a phased approach. Promptly announcing reforms along the lines we propose, but only implementing gradually starting several years thereafter, would therefore be a sensible way forward.

Self-employed

Of course, these proposals would not help the self-employed, who are not covered by the current system of automatic enrolment as they have no employer to enrol them into a pension.

The outlook for this group is, if anything, even more concerning than for employees. Only around one-in-five self-employed workers are currently saving into a private pension, compared to almost half back in the late 1990s. In this time, pension saving has been made much easier for employees due to automatic enrolment, but there has been nothing like the same policy effort for the self-employed. This needs to change.

We propose that self-employed

people should be able to make an active choice about their level of pension contributions when filling out a selfassessment tax return, with HMRC then diverting contributions into a private pension for them. This could be taken further by a form of automatic enrolment at the point of self-assessment, but it should be very easy to opt out within the process as pension saving will not be the right for option for many selfemployed people, especially if they are just starting their own business. Either of these options would facilitate pension participation for the self-employed and would represent a significant improvement on the status quo.

Together, these recommendations would help workers have larger pension pots by the time they reach retirement. However, as DC pensions grow in importance, so does the risk that people make unwise decisions on how to draw them that they live to regret. People should have more support when deciding how to manage their wealth through retirement. While freedom to choose should remain, default products should steer people towards solutions that will be right for most people – such as those that provide flexibility earlier in retirement, and an annuity at older ages to provide protection against living longer than expected.

We hope that our recommendations will inform, and be taken up by, the government's review, which needs to bring about decisive policy action to address the risks facing today's working generations.

The sooner this happens, the more generations of workers will benefit from policies to improve their future retirement outcomes. Our IFS recommendations provide a set of policies to achieve these goals, providing a blueprint to improve the retirement prospects for workers across the UK.

Written by IFS senior research economist, Laurence O'Brien



property savings v

Home truths: Is property really the best pension?

Callum Conway dives into the age-old debate of property vs pensions, and how the argument has shifted in 2025



orget tea versus coffee or Messi versus Ronaldo. For millions of Brits, a crucial debate is whether to pour spare cash into a property or a pension pot.

Both routes can offer long-term financial benefits, but they differ in fundamental ways. At the heart of the debate is a striking contrast in perception: Property can feel familiar and straightforward, while pensions can often be seen as complex and distant.

"People value the tangible nature of a home, and generations of would-be homeowners have passed that aspiration down," explains Broadstone head of policy, David Brooks.

"Property ownership creates security in retirement, as downsizing or equity release can unlock capital later on." "However," he adds, "renting can be a dramatic drain on income."

Worryingly, Hymans Robertson head of DC corporate consulting, Hannah English, suggests the proportion of pensioners who rent could triple over the next 20 years.

"Pensioners who rent need an extra £5,200 a year for life to

cover the cost of renting – the equivalent to a pension contribution of around 9 per cent of pay from the age of 22," she notes.

Meanwhile, owning a house is not necessarily the retirement asset it once was.

Long-run price rises, and the buyto-let boom turned homes into genuine investments earlier this century, but price patterns have been shifting for some time.

Research from Rathbones shows that UK house prices have barely kept pace with inflation since 2016, while London homes have underperformed inflation by 2.2 per cent a year.

Cartwright Pension Trusts senior advisor, Ian McKnight, warns that today's buyers pay "five to 12 times average earnings – twice the level of 50 years ago", adding that corrections can leave

Summary

- Long-run price rises, and the buy-to-let boom turned homes into genuine investments, but price patterns have been shifting for some time.
- Pensions continue to face challenges around perception and engagement.
- There are several barriers that stop housing being part of the mainstream retirement planning conversation.
- The two assets should be integrated into a holistic retirement strategy.

borrowers in negative equity just as retirement looms.

The Pensions Management Institute chief strategy officer, Helen Forrest Hall, echoes this warning.

"Property is illiquid, unevenly distributed, and doesn't generate income unless sold or let," she argues.

"In today's economic climate – with rising interest rates, volatile house prices, and longer retirements – relying solely on property is increasingly irrational and exposes individuals to significant financial vulnerability."

Despite property's flaws as a retirement asset, pensions continue to face challenges around perception and engagement.

They're predominantly managed by others, tied up in industry jargon, and inaccessible until later in life. Unlike the step-by-step journey of saving a deposit and securing a mortgage, building a pension can involve navigating tax reliefs, contribution limits, investment options, and ever-evolving rules around access and withdrawal.

However, the long-awaited arrival pensions dashboards – finally promising a single view of all pots – could be a watershed moment for the industry, with many believing it could offer the solution to a lack of pensions engagement.

Meanwhile, since the 2015 pension freedoms, savers can blend annuities,

drawdown and lump sums to suit changing needs, while the Financial Services Compensation Scheme and rigorous oversight offer protections absent from the buy-to-let market.

LCP partner, David Fairs, says pensions can have "significant advantages over property".

"There is often a contribution from the employer, there is a generous tax benefit, and it is now possible to access retirement funds on an as-needed basis," he continues.

"It is possible to diversify investments to reduce the impact that one poorly performing investment or sector might have."

Indeed, research from the Institute for Fiscal Studies shows private pension wealth today accounts for approximately 42 per cent of UK household wealth, underlining how significant pension funds are compared to other assets.

While both pensions and property have their pros and cons, some experts argue they should be better integrated into a more holistic retirement strategy.

Fairer Finance's 2025 report reveals a stark mismatch: Nearly four in 10 (38 per cent) future retirees are on track to fall below the recommended minimum income standard – despite the average household holding more wealth in property than in pensions.

Therefore, the report suggests that normalising the use of housing wealth, whether through downsizing or more flexible equity-release products, could inject some £21 billion a year into the UK economy by 2040.

Its five policy recommendations range from stamp-duty cuts for downsizers to a "single financial view" combining pension and property data.

Fairer Finance managing director, James Daley, says we need to facilitate more people to use their housing wealth in retirement, as pensions are merely a 'tax wrapper'.

"Unlocking housing wealth isn't as easy as it should be. Suitable retirement

homes are thin on the ground, and borrowing against property can be expensive. Higher interest rates and a concerted effort to boost housing supply may also mean future price growth is nothing like the past 30 years," he adds.

Brooks, though, urges caution on combining the two assets: "The pension system's purpose is to provide income when people can no longer work. Bolting property wealth onto it risks complexity and cost. We should tackle high house prices at source, not via pensions".

"The narrative that 'my home is my pension' needs to be challenged," he warns, arguing that "a home should first and foremost be...a home".

Meanwhile, other industry figures suggest that pension funds should be used to help young people onto the housing ladder and subsequently avoid the rental trap in later life.

Hymans Robertson's policy paper, *The untapped potential of pensions*, proposes allowing pension saving to be used as collateral for mortgages for first-time buyers.

This arrangement, the firm claims, would enable people to get on the housing ladder without a deposit and benefit from lower interest rates as lenders take on less risk of negative equity.

English says: "It would be great to see pensions being able to support people getting on the housing ladder. However, this proposal needs to be balanced with money not being diverted away and avoiding the result where someone has no pension pot in retirement."

Echoing this, Forrest Hall states that there is a case for greater integration between housing and pensions.

"The Lifetime Savings Initiative proposes allowing limited early access to pension savings for first-time home purchases – mirroring international models like Canada's Home Buyers' Plan," she explains.

"This could help younger savers build long-term financial resilience without undermining retirement adequacy, provided it's carefully designed with guardrails and contribution thresholds."

Indeed, the majority (88 per cent) of potential buyers already prioritise saving for a house deposit over saving for a pension, a survey from Share to Buy revealed.

Fairs, though, suggests a slightly different approach.

"There is a general shortage of housing supply, so permitting investment in residential property could be a good investment for a pension scheme, provided that ownership could be established on a fractional basis or through a unitised investment vehicle," Fairs says.

Regardless of potential tweaks to the system, one thing is clear – both property and pensions are crucial elements of a successful retirement strategy.

"Most people won't choose between property or pensions," says Daley.

"They'll need a blend: Housing for shelter and maybe flexibility later on; pensions for reliable, scalable income."

Indeed, Britain's love affair with homeownership is unlikely to fade – nor should it. A paid-off home removes a major cost in retirement and handled wisely, can provide a financial buffer.

However, as Daley states, there are a number of social, economic and regulatory barriers that stop housing being part of the mainstream retirement planning conversation.

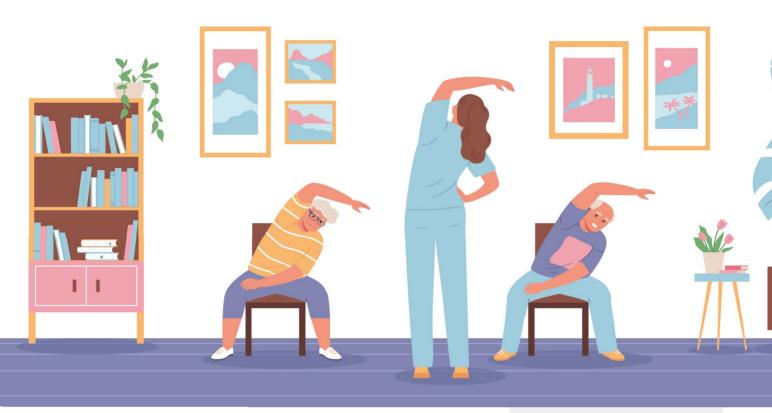
"If we're to head off a later life funding crisis, policymakers need to start taking action to bring down these barriers now," he warns.

The industry's task? To reframe the debate. A home and a pension are two sides of the same coin – complements, not competitors. It should not have to be a choice between one or the other for savers.

As the old saying goes, own the roof over your head – but make sure there's money under it when the rain comes!

Written by Callum Conway

social care new solutions ▼



The true cost of care

s the population ages, funding social care is an increasingly pressing issue for both individuals and policymakers.

NHS figures show local authorities

NHS figures show local authorities spent £32 billion on adult social care in 2023/24, a 7.5 per cent rise in real terms from the previous year. Meanwhile, Office for National Statistics data projects that the number of people over 85 will roughly double by 2050, intensifying both fiscal and care burdens.

For individuals, there is no upper limit on social care costs – government plans to introduce a cap were set aside in July 2024. And around one in seven individuals aged 65 and over are expected to spend more than £100,000 on social

care, according to estimates from the Department of Health and Social Care.

Royal London director of policy, Jamie Jenkins, explains that although successive governments have proposed resolving this by introducing a cap on care costs, to date, no changes have been implemented. "There is now a review underway of adult social care in England, being chaired by Baroness Louise Casey, but the final recommendations are not due until 2028."

The challenge for policymakers

Health and Social Care Committee Chair, Layla Moran MP, said at the launch of the committee's inquiry into the cost of inaction on adult social care reform:

Summary

- There is no national consensus on how to fund long-term care in later
- Individuals face unpredictable and high costs, with limited state support.
- An expansion of auto-enrolment could support carers' finances.
- Improved savings adequacy could enable pensions to play a greater role in meeting later-life costs.
- Insurance-based solutions face barriers due to policy uncertainty and weak demand.

"Our social care system is in crisis. Over the years there have been many reviews and proposals, but successive governments have failed to tackle the problems, because they think reforms cost too much.

"But this ongoing inaction has a cost. No one is talking about the costs we are all accepting by not reforming

▼ new solutions social care



the system. A cost to patients and their families, a cost to the NHS, a cost to our local authorities and a cost to the wider economy and the Treasury."

There is no widespread consensus on how social care should be funded, Nuffield trust fellow, Camille Oung, explained in a recent blog post. She said: "Agreeing how social care should be funded, and what it should deliver, has been a constant and common obstacle to reform."

She added that the local nature of funding puts affluent councils at an advantage compared to more deprived ones, as they are able to raise more money through council tax.

The independent commission into adult social care, chaired by Baroness Louise Casey, is due to report in two phases, in 2026 and 2028. It will outline a plan for a national care service and propose reforms aimed at improving the quality of care.

"Agreeing how social care should be funded, and what it should deliver, has been a constant and common obstacle to reform"

However, a former Pensions Minister, Ros Altmann, who is a long-term advocate for radical reform of the system, is concerned that the commission does not include any additional funding for care. "Any meaningful reform will undoubtedly need more funding in the short term, to help save money in future as more older people need care.

Yet, Baroness Casey has been told she cannot recommend anything that will entail additional spending," she wrote in a recent blog post.

The challenge for individuals

Under the current system, individuals often face unpredictable and devastating costs, which can wipe out a lifetime of savings. Social care, including care in the home or a care home, is not typically funded by the NHS, and individuals must self-fund if they have savings exceeding £23,250.

Aberdeen senior financial planner, Hollee Vivian, says: "I have personally visited clients in care homes in the south, in nice, but not necessarily luxury settings, and they are paying just over £2,000 per week to stay in these facilities. For many this means that, without savings, their home is very quickly sold and the proceeds used to fund the fees."

The complex system also means some individuals may be missing out on financial support they are entitled to. NHS Continuing Healthcare Funding, which fully covers care costs for some with serious health needs, is paid to 58,000 individuals, according to recent NHS data. But FarleyDwek director and specialist solicitor, Andrew Farley, believes the actual number of people who should qualify could be much higher.

"I think there are far more people who should be getting it, who aren't. If only they knew about it, they might consider looking into whether or not they're entitled to it," he says.

The challenge for families

The financial impact of later-life care also extends to the wider family. The 2021 census revealed 5.8 million unpaid carers in the UK, often with a knock-on impact on careers and family finances.

Vivian says that caring responsibilities often fall to women in their late 40s and 50s. She says: "This can have a big impact on those caring as it limits or stops any paid work they can carry out. Caring



social care new solutions ▼



for elderly relatives is contributing to women's saving and retirement gap."

Data from *The 2025 Underpensioned report*, by Now Pensions, in partnership with the Pensions Policy Institute, reveals that carers' incomes are just 49 per cent of the national average, down from 55 per cent in 2020. Carers are one of the most underpensioned groups in the UK, with just a quarter of carers receiving Carer's Allowance eligible for auto-enrolment.

Now Pensions head of PR and campaigns, Samantha Gould, said at the time of the report's release: "Carers provide essential support that many depend on every day, yet they remain systemically disadvantaged in their ability to save for later life. We urgently need pension reform that acknowledges and supports the vital unpaid work that carers do to help provide greater financial security in retirement."

Now Pensions argues that expanding the auto-enrolment criteria, removing the £10,000 auto-enrolment trigger and scrapping the lower earnings limit would help more carers save for retirement. In addition, introducing a family carers' pension top-up would ensure that carers can continue to pay into their pension during periods of unpaid care.

According to Carers UK chief

executive, Helen Walker, employers also play a crucial role in supporting flexible work arrangements. Commenting in a recent press release, she said: "An understanding line manager, flexible working and paid carer's leave can all make a difference – helping employees to look after their own health and wellbeing, as well as the person they care for."

Sidecar pension savings?

Although pensions can help with care costs, few retirees have enough income to fund full-time care. Nursing care in a care home costs an average of £80,000 per year, according to figures from Carehome.co.uk, while average income for a single pensioner stands at under £15,000, according to data from the Department for Work and Pensions.

Jenkins notes that a lack of pension adequacy for many pension savers makes it challenging for pensions to offer a viable solution.

"In an ideal world, people would have sufficient pensions savings to pay for care, but until we increase minimum contribution rates, and allow time for savings to build, there will likely be a gap in funding for many," he says.

There is an industry focus on sidecar

savings for short-term needs, but a similar solution for care costs is complex when costs vary significantly. Jenkins says: "Sidecar savings could be used, but this is only likely to work in practice if people start making provisions at an early age, when instead they tend to be more focused on other things, for example, buying a house."

Other potential options could include allowing tax-free withdrawals from defined contribution pensions to fund care costs, says St James's Place divisional director, Tony Mudd. This would equalise the tax treatment between pensions and care annuities – income from an immediate-care annuity is typically tax-free if it's paid directly to the care provider.

Barriers for insurers

Besides pensions, insurance-based products could allow risks to be pooled across retirees, though several barriers still need to be addressed. Currently, care annuities are only accessible after a care need has already been identified.

Jenkins says that the lack of a cap on fees makes it difficult for insurers. "The availability of such products is very limited, primarily as it is difficult to insure the cost of care when there is no limit."

Mudd adds that a broader challenge lies in low public awareness of care costs, which limits the appeal of potential financial products. "The issue is that no one's going to buy a policy – spend money on something that they don't know that they have a responsibility for."

He says the government needs to educate the public about care costs and their potential impact on finances.

He concludes: "For many people, these are the biggest costs they ever have. And if they don't know about it, how can they possibly prepare for it?"

Written by Alice Guy, a freelance journalist



Extended deadline 25 July 2025



emerging markets investment ▼



Debt worth having?

Whilst emerging market debt has traditionally been a small proportion of pension schemes' portfolios, recent resilience amid market volatility suggests that this could be debt worth having. Sandra Haurant reports

gainst the backdrop of US
President Donald Trump's
trade war tariffs and violent
conflict in the Middle East
and Ukraine, emerging market (EM)
debt has shown surprising levels of
resilience. J.P. Morgan's index of local
currency bonds of large EMs rose by
around 10 per cent, while the FTSE
World Government Bond index, made
up of developed markets, rose by 6.6 per
cent, according to the *Financial Times*.

Because, while Trump's initial announcement on trading tariffs sent

shockwaves around the world and left many thinking developing economies would suffer most, it appears investors have been increasingly drawn to this sector. EPFR said in May that EM bond funds had seen their biggest inflow in over two years.

It's perhaps not surprising, since it could be argued that these funds provide much-needed diversification, and notably alternatives to dollar-based assets, important in today's context.

In fact, some even argue that these smaller, growing markets could emerge from the trade wars relatively unscathed.

Aviva Investor EM sovereign analyst, Carmen Altenkirch, says: "Returns have been positive across all EM fixed income asset classes, but local currency stands out. Returns, year-to-date, are just shy of 10 per cent. This comes against a backdrop of heightened geopolitical and policy uncertainty. In years gone by, wider spreads would have been par for the course. This year, blink, and you missed episodes of risk-off."

Defined by diversity

EM debt falls broadly into four sections, local currency and hard currency (for example dollar denominated investments), corporate and government (or sovereign) debt.

But what exactly constitutes an EM? There is no real definitive answer, but according to EMTA, the trading association for EMs, the list of countries considered to be EMs usually includes Latin American countries like Argentina, Brazil and Mexico, as well as India, the Philippines, Romania and Russia. Territories including Czechia, Singapore and Turkey are also frequently considered to be emerging, too.

A very eclectic bunch, but there are uniting factors. EMTA says the countries are included in the group generally have some (but not necessarily all) of a number of key characteristics.

This includes a gross national product of less than \$9,385 (around £6,700);

Summary

- The list of emerging markets and developing economies is far from fixed, and the same goes for the ways in which these markets are defined.
- Emerging markets were a cause for concern when Trump's tariffs were announced but have largely turned out to be resilient particularly against a backdrop where developed markets can be shaken by unpredictable decisions.
- There are four main areas of emerging market debt sovereign and corporate, local currency and 'hard' currency.
- Traditionally a small proportion of a portfolio for pension schemes, there is room to grow allocations in this field and, according to some experts, good reason to do so.

recent or relatively recent economic liberalisation (for example, a reduction of the state's role in the economy, or removal of obstacles to foreign investment); debt ratings below investment grade and a recent history of defaulting.

Other key characteristics include the recent liberalisation of the political system with increased public involvement and not having membership of the Organisation of Economic Cooperation and Development (OECD).

So, although the term sounds all-encompassing, EMs are far from homogenous. Indeed, says XPS Group chief investment officer, Simeon Willis,: "EM debt shouldn't be thought of as one asset class. At one end of the spectrum, hard currency debt and investment grade debt can comfortably sit within a scheme's low risk bond portfolio as a natural diversifier to sterling corporate bonds."

The pension question

Historically, pensions have kept relatively modest allocations to this area. According to the thinktank ODI Global, UK pension funds allocated £14.2 billion to EM in

✓ investment emerging markets

2022, just 0.5 per cent of assets under management. And yet, ODI Global says that EM bonds have outperformed developed market bonds since 2010.

"EM debt has traditionally been a relatively small part of pension schemes' portfolios for understandable reasons, but this is steadily changing," says Willis.

"There are several quite fundamental technical features of different EM debt assets, which have a significant bearing on the role they can take in a pension scheme's portfolio.

"When combined with suitable hedging strategies, the risk profile is directly comparable to other non-sterling developed market bonds and is an obvious opportunity for schemes looking to migrate to a low dependency low risk portfolio."

Local currency heroes

But, Willis explains, because the largest component of debt issued by EMs is in local currency, this translates into a significant currency risk which is, says Willis, "very expensive to hedge".

As a result, he says: "These don't really have a role in scheme's low risk bond portfolio. Instead, there can be a role for them in the growth portfolio – but even here the size of allocation needs to avoid being too great."

Payden & Rygel senior vice president, business development, Dennis Kwist, adds: "In traditional DC (as in the UK), EM debt is very under-allocated, as there is a stronger preference to equities. That being said, Nest has a 6 per cent allocation to EM debt in its most aggressive fund allocation."

In other parts of Europe, pensions have tended to invest greater proportions of their portfolios in EMs, and funds are available on DC platforms, but, Kwist says, the allocation is lower compared to equities and a home bias remains prevalent.

Still, he says: "The traditional DB pension countries, like Denmark, Finland, Switzerland, and Netherlands,

have had long-standing allocations to EM debt, at about 5 per cent. That has changed little and has somewhat reduced as allocations to private debt have increased. In the Netherlands, with the move from DB to DC, expectations are that high yield and EM debt allocations will increase, as investors will be able to take more risk, but with a need for liquidity."

"We believe that EM debt can provide attractive returns and help diversify equity risks as members approach retirement"

Where in the world?

A drive towards EMs could be beneficial for pensions in the current climate, argues Payden & Rygel managing director, Kristin Ceva. But in a field this broad and varied, there are geographical areas that stand out.

"EM debt remains underappreciated despite offering attractive income with 7–8 per cent yields, broad diversification, with up to 80 countries, and exposure across sovereign, corporate, and local currency markets," says Ceva.

"We see value in local bond markets, including Brazil, Mexico, Peru, Indonesia, Hungary, Czechia, Turkey, South Africa and Egypt."

For sovereign credit, Ceva cites opportunities in countries such as: "Argentina, Uzbekistan, Paraguay, Costa Rica, Guatemala, Sri Lanka, Mexico, Hungary, Ghana, Zambia, Morocco and Albania, among others."

And in the corporate space, there are "a variety of interesting opportunities", Ceva says. "A few we like are Brazilian consumer, industrial and transportation companies, financial and utility names in Mexico, utility and telecom companies in India, Peruvian financials, Guatemalan consumer and Chilean utilities."

A different future

Looking ahead, of course, there is too much uncertainty for any firm predictions. But it is nonetheless likely that EMs will remain an area of interest on the DC side of things, says XPS Group head of DC investment, Mark Searle.

"For DC schemes, we believe that EM debt can provide attractive returns and help diversify equity risks as members approach retirement as part of a liquid credit portfolio," he says. Indeed, in a recent provider survey by XPS Group, nearly 80 per cent of master trusts said they had some exposure to the asset class within their default investment options.

Proportions of allocations remain relatively small, but nonetheless form a consistent element in a diversified portfolio, according to the study, he says: "To a greater or lesser degree, the majority of respondents utilise EM debt conservatively within the consolidation phase of the glidepath, though some do have small allocations within growth phases as well.

"In line with our findings for DB schemes, exposure is largely accessed through global high yield bond funds, which are likely to be the strategic allocation rather than selecting EM debt in isolation."

Ultimately, Altenkirch says: "All-in yield across EMs remains attractive. In many respects, the 'fiscal fears' that have plagued EMs in the past, have shifted to developed markets. Comparatively, the risk profile of many EMs investment grade sovereigns is stronger than that of some developed market countries."

As such, she says, EM allocations could be useful diversifying tool within a fixed income portfolio.

"This is particularly true for pension funds, that are looking for steady returns," she adds.

► Written by Sandra Haurant

global pensions opinion s



Lessons from abroad

What can the UK pensions sector learn from other countries' pensions systems?



The UK has become markedly better at looking beyond its borders and learning from the experiences of other countries. To use the pensions dashboards as one great example of this, introducing developments

from our friends overseas can have a real impact. Inspiration for the reforms set out in the Pension Schemes Bill has clearly been taken from the likes of Canada and Australia, both countries having now seen the successes of consolidation. Yet we should be mindful that just because a policy has been successful in one country, it doesn't automatically mean it will necessarily be the case in the UK, or that it will have the same impact: Historical, societal, and cultural differences mean that results may be different. It is also important to ensure we learn from what hasn't gone so well in those other markets; there are plenty of lessons to be learnt from Australia and the challenges of implementing a value for money framework, and tackling the decumulation challenge.

► Independent Governance Group head of policy and external affairs, Lou Davey



Automatic enrolment (AE) has been a huge success in the UK and whilst debate rages on the adequacy of contributions, the bigger challenge is that it only covers 55 per cent of the working population. A significant proportion of those

not covered are the self-employed. Irregular earnings and sometimes uncertainty of capacity for saving until the year end mean that it is hard to fit them into the current AE framework easily. The UK could learn a lot from the introduction of RendA+ (Retirement Extra Income) in Brazil – an approach pioneered by Arun Muralidhar. Individuals are able to buy (and sell) units of pension via an app. So, they can buy for example £10pa pension, indexed to inflation, payable from their chosen retirement age. They can buy extra pension at the press of a button, when they have extra money and potentially sell if they subsequently need extra cash. The app encourages them to set a target level of income and records progress towards their target – encouraging them to buy more pension and only sell if they need to. Perfect for the self-employed in the UK and it creates positive cashflow for the government too.

► LCP partner, David Fairs



The UK is rapidly learning some of the right lessons – particularly on the importance of scale and value for money (VFM) - from Australia's successful DC system, as reflected in the recent pensions bill.

The total value of superannuation assets in Australia is AU\$4.2 trillion, delivering strong outcomes for members through large-scale default funds. These benefit from scale efficiencies and access to alternative assets at the right price. Consolidating the UK's DC market into fewer, larger institutions is the most effective way to encourage

diverse long-term investment strategies, including infrastructure and private markets more widely.

Australia's focus on net returns as the core VFM metric has also proven effective. The UK's movement in this direction is encouraging. It should also look to build on Australia's performance test, which aims to measure a fund's performance beyond net returns.

FIFM Investors executive director, public affairs, Gregg McClymont

♥ opinion global pensions



The government is introducing value for money metrics in the UK, which are intended to give pension professionals a clear insight into the value offered by workplace pension schemes. The metrics will look at investment

performance, costs and charges and service quality and communications and may be expanded in consultation to cover other areas too.

With a proposed launch in 2028, it's likely that this information will also be used to communicate with consumers. In Australia, consumer facing measures, like 'net benefit', are a fixture of the superannuation market. UK policymakers and the pensions sector need to understand how this has worked in Australia as, when value for money metrics launch in the UK, they won't stay professional facing for long.



People's Partnership head of policy, Tim Gosling



Looking globally, it's interesting to reflect on some of the different approaches countries have taken towards retirement savings. Take New Zealand for example,

where pension funds can be accessed both when buying a first home and at retirement – actively engaging younger savers. Or in Australia, with its highly centralised system and higher employer contributions. Both these approaches have positively influenced both public perception of the industry locally, and financial awareness across the younger generation – a challenge we know the UK is yet to fully tackle.

ZEDRA Inside Pensions managing director, Manjinder Basi



We could learn a lot from Estonia. Not the usual pensions reference point, but a smart one. They treat digital infrastructure as national infrastructure. Every citizen has a secure digital ID, and services like health, tax and pensions are fast, joined up and fully online. People can

access and control their own data with ease. Meanwhile, UK pensions still rely on clunky portals, posted forms and fragmented systems. We talk a lot about engagement, but rarely make it easy to engage. What we should borrow is Estonia's mindset. Assume the member owns their data and build systems that are clear, fast and trustworthy. Let people view, update and act on their benefits without needing to be experts or chase paperwork. And yes, this all depends on that dreadful word: interoperability. It sounds like jargon, but it really just means systems that talk to each other properly. Estonia has cracked it with one connected backbone linking services, so people aren't stuck repeating themselves or waiting for paper to catch up.

Trafalgar House client director, Dan Taylor



Recent developments in retirement markets show that the challenges facing UK members, such as delivering sustainable income in retirement, are part of a wider international issue.

Encouragingly, Australian regulators echoed Isio's four key principles for default decumulation: Stable and sustainable income for life, revocability, bequest and flexibility. Following the recent Pension Schemes Bill announcements, it is promising to see the UK building on its reputation as one of the world's strongest pension systems and moving in a direction to help address challenges in the UK and globally.

► Isio partner, Richard Birkin



Pensions have often existed in a bit of an ivory tower. And one of the most heartening developments of recent years has been the increasing willingness of the industry to look outwards – to other countries, and other

sectors to learn what more we can do to improve retirement outcomes. In the Netherlands and Denmark, for instance, pensions dashboards are simple to use and widely trusted because they were designed collaboratively – with input from government, providers and, crucially, the people using them. Sweden's flexible retirement model, where people can ease into retirement gradually, shows the value of working closely with employers to support changing needs.

PMI chief strategy officer, Helen Forrest Hall

final thoughts coffee break N



Pensions history

It's always about tax

Tuly is usually a time for thinking about holidays, sun and relaxation. In July 1917 more serious things were afoot.

The previous July had witnessed the Battle of the Somme, one of the bloodiest of the First World War. This July saw the beginning of the Third Battle of Ypres – better known as Passchendaele – which ended only in November that year.

In London, 11 men sat at a table and discussed pensions. Tax policy was high on the agenda: Although some employers already sponsored pension schemes, incentives would surely lead to the practice becoming widespread. The lobbying efforts of those people bore fruit in the tax relief framework established by the Finance Act 1921, which kickstarted a vast expansion in occupational pensions coverage. A perfect example of tax policy driving a desired outcome.

Could the use of tax policy be extended to encourage objectives such as investment in British business and infrastructure? Instead of compulsion, tax relief could be restricted to those who complied with requirements. Since tax reliefs come out of the public purse

it is argued, they should be used for the greater good.

But giving tax relief on this principle could be controversial. Civil servants, for example, enjoy a disproportionate share of tax reliefs, escaping income tax on very high contributions made by their employer. Would the interests of the public good and taxpayer suggest that these reliefs should be balanced in some way, perhaps by productivity improvements?

www.pensionsarchivetrust.org.uk/ourcollections

Pensions Archive Trust director, Jane Marshall

▼ The bright side

Pensions Age takes a closer look at some of the recent good news stories in the pensions industry...

The Pensions Regulator has launched an Innovation Support Service that aims to help the pensions industry build solutions with savers at their heart. The service held its first event recently – a policy hackathon focused on generating creative ideas for solving some of the biggest problems in pensions.



The event brought together pensions professionals, service designers, and fintech founders to develop answers to issues including decumulation, financial literacy, supporting self-employed people, improving administration and member experience, and promoting environmental, social, and governance principles.

Key ideas raised as part of the hackathon include suggestions for a flexi fund for the self-employed, a personalised financial goal app, and an AI financial adviser. Industry experts also raised ideas around potential community designed investments and tools to enable joint pensions visibility.

PENSION MATTERS by FRAN



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HEAD OF PENSIONS

Location: Corten House, Durham plus Hybrid Working Salary: 91,872 p.a. (HOS3) plus benefits, relocation support and 25/26 pay award pending

GROUP MANAGER, FUNDING, INVESTMENT & RISK

Location: Hybrid working from home and our office at Keynsham Civic Centre, Keynsham, Bath & North East Somerset Salary: 82,224 - £90,091 per annum. (£42.62 - £46.70 per hour) - Pay Award Pending plus 10% market supplement.

IN-HOUSE PENSIONS GOVERNANCE & TRUSTEE SECRETARY

Location: Hybrid/London office 3 days a week Salary: Excellent total reward package

PENSIONS LEAD

Location: Hybrid / London Office 3 times per week Salary: up to c.£72,000pa

DEPUTY PENSIONS MANAGER, IN-HOUSE

Location: Hybrid/Surrey offices 2 days a week Salary: competitive package + comprehensive benefits

SENIOR PENSION TRUSTEE GOVERNANCE CONSULTANT

Location: London, with partial homeworking Salary: Dependent on experience

SENIOR SYSTEMS DEVELOPER

Location: Hybrid/London or Work from home Salary: excellent

ASSISTANT PENSIONS MANAGER - SCHEME SECRETARIAL

Location: Hybrid c.2 days in the office per week/London, Greater Manchester or Scotland

Salary: £40000 - £50000pa + excellent benefits

ASSISTANT PENSIONS MANAGER - SCHEME

Location: Hybrid/London, Greater Manchester or Scotland Salary: To c.£50000 pa + Excellent Benefits

PENSIONS PROJECT MANAGER

Location: Hybrid/London, Berkshire, Greater Manchester or Scotland Salary: Competitive







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Project Manager

Hybrid/Locations Countrywide £55000 - £70000 per annum

Excellent opportunity for a Pensions Project Manager to join a thriving project management team, to deliver a variety of client facing and internal pension change projects. Ref: 72402 BC

Technical and Compliance Lead Manager

Hybrid/Kent up to £60000 per annum

Are you an experienced solution-focused Team Leader with an in-depth LGPS knowledge ready to lead a Technical and Training team?

Ref: 101739 JW

Pensions Specialist

Hybrid/Warwickshire £in line with experience

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Assistant Manager Corporate Pensions

Hybrid/Bedfordshire £competitive

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Trainee Pensions Consultant

Flex Hybrid/Hampshire or Essex to c.£45000 per annum

Have you built a strong foundation in DB pension scheme arrangements within a consultancy environment? A role has become available to join and support this high-calibre Consulting team. Ref: 95375 NMJ

Senior Pensions Administrators

Work from home £competitive

Fantastic opportunity for remote-working, established DB Senior Pensions Administrators to join this growing team! Take your experience forwards and support in the growth and development of the team. Ref: 101145 NMJ

Associate Client Director

Hybrid/c.2 days per week London office to £45000 per annum

Looking to take the next step up in your career? Support with some of the smaller client requirements and receive development across the breadth of the Client Director remit to support your progression. Ref: 101277 NMJ

EMEA Pensions and Benefits Analyst

Office Based/West Midlands £competitive

Exceptional opportunity for a keen Pensions professional with experience working with either Benefits or DB/DC pension scheme arrangements, who will be seconded to a leading financial institution. Ref: 98403 NMJ

Junior Pensions Administrators

Office Based/West Midlands £in line with experience

Exciting opportunity for a keen and ambitious recent school leaver/entry-level professional looking to enter the pensions industry and build a career. Ref: 95441 NMJ

Professional Trustee

Hybrid 3 days a week London or North West offices £six

Superb opportunities with this highly reputable Professional Trustee business, for skilled Pensions professionals seeking a progressive career move. Ref: 70402 SB

Senior Pensions Manager & Professional Trustee

Hybrid/UK Wide £competitive + bonus

Key senior opportunity with this growing outsourced pensions management and scheme secretarial team with opportunity to take on professional trustee appointments. Ref: 80225 SB

Pensions Manager, In-house Corporate Facing Team

Hybrid/2 days a week London office £competitive

Highly varied, career move, with a collaborative team supporting a £multibillion pension fund. Would suit a 1-2 year post qualified FIA or stopped study. Ref: 81838 SB

DC Consultants - All Levels

Hybrid/UK Wide £in line with role

Business area is growing and we're looking for candidates Consultant level through to Partner for this market-leading consultancy. Develop your career and work on an exceptional portfolio of clients. Ref: 74009 BC

Pensions Governance & Trustee Secretary

Hybrid 3 days a week London office £attractive

Great opportunity to utilise your Pensions technical and governance expertise along with trustee secretarial exposure joining the in-house team of this £multi-billion Pension fund. Ref: 102234 SB

Assistant Pensions Manager

Hybrid/2 days a week Surrey office £in line with experience

Exceptional, progressive in-house appointment for a motivated Pensions professional. M&A and TUPE knowledge beneficial. Ref: 71351 SB

Pensions Manager

Hybrid/Offices Countrywide

Unique opportunity to be part of an outsourced pensions management and scheme secretarial team for a well-respected pensions consultancy.

Ref: 79753 BC

Specialist Consultant

Hybrid/Offices Countrywide £competitive

Excellent opportunity to join a market-leading Pensions consultancy and help shape and deliver services to clients through their buy-out and wind-up journey. Ref: 99956 BC

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Hybrid/UK Wide £superb

Leading Pensions Consultancy seek a client-facing pensions specialist adept at delivering data solutions. Ref: 69890~BC











Recruitment Specialist







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Senior Pensions Administrator Up to £40,000pa Herts, 60% office/40% home working

Our client is looking for a detail-driven, proactive Pension Administrator to join their large in-house Administration team. You'll play a key role in managing technical pension calculations & supporting DB scheme processes, helping deliver an exceptional service to employees & ensuring regulatory compliance. You are working (or have previously) as an occupational pensions administrator & are now keen to move up or out to a new employer & new team, where the work you do really matters. You possess DB pensions administration experience (in-house or third party), have a strong grasp of UK pension legislation, high accuracy, an analytical mindset, good IT skills & great communication skills.

Pensions Admin. Consultant Up to £60,000pa

Central London, 40% office/60% home

Do you love working with people, building client relationships, & making a tangible difference through your expertise? If so, this is an exciting opportunity to further your career in pensions administration within a dynamic, supportive, & collaborative environment. This is a key client-facing role where you'll be responsible for overseeing the delivery of highquality administration services & ensuring clients receive expert advice & support tailored to their needs. You'll have the opportunity to work with a wide range of clients, manage & develop talented teams, & play an active role in shaping our client's service delivery. A role for someone who blends technical expertise with relationship management.

Pension DB Administrator

Early £40's

Hampshire. 40% office/60% home

DB15857

DB15848

Our client is now hiring experienced DB Pension Administrators to join their dynamic & friendly team at this office. You will work as part of a dedicated team managing a variety of DB pension schemes. You'll handle complex cases, dealing with calculations, & client communications. In this supportive environment you will get to mentor junior colleagues, stay current with legislation, & contribute to process improvements. There will be plenty of opportunities to take on more responsibility as you develop. Our client offers a structured career path, full training, & the chance to build strong client relationships while expanding your technical knowledge. If you are looking to grow your career this role is for you.

> **Contact Dianne Beer** dianne@abenefit2u.com 0207 243 3201 / 07747 800 740

Pension Lead Up to circa £70,000pa plus benefits 3 days per week in London TD15860

Are you ready to take the reins of a complex, high-impact pension portfolio at the heart of public service? We're seeking a Pensions Lead with a sharp strategic mind and deep technical expertise to manage the end-to-end delivery of a multifaceted pension service. You'll Lead pension strategy, governance and delivery across public sector schemes. Collaborate with thirdparty providers to ensure top-tier service, accuracy and compliance. Be the expert voice on complex issues such as taxation, the McCloud remedy, and scheme transitions.

In-depth knowledge of occupational pensions schemes including DB and CARE. Civil service, Emergency Services or public sector pension schemes experience is highly beneficial.

Pensions Technician

Up to £35,000pa

Twice per week in London

TD15844

Are you a Pensions Administrator looking for an exciting Citybased role? Enjoy the buzz of working in the City whilst retaining a couple of days per week working from home if that is what you want to do! This employer values an excellent work-life balance – with a 35-hour week, flexible working hours, generous holiday allowance, excellent pension contributions and even yoga at lunch-time. You will have good Defined Benefit administration experience, gained from either an in-house scheme or Third-party administrator. You will be administering the Scheme's benefits in accordance with Scheme Rules and agreed processes and methods. Experience of all types of member and scheme events would be ideal.

Snr. Administrators & Team Leaders

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Excellent opportunities (100% remote an option for some) available at this large Consultancy where you will take on more advanced calculations and complex schemes (DB and/or DC) and play an active role in mentoring and checking the work of the Pension Administrators.

Proven experience in Defined Benefit occupational pension administration and the ability to juggle multiple priorities while maintaining excellent attention to detail is ideal. We are looking for someone who enjoys coaching & collaborating and someone who excels at helping others grow and succeed. You will be proficient in Excel, Word, and comfortable navigating pension admin systems.

> **Contact Tasha Davidson** tasha@abenefit2u.com 0208 274 2842 / 07958 958 626

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